Orange County Transportation Authority

Finance and Administration Committee Agenda
Thursday, May 21, 2026 at 10:30 a.m.

Board Room, 550 South Main Street, Orange, California

Committee Members

Michael Hennessey, Chair
Patrick Harper, Vice Chair
Jamey M. Federico
William Go
Carlos A. Leon
Vicente Sarmiento
Mark Tettemer

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Agenda Descriptions

Agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Committee may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Meeting Access and Public Comments on Agenda Items

Members of the public can either attend in-person or access live streaming of the Committee meetings by clicking this link: https://octa.legistar.com/Calendar.aspx

In-Person Comment

Members of the public may attend in-person and address the Board regarding any item within the subject matter jurisdiction of the Orange County Transportation Authority. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

Written Comment

Written public comments may also be submitted by emailing them to ClerkOffice@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda Item, please identify the Item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

Call to Order

Pledge of Allegiance

Director Go

Closed Session

There are no Closed Session items scheduled.

Special Calendar

There are no Special Calendar matters.

Consent Calendar (Items 1 through 12)

1. Approval of Minutes

Recommendation(s)

Approve the minutes of the April 16, 2026 Finance and Administration Committee meeting.

Attachments:

Minutes

2. Investments: Monthly Reporting July 1 through December 31, 2025, Internal Audit Report No. 26-510

Jonathan Thompson/Janet Sutter

Overview

The Internal Audit Department has completed an audit of investment reporting for the period July 1 through December 31, 2025. Based on the audit, the Orange County Transportation Authority complied with its investment reporting policies and procedures, and reported investments comply with the Investment Policy; however, the Internal Audit Department made two recommendations related to the timeliness of the Investment and Debt Programs Reports' review and the presentation of Investment and Debt Programs Reports' schedules.

Recommendation(s)

Direct staff to implement two recommendations provided in Investments: Monthly Reporting, July 1 through December 31, 2025, Internal Audit Report No. 26-510.

Attachments:

Staff Report
Attachment

3. Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Buena Park
Janet Sutter

Overview
Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Buena Park and the Orange County Transportation Authority. Based on the procedures performed, the City of Buena Park obtained an unmodified opinion on its Annual Comprehensive Financial Report for the year ended 2025, spent sufficient funds to meet the required minimum maintenance of effort, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance. Auditors identified expenditures related to two projects that were not listed on the City of Buena Park's Seven-Year Capital Improvement Program Report; however, a revised report was prepared during the review.

Recommendation(s)
Receive and file as an information item.

Attachments:

Staff Report
Attachment A

4. Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Huntington Beach
Janet Sutter

Overview
Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Huntington Beach and the Orange County Transportation Authority. Based on the procedures performed, the City of Huntington Beach obtained an unmodified (clean) opinion on its Annual Comprehensive Financial Report for the year ended 2024, spent sufficient funds to meet required minimum maintenance of effort expenditures, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance.

Recommendation(s)
Direct staff to monitor to ensure submission of an updated Fiscal Year 2024-25 Expenditure Report from the City of Huntington Beach.

Attachments:

Staff Report
Attachment A

5. Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2025
Janet Sutter

Overview
Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to nine cities and Senior Non-Emergency Medical Transportation funds provided to the County of Orange for the fiscal year ended June 30, 2025. Local Fair Share reports include observations of disallowed maintenance of effort expenditures, misreporting of direct and indirect costs, expenditure report errors, and incomplete Capital Improvement Program reports. The County of Orange Senior Non-Emergency Medical Transportation program report included no observations.

Recommendation(s)
Direct staff to monitor implementation of corrective actions by cities, as applicable.

Attachments:

Staff Report
Attachment A
Attachment B
Attachment C

6. Orange County Local Transportation Authority Report on Compliance with the Measure M2 Ordinance, Year Ended June 30, 2025
Janet Sutter

Overview
Crowe LLP, an independent accounting firm, has issued results of its audit of the Orange County Local Transportation Authority's compliance with the Measure M2 Ordinance for the year ended June 30, 2025. The auditors found that the Orange County Local Transportation Authority complied, in all material respects, with the compliance requirements of the Measure M2 Ordinance for the year ended June 30, 2025. In addition, no reportable deficiencies in internal control over compliance were identified.

Recommendation(s)
Receive and file as an information item.

Attachments:

Staff Report
Attachment A

7. Audit of Toll Lanes Integrator System

Ricco Bonelli/Janet Sutter

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of oversight, contract compliance, and invoice review controls related to the contract with Kapsch Trafficom USA, Incorporated, for provision of toll lanes integrator systems. Based on the audit, management should implement controls to ensure contract terms are enforced, damages and fee adjustments are applied, work is not authorized until applicable amendments are executed, and invoice packages are complete.

Recommendation(s)

Direct staff to implement four recommendations provided in the Audit of Toll Lanes Integrator System, Internal Audit Report No. 26-501.

Attachments:

Staff Report

Attachment A

8. Annual Insurance Program Renewal

Greg Bych/Maggie McJilton

Overview

The Orange County Transportation Authority holds an Excess Workers' Compensation Insurance Policy with Safety National Insurance Company, a Property Insurance Policy with Zurich Insurance Company, and express lanes property insurance with Zurich Insurance Company, Munich Re Insurance, and AIG Specialty Insurance Company. The policies are scheduled to expire on June 30, 2026, and renewals are necessary to maintain coverage.

Recommendations

A. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255099, in an amount not-to-exceed $746,148, to Marsh Risk and Insurance Services, Inc., to purchase excess workers' compensation insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

B. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255098, in an amount not-to-exceed $1,300,000, to Marsh Risk and Insurance Services, Inc., to purchase property insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

C. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255100, in an amount not-to-exceed $600,000, to Marsh Risk and Insurance Services, Inc., to purchase the 91 and 405 Express Lanes' property and flood insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

D. Authorize the Chief Executive Officer to remain fully self-insured for general liability exposures and maintain a minimum liability reserve of $31.6 million as directed by the Board in June 2025, for the policy period of July 1, 2026, to June 30, 2027.

Attachments:

Staff Report

9. Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limit for Fiscal Year 2026-27
Sam Kaur/Andrew Oftelie

Overview
The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation(s)
Adopt Orange County Transportation Authority Resolution No. 2026-019 to establish the Orange County Transportation Authority General Fund appropriations limit at $16,950,578, for fiscal year 2026-27.

Attachments:

Staff Report
Attachment A
Attachment B

10. Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limit for Fiscal Year 2026-27
Sam Kaur/Andrew Oftelie

Overview
The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation(s)
Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2026-020 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at $2,561,703,810, for fiscal year 2026-27.

Attachments:

Staff Report
Attachment A
Attachment B

11. Orange County Transportation Authority Investment and Debt Programs Report - March 2026

Robert Davis/Andrew Oftelie

Overview

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending March 31, 2026. The report has been reviewed and is consistent with the investment practices contained in the investment policy.

Recommendation(s)

Receive and file as an information item.

Attachments:

Staff Report
Attachment A
Attachment B

12. Annual Update to Investment Policy

Robert Davis/Andrew Oftelie

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2026-27 Investment Policy. The governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year. Additionally, and as recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Proposed Fiscal Year 2026-27 Investment Policy to be reviewed at a public meeting.

Recommendation(s)

A. Adopt the Fiscal Year 2026-27 Investment Policy, effective July 1, 2026.

B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2026-27.

Attachments:

Staff Report
Attachment A
Attachment B

Regular Calendar

13. 91 Express Lanes Back-Office System and Customer Service Center Consolidation with the 15 Express Lanes

Anthony Rodriguez/Kirk Avila

Overview

In October 2019, the Orange County Transportation Authority Board of Directors awarded an agreement to Cofiroute USA, LLC, for the back-office system and customer service center operations for the 91 Express Lanes in Orange and Riverside counties. The initial term of the agreement ends in January 2027. In August 2025, staff received direction from the Finance and Administration Committee to explore an option which would consolidate the 15 and 91 Express Lanes operations. Staff has evaluated potential options for the post-2027 environment. Benefits, estimated costs, and recommendations are provided for Board of Directors' review and consideration.

Recommendation(s)

A. Authorize the consolidation of the 15 and 91 Express Lanes back-office system and customer service center operations with Kapsch TrafficCom USA, Inc., the vendor currently providing back-office system and customer service center operations for the Riverside County Transportation Commission.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C255087 with the Riverside County Transportation Commission and Kapsch TrafficCom USA, Inc., a three-party agreement, in a not-to-exceed amount of $126,372,484, to provide back-office system and customer service center operations for the 15 and 91 Express Lanes.

C. Authorize the Chief Executive Officer to negotiate and execute the Amended and Restated Cooperative Agreement No. C-1-3190 for express lanes between the Riverside County Transportation Commission and the Orange County Transportation Authority.

Attachments:

Staff Report
Attachment A
Attachment B
Presentation

14. Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2026-27 Budget and Personnel and Salary Resolution

Victor Velasquez/Andrew Oftelie

Overview

The Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The proposed budget continues to strengthen the Orange County Transportation Authority's long-term financial sustainability by maintaining a structurally balanced plan with no unplanned use of reserves, while advancing the Board of Director's Strategic Initiatives and delivering reliable transportation services.

The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget following the public hearing to be held at the Board of Directors' meeting on June 8, 2026, at the following Board of Directors meeting on June 22, 2026, or in a special meeting convened at their discretion, on or before June 30, 2026. The Board of Directors are also asked to approve the Personnel and Salary Resolution as part of the budget approval process.

Recommendation(s)

A. Approve by Resolution the Orange County Transportation Authority Fiscal Year 2026-27 Budget.

B. Approve the Personnel and Salary Resolution for fiscal year 2026-27.

C. Approve the update to the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.

D. Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders, and/or agreements.

E. Approve up to $14.5 million for the fiscal year 2026-27 Orange County Transportation Authority contribution to the Southern California Regional Rail Authority operating subsidy to support Metrolink service through the first quarter of the fiscal year. Funding for operations, as well as capital and rehabilitation expenditures for the remainder of the fiscal year, is contingent upon a formal budget request from Metrolink and approval by the Orange County Transportation Authority Board of Directors, and concurrence from all member agencies.

Attachments:

Staff Report
Attachment A
Attachment B
Attachment C
Attachment D
Presentation
Attachment E
Handout

Discussion Items

15. Public Comments

16. Chief Executive Officer's Report

17. Committee Members' Reports

18. Adjournment

The next regularly scheduled meeting of this Committee will be held:

10:30 a.m. on Thursday, June 18, 2026

OCTA Headquarters
550 South Main Street
Orange, California

Committee Members Present	**Staff Present**
Michael Hennessey, Chair	Darrell E. Johnson, Chief Executive Officer
Patrick Harper, Vice Chair	Jennifer L. Bergener, Deputy Chief Executive Officer
Jamey M. Federico	Gina Ramirez, Assistant Clerk of the Board
William Go	Sahara Meisenheimer, Clerk of the Board Specialist
Carlos A. Leon	Andrea West, Clerk of the Board
Vicente Sarmiento	James Donich, General Counsel
	OCTA Staff

Committee Members Absent
Mark Tettemer

Call to Order

The April 16, 2026, regular meeting of the Finance and Administration Committee was called to order by Committee Chair Hennessey at 10:30 a.m.

Special Calendar

1. Investment Management Presentation – PFM Asset Management

Chris Harris and Monique Spyke, PFM Asset Management, provided a presentation on this item.

No action was taken on this item.

Consent Calendar (Items 2 through 12)

A motion was made by Director Federico, seconded by Director Sarmiento, and declared passed by those present, to approve the Consent Calendar (Items 2 through 12). Director Go was not present to vote on these items:

2. Approval of Minutes

Approve the minutes of the March 19, 2026, Finance and Administration Committee meeting.

3. Fiscal Year 2025-26 Internal Audit Plan, Third Quarter Update

Receive and file as an information item.

4. Contractor Safety Management Program, Internal Audit Report No. 26-506

Direct staff to implement two recommendations provided in Contractor Safety Management Program, Internal Audit Report No. 26-506.

5. Cooperative Agreements with Special Services Agencies for Provision of OC ACCESS-Eligible Transportation, Internal Audit Report No. 26-509

Receive and file as an information item.

Director Hennessey pulled this item for a comment.

6. Approval to Sell Surplus Land for the Interstate 5 Improvement Project Between State Route 73 and Oso Parkway

A. Direct staff to sell the surplus land located within the Interstate 5 Improvement Project between State Route 73 and Oso Parkway.

B. Authorize the Chief Executive Officer to negotiate and execute the necessary documents to complete the sale of the surplus land for the offer price of $172,516.

7. 405 Express Lanes Update for the Period Ending - December 31, 2025

Receive and file as an information item.

8. 91 Express Lanes Update for the Period Ending - December 31, 2025

Receive and file as an information item.

9. Amendment to the 91 Express Lanes Riverside County Transportation Commission / Orange County Transportation Authority Facility Agreement

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 11 to Agreement No. C-5-3828 between the Orange County Transportation Authority and the Riverside County Transportation Commission in the amount of $550,000 for the reimbursement of shared operational expenses through June 30, 2027.

10. Approval of the Fiscal Year 2026-27 Local Transportation Fund Claim for Laguna Beach Public Transportation Services

A. Approve the Laguna Beach Municipal Transit Lines Fiscal Year 2026-27 Local Transportation Fund Claim for public transportation services in the amount of $1,480,411.

B. Authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

11. Approval of the Fiscal Year 2026-27 Local Transportation Fund Claim for Public Transportation and Community Transit Services

A. Approve the Orange County Transit District Fiscal Year 2026-27 Local Transportation Fund Claim for public transportation services in the amount of $205,036,189, and for community transit services in the amount of $10,869,295 for a total claim amount of $215,905,484.

B. Authorize the Chief Executive Officer to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the full amount of the claims.

12. Orange County Transportation Authority Investment and Debt Programs Report - February 2026

Receive and file as an information item.

Regular Calendar

13. Orange County Transportation Authority Fiscal Year 2026-27 Budget Workshop Preview

A motion was made by Director Sarmiento, seconded by Director Leon, and declared passed by those present to review the fiscal year 2026-27 proposed budget in a workshop setting following the regularly scheduled Orange County Transportation Authority Board of Directors meeting on May 11, 2026.

Director Federico was not present to vote on this item.

Discussion Items

14. Public Comments

There were no public comments.

15. Chief Executive Officer's Report

Darrell E. Johnson, Chief Executive Officer, reported on the following:

- Mayor's Forums
- OC Bus Commute Calculator for Earth Day

16. Committee Members' Reports

There were no Committee Member’s reports.

17. Adjournment

The meeting adjourned at 11:27 a.m.

The next regularly scheduled meeting of this Committee will be held:

10:30 a.m. on Thursday, May 21, 2026
OCTA Headquarters
550 South Main Street
Orange, California

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Investments: Monthly Reporting July 1 through December 31, 2025, Internal Audit Report No. 26-510

Overview

The Internal Audit Department has completed an audit of investment reporting for the period July 1 through December 31, 2025. Based on the audit, the Orange County Transportation Authority complied with its investment reporting policies and procedures, and reported investments comply with the Investment Policy; however, the Internal Audit Department made two recommendations related to the timeliness of the Investment and Debt Programs Reports' review and the presentation of Investment and Debt Programs Reports' schedules.

Recommendation

Direct staff to implement two recommendations provided in Investments: Monthly Reporting, July 1 through December 31, 2025, Internal Audit Report No. 26-510.

Background

The Treasury Department (Treasury) is responsible for the management of the Orange County Transportation Authority's (OCTA) Investment Portfolio (Portfolio). On December 31, 2025, the Portfolio's book value was approximately $3.2 billion. The Portfolio consists of three managed portfolios: the liquid portfolio for immediate cash needs, a bond proceeds portfolio to meet Measure M2 transportation program needs, and the short-term portfolio for future budgeted expenditures. OCTA's Treasurer manages the liquid and bond proceeds portfolios, and four external investment managers administer the short-term portfolio. OCTA also has investments in debt service reserve funds for various outstanding debt obligations.

The Investment Policy (Policy) sets forth guidelines for all OCTA investments to ensure conformance with the California Government Code. The Policy outlines permitted investments as well as diversification guidelines. The diversification limits ensure the Portfolio is not unduly concentrated in securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Discussion

The department manager reviews monthly Investment and Debt Programs Reports (Reports) to confirm accuracy and completeness and documents these reviews using a checklist that is electronically approved. The Internal Audit Department (Internal Audit) noted that three of six monthly Reports reflected review after upload of the reports for inclusion on Finance and Administration Committee (Committee) and Board of Directors (Board) agendas. Internal Audit recommended management ensure Reports are reviewed and approved prior to inclusion on Committee and Board agendas. Management agreed and will ensure documentation of the formal approval prior to inclusion on Committee and Board agendas.

Monthly Reports schedules would be improved with the inclusion of references and explanatory notes. While the investment compliance schedule includes a note about the total amount of variable and floating rate securities and its percentage of the portfolio in comparison to the 30 percent Policy limit, the detailed portfolio listing does not identify which securities are variable and floating rate securities. Also, a transaction activity schedule was added to present purchases, dispositions, and maturities/call redemptions; however, it excludes money market fund sweep transactions, paydowns, and coupon activity, without explanatory notes. Finally, investment of prepaid Express Lanes customer account balances has been added to the investment compliance schedule and the portfolio listing, but only the investment compliance schedule includes a note describing how these prepaid customer account balances represent customer liabilities. Internal Audit recommended management enhance the Reports with references and explanatory notes, and management agreed to include the recommended explanatory references and footnotes going forward.

Summary

Internal Audit has completed an audit of investments for the period July 1 through December 31, 2025, and has offered two recommendations for improvement.

Attachment

A. Investments: Monthly Reporting, July 1 through December 31, 2025, Internal Audit Report No. 26-510

Prepared by:

Jonathan Thompson
Internal Auditor
(714) 560-5930

Approved by:

Janet Sutter
Executive Director, Internal Audit
(714) 560-5591

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Investments: Monthly Reporting
July 1 through December 31, 2025

Internal Audit Report No. 26-510

April 8, 2026



Audit Team: Jonathan Thompson, Internal Auditor *Jonathan Thompson*
Serena Ng, CPA, Senior Manager, Internal Audit

Distributed to: Andrew Oftelie, Chief Financial Officer, Finance and Administration
Sean Murdock, Robert Davis, Changsu Lee

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Investments: Monthly Reporting
July 1 through December 31, 2025
April 8, 2026

Table of Contents

Conclusion 1
Objectives, Scope, and Methodology 2
Audit Comments, Recommendations, and Management Responses 3
Timeliness of Report Review 3
Report Disclosures 3

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Investments: Monthly Reporting
July 1 through December 31, 2025
April 8, 2026

Conclusion

The Internal Audit Department (Internal Audit) has completed an audit of investment reporting for the period July 1 through December 31, 2025. Based on the audit, the Orange County Transportation Authority (OCTA) complied with its investment reporting policies and procedures, and reported investments comply with the Investment Policy (Policy); however, Internal Audit made two recommendations related to the timeliness of the Investment and Debt Programs Reports' (Reports) review and the presentation of Reports schedules.

Portfolio Management

The Treasury Department (Treasury) is responsible for the management of OCTA's Investment Portfolio (Portfolio).

On December 31, 2025, the Portfolio's book value was approximately $3.2 billion. The Portfolio is divided into two portfolios: the liquid portfolio for immediate cash needs, and the managed portfolio for future budgeted expenditures. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 and 405 Express Lanes programs. OCTA's Treasurer manages the liquid portfolio, and four external investment managers administer the managed portfolio.

Investment Policy

The Policy sets forth the investment guidelines for all funds of OCTA and conforms to the California Government Code. The Policy outlines permitted investments, as well as diversification guidelines. The diversification limits ensure the Portfolio is not unduly concentrated in securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

OCTA has provided the investment managers with a copy of the Policy and requires investment managers to invest their portfolios in accordance with the provisions of the Policy or the respective bond agreements as applicable.

Monthly Investment and Debt Programs Reports

Treasury is responsible for providing monthly Reports to the Finance and Administration Committee (Committee) and Board of Directors (Board) that include portfolio performance by investment manager, market values, compliance updates, and outstanding debt summaries.

Objectives, Scope, and Methodology

The primary objective was to determine whether OCTA complied with its investment reporting policies and procedures and if reported investments comply with the Policy.

Audit objectives included the following:

- Reconciling investments from the monthly Reports to the account statements
- Confirming monthly Reports have been reviewed by management

The scope covered six monthly Reports, including report schedules and listings, for the period July 1 through December 31, 2025.

The methodology consisted of reconciling the investment balances on the portfolio listings to the account statements, tracing a judgmental sample of 25 investment securities per month from the account statement to the portfolio listing with a bias towards recent purchases, recalculating the portfolio percentages on the investment compliance schedule, tracing a haphazard sample of five transactions per month from the transaction activity schedule to the account statement and a haphazard sample of five transactions per month from the account statement to the transaction activity schedule, reviewing the credit ratings and credit histories in Bloomberg for 25 investment securities in the December 2025 Report judgmentally selected with a bias towards securities with minimum credit quality requirements, and confirming the completion of the Investment and Debt Programs Report – Checklists (checklist). Since the samples are non-statistical, any conclusions are limited to the sample items tested. The methodology also included confirming that Treasury obtained investment managers' acknowledgement of receipt of the Policy and confirming that investment managers' performance is reported and compared to indices in the monthly Reports.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Comments, Recommendations, and Management Responses

Timeliness of Report Review

Monthly Reports are reviewed by the department manager to confirm accuracy and completeness. These reviews are documented on a checklist and electronically stamped for approval.

Internal Audit noted that three of the six monthly Reports reflected review by the department manager after upload of the reports for inclusion on Committee and Board agendas.

Recommendation 1:

Internal Audit recommends management ensure Reports have been reviewed and approved prior to inclusion on Committee and Board agendas.

Management Response:

Management agrees with the recommendation. The comprehensive review was performed; however, the formal approval was documented at a later point in time. Management will ensure documentation of the formal approval prior to inclusion on Committee and Board agendas.

Report Disclosures

Monthly Reports schedules would be improved with the inclusion of references and explanatory notes.

While the investment compliance schedule includes a note about the total amount of variable and floating rate securities and its percentage of the portfolio in comparison to the 30 percent Policy limit, the detailed portfolio listing does not identify which securities are variable and floating rate securities. Also, a transaction activity schedule was added to present purchases, dispositions, and maturities/call redemptions; however, it excludes money market fund sweep transactions, paydowns, and coupon activity, without explanatory notes. Finally, investment of prepaid Express Lanes customer account balances has been added to the investment compliance schedule and the portfolio listing, but only the investment compliance schedule includes a note describing how these prepaid customer account balances represent customer liabilities.

Recommendation 2:

Internal Audit recommends that management enhance the Reports with references and explanatory notes.

Management Response:

Management agrees with the recommendation and will include the recommended explanatory references and footnotes.

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Buena Park

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Buena Park and the Orange County Transportation Authority. Based on the procedures performed, the City of Buena Park obtained an unmodified opinion on its Annual Comprehensive Financial Report for the year ended 2025, spent sufficient funds to meet the required minimum maintenance of effort, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance. Auditors identified expenditures related to two projects that were not listed on the City of Buena Park's Seven-Year Capital Improvement Program Report; however, a revised report was prepared during the review.

Recommendation

Receive and file as an information item.

Background

On May 28, 2024, the Orange County Transportation Authority (OCTA) Board of Directors (Board) found the City of Buena Park (City) ineligible to receive or apply for Measure M2 (M2) revenues for a period of five years after agreed-upon procedures (AUP) applied by an independent accounting firm for fiscal year (FY) 2022-23, found that the City could not sufficiently support their use of $387,576 in M2 Local Fair Share (LFS) funds.

A written settlement agreement, dated July 10, 2024, was executed between OCTA and the City that outlined requirements for the City to re-establish eligibility. Per the settlement agreement, the City was required to repay $387,576

in misspent LFS funds, obtain an unmodified opinion on its Annual Comprehensive Financial Report (ACFR) for the FY 2023-24 through FY 2027-28, and continue to meet all M2 eligibility requirements, including meeting its annual maintenance of effort (MOE) benchmark, and ensuring any expenditures against the City's LFS fund balance comply with M2 Ordinance (Ordinance) requirements.

Crowe LLP (auditors) was engaged to apply AUPs to determine the City's compliance with requirements of the settlement agreement and the Ordinance for FY 2024-25.

Discussion

The auditors confirmed the City's ACFR reflected an unmodified opinion, tested a sample of MOE and LFS expenditures for FY 2024-25, and found the City met the minimum MOE benchmark and LFS expenditures complied with Ordinance requirements.

The auditors identified two projects funded with LFS that were not listed on the City's Seven-Year Capital Improvement Project (CIP) Report, as required; however, management amended the CIP Report and obtained City Council approval on February 10, 2026. No other observations were made as a result of applying the AUPs.

The detailed AUP report can be found in Attachment A.

Summary

The auditors have applied AUP's related to the City's FY 2024-25 activities.

Attachment

A. Orange County Local Transportation Authority Measure M2 Local Fair Share City of Buena Park Agreed-Upon Procedures Report Year Ended June 30, 2025

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591

ATTACHMENT A

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE CITY OF BUENA PARK

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE
CITY OF BUENA PARK

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

The city of Buena Park was selected at the direction of the Orange County Local Transportation Authority Board of Directors to perform agreed-upon procedures for the fiscal year ended June 30, 2025.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF BUENA PARK

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Buena Park's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain a copy of the City's FY25 Annual Comprehensive Financial Report and determine whether it reflects an unmodified opinion per Independent Auditor's report.

   Findings: We obtained the City of Buena Park's FY25 Annual Comprehensive Financial Report and found that the independent auditor issued an unmodified opinion on the City's ACFR.

2. Describe which funds the City used to track all street and road expenditures and inquire how the City identifies MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund and activity number. The City recorded its MOE expenditures in its General Fund (11) and State Tax Fund (24). The City identified MOE expenditures within the funds by a six-digit activity number. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the City met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $5,226,204 (see Schedule A), which exceeded the MOE benchmark requirement of $4,778,989. We agreed the total expenditures of $5,226,204 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

4. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

   b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

   Findings: We selected 37 direct MOE expenditures totaling $2,326,503, which represented approximately 50% of direct MOE expenditures of $4,614,598 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to the supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

5. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. We agreed $611,606 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 30 indirect MOE expenditures totaling $310,626, which represented approximately 51% of indirect MOE expenditures. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included building and vehicle maintenance fees. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based on a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

   Findings: The City tracks its LFS expenditures in its Measure M2 Fund (25) followed by a six-digit activity number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $797,573, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

    b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

    Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected two Measure M2 Local Fair Share direct expenditures for inspection totaling $658,928 representing approximately 83% of total Measure M2 direct Local Fair Share expenditures of $797,573 for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation provided by the City. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified two missing projects (Los Coyotes Rehabilitation Project – CP-12754 and Caballero Boulevard Pavement Rehabilitation Project – CP-12753) in the City's current Seven-Year CIP. We confirmed that the projects were included in prior year's Seven-Year CIPs' but not rolled forward to the current year. The City amended the 2024-25 Seven-Year CIP project list, with City Council approval received on February 10, 2026. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

(Continued)

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 7, 2026

CITY OF BUENA PARK, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

		SCHEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	$	611,606
Construction & Right-of-Way		
Street Reconstruction - Pavement	$	1,030,358
Total Construction	$	1,030,358
Maintenance		
Street Lights & Traffic Signals	$	1,371,105
Other Street Purpose Maintenance		1,019,266
Other Street Purpose Maintenance - Pavement		1,193,869
Total Maintenance	$	3,584,240
Total MOE Expenditures	$	5,226,204
Measure M2 Local Fair Share Expenditures (Schedule 4):		
Regio Avenue Pavement Rehabilitation	$	388,480
Knott Ave Pavement Rehabilitation, La Palma to Artesia Blvd		35,000
Dale Street Pavement Rehabilitation, SR91-Crescent		270,447
Los Coyotes Pavement Rehabilitation, Beach to Country Club Dr.		103,245
Caballero Pavement Rehabilitation, Valley View to Regio		400
Total Measure M2 Local Fair Share Expenditures	$	797,573
Total MOE and Measure M2 Local Fair Share Expenditures	$	6,023,777

Note: The above amounts were taken directly from the financial records of the City of Buena Park and were not audited.

City of BUENA PARK

Exhibit 1

April 7, 2026

Board of Directors
Orange County Local Transportation Authority
and the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Buena Park as of and for the fiscal year ended June 30, 2025.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected two Measure M2 Local Fair Share direct expenditures for inspection totaling $658,928 representing approximately 83% of total Measure M2 direct Local Fair Share expenditures of $797,573 for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation provided by the City. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified two missing projects (Los Coyotes Rehabilitation Project – CP-12754 and Caballero Boulevard Pavement Rehabilitation Project – CP-12753) in the City's current year Seven-Year CIP. We confirmed that the projects were included in prior year's Seven-Year CIPs' but not rolled forward to the current year. The City amended the 2024-25 Seven-Year CIP project list, with City Council approval received on February 10, 2026. No other exceptions were found as a result of this procedure.

City's Response:
Upon identification of the issue, City staff promptly coordinated a meeting with staff from the OCTA. Under the OCTA's guidance, City staff prepared and presented an amended eligibility project list to the City Council for approval. The amended FY 24/25 project list was subsequently submitted on February 12, 2026 and has been accepted by OCTA.

Both projects were originally reported to OCTA under the FY 23/24 eligible project list, and corresponding funds were budgeted within that same fiscal year. Following a transition in staff responsible for Measure M2 LFS eligibility reporting, the projects were not included in the FY 24/25 eligibility list. This omission occurred because no additional budget allocations for both projects were anticipated at that time, and staff

was not aware that ongoing projects with continuing expenditures must remain on the eligibility list. City staff has since received clarification and now understands the requirement to include all active projects with ongoing expenditures in future eligibility reporting.

Aaron France, City Manager

Sung Hyun, Finance Director

Mina Mikhael, Public Works Director

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Independent Accountants' Report on Applying Agreed-Upon Procedures, City of Huntington Beach

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to a settlement agreement between the City of Huntington Beach and the Orange County Transportation Authority. Based on the procedures performed, the City of Huntington Beach obtained an unmodified opinion on its Annual Comprehensive Financial Report for the year ended 2024, spent sufficient funds to meet required minimum maintenance of effort expenditures, and its Local Fair Share expenditures were allowable per the Measure M2 Ordinance.

Recommendation

Direct staff to monitor to ensure submission of an updated Fiscal Year 2024-25 Expenditure Report from the City of Huntington Beach.

Background

On May 5, 2025, the Orange County Transportation Authority (OCTA) Board of Directors (Board) found the City of Huntington Beach (City) ineligible to receive Measure M2 (M2) revenues for a period of five years after agreed-upon procedures (AUP) applied by an independent accounting firm for fiscal year (FY) 2023-24, found that the City could not sufficiently support their use of $29,249 in M2 Local Fair Share (LFS) funds.

A written settlement agreement, dated July 24, 2025, was executed between OCTA and the City that outlined requirements for the City to re-establish eligibility. Per the settlement agreement, the City was required to repay $29,249 in misspent LFS funds, obtain an unmodified opinion on its Annual

Comprehensive Financial Reports (ACFR) for FY 2024-25 through FY 2028-29, and continue to meet all M2 eligibility requirements, including meeting its annual maintenance of effort (MOE) benchmark, and ensuring any expenditures against the City's LFS fund balance comply with M2 Ordinance (Ordinance) requirements.

Crowe LLP (auditors) was engaged to apply AUPs to determine the City's compliance with requirements of the settlement agreement and the Ordinance for FY 2024-25.

Discussion

The auditors confirmed the City's ACFR reflected an unmodified opinion, tested a sample of MOE and LFS expenditures for FY 2024-25, and found the City met the minimum MOE benchmark and LFS expenditures complied with Ordinance requirements.

The auditors noted the LFS expenditure was overstated on the City's Expenditure Report and the City acknowledged the finding and stated that it has updated its year-end reporting checklist to include a secondary review and formal reconciliation before submission. The City also indicated that the FY 2024-25 Expenditure Report will be revised and resubmitted.

The detailed AUP report can be found in Attachment A.

Summary

The auditors have applied AUPs related to the settlement agreement between the City and OCTA for FY 2024-25.

Attachment

A. Orange County Local Transportation Authority Measure M2 Local Fair Share City of Huntington Beach Agreed-Upon Procedures Report Year Ended June 30, 2025

Approved by:

Janet Sutter
Executive Director, Internal Audit
714-560-5591

ATTACHMENT A

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE
CITY OF HUNTINGTON BEACH

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE
CITY OF HUNTINGTON BEACH

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

The city of Huntington Beach was selected at the direction of the Orange County Local Transportation Authority Board of Directors to perform agreed-upon procedures for the fiscal year ended June 30, 2025.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF HUNTINGTON BEACH

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Huntington Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain a copy of the City's FY25 Annual Comprehensive Financial Report and determine whether it reflects an unmodified opinion per Independent Auditor's report.

   Findings: We obtained the FY25 Annual Comprehensive Financial Report for the City of Huntington Beach and noted that the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements.

2. Describe which funds the City used to track all street and road expenditures and inquire how the City identifies MOE expenditures in the general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund, object, and business unit number. The City records its MOE expenditures in its General Fund (100) and Capital Projects Fund (314), and is identified by a 5-digit object number and 5-digit business unit number. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $7,789,580 (see Schedule A) which exceeded the MOE benchmark requirement of $6,494,379. We agreed the total expenditures of $7,789,580 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

4. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

   b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

   Findings: We selected 40 direct MOE expenditures totaling $3,913,157, which represented approximately 50% of direct MOE expenditures of $7,789,580 for the fiscal year ended June 30, 2025. We agreed to the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

5. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

   Findings: The LFS expenditures were tracked in the City's general ledger by fund and activity number. The City recorded its LFS expenditures in its Measure M Fund (213). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025 were $3,517,837 (see Schedule A), which differed from the City's Expenditure Report by $169,260 (Schedule 2, line 17, and detail listed at Schedule 4). Through discussion with the City's accounting personnel, we concluded that the variance was due to an oversight when compiling the M2 Expenditure report. No other exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.

    b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

    Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven Year CIP, without any exception. We selected 18 Measure M2 Local Fair Share direct expenditures for inspection totaling $2,781,861 representing approximately 79% of total Measure M2 direct Local Fair Share expenditures of $3,517,837 for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

(Continued)

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 8, 2026

CITY OF HUNTINGTON BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

		SCHEDULE A
Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	$	-
Construction & Right-of-Way		
Street Reconstruction - Pavement	$	676,430
Pedestrian Ways & Bikepaths		65,000
Storm Damage		36,015
Total Construction	$	777,445
Maintenance		
Patching	$	233,065
Overlay & Sealing		3,746,177
Street Lights & Traffic Signals		1,438,860
Other Street Purpose Maintenance		1,594,033
Total Maintenance	$	7,012,135
Total MOE Expenditures	$	7,789,580
Measure M2 Local Fair Share Expenditures (Schedule 4):		
General Street Maintenance for Public Works	$	938,299
Residential Pavement		48,015
Arterial Rehabilitation 22-23		33,288
Arterial Rehabilitation 23-24		30,400
Admiralty Bridge Rehab		247,315
Zone 1 Overlay		4,042
Residential Zone Maint 24-25		2,075,173
Arterial Rehab 24-25		33,010
Residential Curb Ramp 24-25		108,295
Total Measure M2 Local Fair Share Expenditures	$	3,517,837
Total MOE and Measure M2 Local Fair Share Expenditures	$	11,307,417

Note: The above amounts were taken directly from the financial records of the City of Huntington Beach and were not audited.

CITY OF
HUNTINGTON BEACH

Zack Zithisakthanakul | *Acting Chief Financial Officer*

April 8, 2026

Board of Directors
Orange County Local Transportation Authority
and the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Huntington Beach as of and for the fiscal year ended June 30, 2025.

Procedure #6

Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and activity number. The City recorded its LFS expenditures in its Measure M Fund (213). Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025 were $3,517,837 (see Schedule A), which differed from the City's Expenditure Report by $169,260 (Schedule 2, line 17, and detail listed at Schedule 4). Through discussion with the City's accounting personnel, we concluded that the variance was related to an oversight when compiling the M2 Expenditure report. No other exceptions were found as a result of this procedure.

City's Response: The City acknowledges the finding regarding the $169,260 variance between the general ledger and the Measure M2 Expenditure Report for the fiscal year ended June 30, 2025. To prevent future occurrences, the Finance Department and Public Works have updated its year-end reporting checklist to include a mandatory secondary review and a formal reconciliation step between the general ledger and external reports before submission. The City intends to revise and resubmit the expenditure report.

4/8/26
Travis Hopkins, City Manager

4/8/26
Zack Zithisakthanakul, Acting Chief Financial Officer

4/8/26
Chau Vu, Public Works Director

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2025

Overview

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to nine cities and Senior Non-Emergency Medical Transportation funds provided to the County of Orange for the fiscal year ended June 30, 2025. Local Fair Share reports include observations of disallowed maintenance of effort expenditures, misreporting of direct and indirect costs, expenditure report errors, and incomplete Capital Improvement Program reports. The County of Orange Senior Non-Emergency Medical Transportation Program report included no observations.

Recommendations

Direct staff to monitor implementation of corrective actions by cities, as applicable.

Background

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee selects a sample of local jurisdictions receiving Measure M2 (M2) funding for review to determine the local jurisdictions' level of compliance with provisions of the M2 Ordinance. For the fiscal year (FY) ended June 30, 2025, the Subcommittee selected nine cities for review of Local Fair Share (LFS) Program funding and the County of Orange (County) for review of Senior Non-Emergency Medical Transportation (SNEMT) Program funding. The agreed-upon procedures (AUP) applied for these reviews were originally approved by the Subcommittee.

The LFS Program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS Program is intended to augment, not replace, existing transportation investments, each jurisdiction is required to maintain a minimum level of local streets and roads expenditures to conform to a defined maintenance of effort (MOE) requirement. MOE expenditures are required to conform to State Controller's Office Gas Tax Guidelines, and cities are required to submit copies of their Capital Improvement Program (CIP) plan, reflecting projects that will be funded with LFS.

The SNEMT Program supplements existing countywide services that are funded with Tobacco Settlement Revenues (TSR). Since the SNEMT Program is intended to supplement, not replace, existing TSR expenditures, the County is required to allocate the same percentage of TSR funding that was allocated in November 2006. A cooperative agreement between the County and the Orange County Local Transportation Authority (OCLTA) outlines program requirements. Through the terms of this agreement, the County is required to submit quarterly SNEMT activity reports within 45 days of quarter end.

All M2 revenues, interest earned on net revenues, expenditures, and expenditures of earned interest are required to be reflected on an annual expenditure report. The expenditure report requires certification by the respective city's finance director and must be adopted by the city council and filed with the OCLTA, within six months of FY end.

Discussion

Crowe LLP (auditors) conducted interviews of city finance and program-related staff, and applied the AUPs, including testing of expenditures for compliance with program requirements, review of indirect costs for adequate support and reasonableness, testing application of interest to fund balances, and testing of expenditure reports for accuracy.

Agreed-Upon Procedures: LFS Program Funds

The auditors examined the cities of Anaheim, Brea, Costa Mesa, Garden Grove, Irvine, Lake Forest, Placentia, Santa Ana, and Tustin. No exceptions resulted from the AUPs applied to Lake Forest, Placentia, Santa Ana, and Tustin.

The auditors identified unallowable charges to MOE by two cities; however, after removing the charges, the cities continued to meet their MOE minimum requirement.

The auditors also identified reporting errors in the expenditure reports submitted by five cities and noted that the CIP plan submitted by one city did not include an eligible project funded by LFS.

A summary of findings and city management responses can be found in Attachment A. Detailed reports, along with written management letters, can be found in Attachment B.

AUP: SNEMT Program Funds

No observations resulted from the review of the County SNEMT Program.

The detailed report can be found at Attachment C.

Summary

The auditors have applied AUPs related to M2 LFS provided to nine cities and SNEMT funds provided to the County, FY ended June 30, 2025.

Attachments

A. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2025
B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Report Year Ended June 30, 2025
C. Orange County Local Transportation Authority Measure M2 Senior Non-Emergency Medical Transportation Program County of Orange Agreed-Upon Procedures Report Year Ended June 30, 2025

Approved by:

Janet Sutter
Executive Director, Internal Audit
(714) 560-5591

ATTACHMENT A

SUMMARY OF AGREED-UPON PROCEDURES REPORTS
Orange County Local Transportation Authority
Measure M2 Local Fair Share for the Year Ended June 30, 2025

City	Result	City Management Response
City of Anaheim (Anaheim)	Testing identified $2,463,356 in maintenance of effort (MOE) expenditures that were reported as direct, rather than indirect expenditures. These expenditures related to the allocation of liability coverage expenses.	Anaheim responded that they reported these expenses as direct because they are ultimately assigned to specific programs; however, Anaheim agreed to report these as indirect expenses in future M2 Expenditure Reports.
City of Brea (Brea)	Brea overreported total MOE expenditures in its Expenditure Report, by $5,343.	Brea has taken steps to improve its process in reviewing expenditures in the general ledger to ensure agreement with the M2 Expenditure Report.
City of Costa Mesa (Costa Mesa)	Testing identified $1,701,417 in MOE expenditures that were reported as direct, rather than indirect expenditures. These expenditures related to the allocation of landscape, tree, and equipment maintenance service charges.	Costa Mesa acknowledges the observation and will allocate these costs as indirect going forward.
City of Garden Grove (Garden Grove)	Testing identified $90,975 in unallowable MOE expenditures; however, after removal of these charges from total MOE expenditures, Garden Grove continued to meet its MOE requirement.	Garden Grove acknowledges the finding and has reassigned these costs to ensure they are no longer reported as street and road expenditures.
	Testing identified $231,411 in MOE expenditures that were reported as as indirect, rather than direct expenditures. The expenditures represented engineering labor costs charged directly to projects.	Garden Grove acknowledges these costs were incorrectly classified and has updated the general ledger to reflect these costs as direct costs moving forward. Garden Grove will continue to monitor cost classification to prevent similar issues in future reporting periods.
	Testing identified one project funded with Local Fair Share (LFS) funds that was not listed on Garden Grove's Capital Improvement Project plan.	Garden Grove acknowledges the finding and will implement a review process to ensure all active, ongoing projects are carried forward in the CIP.
City of Irvine (Irvine)	Testing identified $3,113,608 in charges that were reported as direct, rather than indirect. In addition, testing identified $360,065 in unallowable MOE expenditures; however, after removal of these charges from total MOE expenditures, Irvine continued to meet its MOE requirement.	Irvine will implement a secondary review process to validate that charges are eligible and attributable to MOE and will review cost allocation rates and classify these as indirect costs going forward.
City of Lake Forest	None	
City of Placentia	None	
City of Santa Ana	None	
City of Tustin	None	

ATTACHMENT B

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 LOCAL FAIR SHARE

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2025. Please refer to the individual divider tab for our report on each Agency.

Anaheim

Brea

Costa Mesa

Garden Grove

Irvine

Lake Forest

Placentia

Santa Ana

Tustin

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF ANAHEIM

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Anaheim's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund number, department code, unit code, and object code. The City recorded its MOE expenditures in its General Fund (101) and identified MOE expenditures within the fund by a three-digit department code, four-digit unit code, and four-digit object code. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025, and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $16,726,879 (see Schedule A), which exceeded the MOE benchmark requirement of $13,196,392. We agreed the total expenditures of $16,726,879 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

   b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

   Findings: We selected 30 direct MOE expenditures totaling $5,353,325, which represented approximately 32% of direct MOE expenditures of $16,726,879 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to the supporting documentation provided by the City. Upon inspection, $2,463,356 of annual liability coverage service charges were identified as indirect cost allocations that were reported as direct costs and should have been classified as indirect costs. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were reported as MOE expenditures for the fiscal year ended June 30, 2025. However, during inspection of direct costs at Procedure #3, we identified $2,463,356 in indirect costs that were reported as direct costs. These expenditures were for annual liability coverage service charges. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025, and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

   Findings: The City received $18,613,880 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $2,805,218 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (271) followed by a three-digit department number, a four-digit unit code and a four-digit object code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $5,134,242, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

   b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

   Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 25 direct Measure M2 Local Fair Share expenditures for inspection totaling $2,977,297 representing approximately 58% of total direct Measure M2 Local Fair Share expenditures of $5,134,242 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

   Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $385,195 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
March 31, 2026

CITY OF ANAHEIM, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Construction & Right-of-Way	
Signals, Safety Devices, & Street Lights	$ 2,533,029
Total Construction	$ 2,533,029
Maintenance	
Street Lights & Traffic Signals	$ 5,041,786
Other Street Purpose Maintenance	9,152,064
Total Maintenance	$ 14,193,850
Total MOE Expenditures	$ 16,726,879
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Capital project administration	$ 152,612
General agency coordination	2,024
Brookhurst w idening-cerritos to guinida	48,342
Euclid street pavement rehab (glenoaks to 91 freew ay)	615
La palma rehab: lakeview to imperial	14,291
Euclid rehab: broadw ay to lincoln	4,741
Broadw ay rehab: anaheim to east	178,278
Santa ana canyon road rehab-ud 65 ph 2: lakeview to royal oak	128
Knott ave. Rehab: ball to orange	134,141
Broadw ay : gilbert to magnolia	73,875
Harbor blvd rehab: lincoln ave to north st	124,178
Dale ave-ball rd to bella ct	196,191
South st- state college blvd to sunkist st	4,790
La palma ave rehab: olive to east st	444,961
Nohl ranch rd from ranch gate rd to old bucket ln	27,481
La palma rehab: brookhurst to euclid	26,624
Ball rd rehab: claudina to state college	11,254
Nohl ranch , imperial and anaheim hills rehab project	94,206
Orangethorpe rehas: state college to placentia	579,199
Cerritos ave from nutw ood street to euclid st	2,275
Dupont dr rehab- south of orangew ood ave	4,165
Rio vista st from w agner ave to lincoln ave	26,371
Serrano ave rehab: south city limit to w eir canyon rd	1,367,336
Knott rehab: orange ave to del monte dr	288,780
Knott ave drivew ay approach improvements	14,622
Ball road rehabilitation - magnolia to gilbert	87,957
Magnolia ave rehab from lincoln ave to la palma ave	150,600
Orange ave rehab from magnolia ave to euclid st	165,194
Broadw ay rehab from eucud st to harbor blvd	216,957
Manchester ave rehab from city limit (south)to anaheim blvd	217,061
La palma ave rehab from w hite star ave to miller st	156,961
Santa ana canyon rd rehab from imperial hw y to fairmont blvd	112,410
Roadw ay rehab projects w ith placentia	740
Dale street rehab from crescent ave to sr91	4,170
Chapman ave rehab from harbor blvd to summerset pl	84,586
Blue gum and la palma rehab	81,422
Western ave from city limit (north) to city limit (south)	3,954
Anaheim shores dr from la palma ave to euclid st	827
Harbor blvd from south st to lincoln ave	890
Harbor blvd from chapman ave to convention w ay	10,419
Placentia ave from state college blvd to 91 fw y	649
Miraloma ave(miller to van buren)	1,282
La palma from east st to state college blvd	434
Katella rehab from state college blvd to sr-57	636
Monte vist rd & roosevelt rd rehab (w eir canyon to santa ana)	15,613
Total Measure M2 Local Fair Share Expenditures	$ 5,134,242
Total MOE and Measure M2 Local Fair Share Expenditures	$ 21,861,121

Note: The above amounts w ere taken directly from the financial records of the City of Anaheim and w ere not audited.

City of Anaheim
DEPARTMENT OF PUBLIC WORKS

Exhibit 1

March 31, 2026

Board of Directors
Orange County Local Transportation Authority
and the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed-upon procedures performed
for the Measure M2 Local Fair Share program for the City of Anaheim as of and for the fiscal year ended June 30, 2025.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection.

For each item selected, perform the following:

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 30 direct MOE expenditures totaling $5,353,325, which represented approximately 32% of direct MOE expenditures of $16,726,879 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to the supporting documentation provided by the City. Upon inspection, $2,463,356 of annual liability coverage service charges were identified as indirect cost allocations that were reported as direct costs and should have been classified as indirect costs. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response: The Public Works Department reported the self-insurance program expenses as MOE direct cost. Public Works consider these expenses to be direct costs because they are ultimately assigned to specific programs (sidewalk/ curb maintenance, traffic system and street signs). Based on the audit recommendation the Public Works Department will report the expenses as Indirect expenses in future M2 Expenditure Reports.

Rudy Emami, Public Works Director

Deborah A. Moreno, Finance Director/Treasurer

Greg Garcia, Interim City Manager

200 S. Anaheim Blvd., Suite 276
Anaheim, CA 92805

TEL (714) 765-5176
FAX (714) 765-5225

www.anaheim.net

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF BREA

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Brea's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, and unit code. The City records its MOE expenditures in its General Fund (110), identified by a 2-digit department number, and a 4-digit unit number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City of Brea reported total MOE expenditures of $2,391,120 on its Expenditure Report (Schedule 3, line 18) which exceeded the MOE benchmark requirement of $838,243 for fiscal year 2025. During inspection, we found that actual MOE expenditures per the general ledger expenditure detail totaled $2,385,777, a variance of $5,343. After accounting for this variance, the City still met the MOE benchmark requirement. No other exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

    b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

    Findings: We selected 30 direct MOE expenditures totaling $768,063 which represented approximately 32% of direct MOE expenditures of $2,385,777 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

    Findings: The City received $4,064,849 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $3,886,226 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

    Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (260) followed by 2-digit department number and a 4-digit unit number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $500,499, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected three direct Measure M2 Local Fair Share expenditures for inspection totaling $411,394 representing approximately 82% of total direct Measure M2 Local Fair Share expenditures of $500,499 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

   Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $82,287 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

(Continued)

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 13, 2026

CITY OF BREA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	$ -
Maintenance	
Other Street Purpose Maintenance	$ 2,385,777
Total Maintenance	$ 2,385,777
Total MOE Expenditures	$ 2,385,777
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Administrative Expenses	$ 33,454
CIP 7218 – Signal Controller Upgrade	58,661
CIP 7219 – Traffic Calming Improvements	4,756
CIP 7312 – Citywide Slurry Seal	393,109
CIP 7717 – Cliffwood Traffic Calming	10,519
Total Measure M2 Local Fair Share Expenditures	$ 500,499
Total MOE and Measure M2 Local Fair Share Expenditures	$ 2,886,276

Note: The above amounts were taken directly from the financial records of the City of Brea and were not audited.

April 13, 2026

Board of Directors
Orange County Local Transportation Authority
and the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Brea as of and for the fiscal year ended June 30, 2025.

Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Brea reported total MOE expenditures of $2,391,120 on its Expenditure Report (Schedule 3, line 18) which exceeded the MOE benchmark requirement of $838,243 for fiscal year 2025. During inspection, we found that actual MOE expenditures per the general ledger expenditure detail totaled $2,385,777, a variance of $5,343. After accounting for this variance, the City still met the MOE benchmark requirement. No other exceptions were found as a result of this procedure.

City's Response: The City acknowledges this finding and has actively taken steps to improve its process in reviewing the expenditures in the general ledger and ensure that the total agrees to the M2 Expenditure Report.

Kristin Griffith, City Manager

Monica Lo, Director of Administrative Services

Michael Ho, Public Works Director

Cecilia Hupp *Mayor* | **Marty Simonoff** *Mayor Pro Tem* | **Christine Marick** *Council Member* | **Blair Stewart** *Council Member* | **Steven Vargas** *Council Member*

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF COSTA MESA

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund, department, program, and expenditure number. The City records its MOE expenditures in its General Fund (101), Capital Improvement Fund (401), Equipment Replacement Fund (601), and is identified by a 5-digit department number, a 5-digit program number, and a 6-digit expenditure number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $11,405,643 (see Schedule A), which exceeded the MOE benchmark requirement of $9,827,861. We agreed the total expenditures of $11,405,643 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

    b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

    Findings: We selected 30 direct MOE expenditures totaling $4,121,758, which represented approximately 42% of direct MOE expenditures of $9,874,300 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Upon inspection, $1,701,417 of landscape, tree, and equipment maintenance service charges were identified as indirect cost allocations that should have been classified as indirect costs. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. We agreed $1,531,343 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 30 indirect MOE expenditures totaling $618,891, which represented approximately 40% of indirect MOE expenditures. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included PERS UAL payments, Indirect Labor Charges, and Administrative Charges for the Public Works department. During inspection of direct costs in Procedure #3, we identified $1,701,417 in indirect costs that were initially reported as direct costs. We selected 14 indirect MOE expenditures totaling $939,411, which represented approximately 55% of indirect MOE expenditures additionally identified. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

    Findings: The City received $10,428,432 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $6,536,470 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (416) followed by 5-digit department number. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $5,702,612 (see Schedule A), which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

   b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

   Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling $4,269,639 representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of $5,702,612 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

   Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $340,136 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 9, 2026

CITY OF COSTA MESA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	$ 1,531,343
Construction & Right-of-Way	
Street Reconstruction - Pavement	$ 872,358
Signals, Safety Devices, & Street Lights	155,830
Pedestrian Ways & Bikepaths	525,564
Storm Drains	225,425
Total Construction	$ 1,779,177
Maintenance	
Overlay & Sealing	$ 1,659,299
Street Lights & Traffic Signals	2,434,709
Other Street Purpose Maintenance	4,001,115
Total Maintenance	8,095,123
Total MOE Expenditures	$ 11,405,643
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Citywide Street Improvements	$ 4,119,808
Adams at Pinecreek Improvements	1,283,404
Traffic Signal Modification Baker Street at Babb Street	287,208
Traffic Signal at Fairview Road and Belfast	12,192
Total Measure M2 Local Fair Share Expenditures	$ 5,702,612
Total MOE and Measure M2 Local Fair Share Expenditures	$ 17,108,255

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.

CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

FROM THE OFFICE OF THE FINANCE DIRECTOR/CITY TREASURER

April 9, 2026

Board of Directors
Orange County Local Transportation Authority
and the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Costa Mesa as of and for the fiscal year ended June 30, 2025.

Procedure #3

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: We selected 30 direct MOE expenditures totaling $4,121,758, which represented approximately 42% of direct MOE expenditures of $9,874,300 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. Upon inspection, $1,701,417 of landscape, tree, and equipment maintenance service charges were identified as indirect cost allocations that should have been classified as indirect costs. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

Thank you for your review. The City acknowledges the identified amount of $1,701,417 related to landscape, tree, and equipment maintenance service charges. We agree that these expenditures were properly classified as local street and road expenditures and are allowable and we appreciate your confirmation that no other exceptions were noted.
The City has noted and updated the indirect costs, and we will allocate costs such as maintenance service charges and landscape charges as indirect costs going forward.

City Manager

Finance Manager

Public Works Director

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES
CITY OF GARDEN GROVE

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Garden Grove's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund, organization key, and account code. The City records its MOE expenditures in its General Fund (111), identified by a 7-digit organization number, and a 5-digit account number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

(Continued)

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $12,298,630 (see Schedule A), which exceeded the MOE benchmark requirement of $4,497,736. We agreed the total expenditures of $12,298,630 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

   b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

   Findings: We selected 25 direct MOE expenditures totaling $4,486,737, which represented approximately 43% of direct MOE expenditures of $12,298,630 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. During inspection, we identified expenditures in the amount of $90,975 relating to parking citation processing services and determined that these expenditures are unallowable per the Ordinance. After removing these expenditures, the City still met the MOE benchmark requirement. Additionally, during inspection of indirect costs at Procedure #4, we identified $231,411 in direct costs that were reported as indirect costs. These expenditures were related to direct engineering labor costs. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. We agreed $1,957,466 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 30 indirect MOE expenditures totaling $281,130, which represented approximately 14% of total indirect MOE expenditures. During inspection, we found that $231,411 of direct engineering labor costs charged to specific projects were classified as indirect costs rather than direct costs. Per inquiry with the City, this was due to an error in the interface between the City's timesheet system and the general ledger system. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

   Findings: The City received $10,522,292 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $3,914,927 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

(Continued)

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

   Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (246) followed by a 7-digit organization key code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $4,678,917 (see Schedule A), which agreed to the amount reported in the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

   b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

   Findings: We selected four direct Measure M2 Local Fair Share expenditures for inspection totaling $4,150,041 representing approximately 89% of total direct Measure M2 Local Fair Share expenditures of $4,678,917 for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation provided by the City. We also compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified one project (Chapman Rehabilitation Landscape Maintenance – CP-11552) that appeared in Schedule 4, but was not listed in the City's current Seven-Year CIP. We confirmed that the project was included in prior year's Seven-Year CIPs' but not rolled forward to the current year. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

(Continued)

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $107,623 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 8, 2026

CITY OF GARDEN GROVE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

SCHEDULE A

Maintenance of Effort (MOE) Expenditures:		
Indirect and/ or Overhead - Schedule 3, line 1	$	1,957,466
Construction & Right-of-Way		
Street Reconstruction	$	2,227,204
Street Reconstruction - Pavement		2,283,994
Total Construction	$	4,511,198
Maintenance		
Street Lights & Traffic Signals	$	611,648
Other Street Purpose Maintenance		5,218,318
Total Maintenance	$	5,829,966
Total MOE Expenditures	$	12,298,630
Measure M2 Local Fair Share Expenditures (Schedule 4):		
CIP - Harbor/Garden Grove Intersection Street Improvements	$	444
CP - Slurry Seal Projects		145,375
Arterial Street Improvements FY25		4,533,098
Total Measure M2 Local Fair Share Expenditures	$	4,678,917
Total MOE and Measure M2 Local Fair Share Expenditures	$	16,977,547

Note: The above amounts were taken directly from the financial records of the City of Garden Grove and were not audited.

GARDEN GROVE

CITY OF GARDEN GROVE

Stephanie Klopfenstein
Mayor
George S. Brietigam
Mayor Pro Tem - District 1
Phillip Nguyen
Council Member - District 2
Cindy Ngoc Tran
Council Member - District 3
Joe DoVinh
Council Member - District 4
Yesenia Muñeton
Council Member - District 5
Ariana Arestegui
Council Member - District 6

April 8, 2026

Board of Directors
Orange County Local Transportation Authority and the
Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Garden Grove as of and for the fiscal year ended June 30, 2025.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling $4,486,737, which represented approximately 43% of direct MOE expenditures of $12,298,630 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. During inspection, we identified expenditures in the amount of $90,975 relating to parking citation processing services and determined that these expenditures are unallowable per the Ordinance. After removing these expenditures, the City still met the MOE benchmark requirement. Additionally, during inspection of indirect costs at Procedure #4, we identified $231,411 in direct costs that were reported as indirect costs. These expenditures were related to direct engineering labor costs. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges that the parking citation processing services totaling $90,975 were unallowable. The citation contract has been since been reassigned to a different fund and department to ensure these costs are no longer reported as Local Street and Road expenditures. The City also notes that the MOE benchmark requirement remains satisfied after removing these unallowable expenditures.

The City further acknowledges that $231,411 in direct engineer labor costs were incorrectly classified as indirect costs due to a coding error. The ERP system has been updated to properly reflect the correct classification, and going forward, the City will ensure that direct engineer labor is reported as direct cost.

Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. We agreed $1,957,466 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 30 indirect MOE expenditures totaling $281,130, which represented approximately 14% of total indirect MOE expenditures. During inspection, we found that $231,411 of direct engineering labor costs charged to specific projects were classified as indirect costs rather than direct costs. Per inquiry with the City, this was due to an error in the interface between the City's timesheet system and the general ledger system. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges that $231,411 in direct engineer labor costs were incorrectly classified as indirect costs due to a system interface error between the City's timesheet system and general ledger. As a result, direct labor costs for specific projects were recorded as indirect costs.

The City has taken corrective action and updated the general ledger to properly reflect these costs as direct costs. Moving forward, the City will continue to monitor cost classifications to prevent similar issues in future reporting periods.

Procedure #7

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We selected four direct Measure M2 Local Fair Share expenditures for inspection totaling $4,150,041 representing approximately 89% of total direct Measure M2 Local Fair Share expenditures of $4,678,917 for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation provided by the City. We also compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP. After inspecting the supporting documentation, and through discussion with the City's accounting personnel, we identified one project (Chapman Rehabilitation Landscape Maintenance – CP-11552) that appeared in Schedule 4, but was not listed in the City's current Seven-Year CIP. We confirmed that the project was included in prior year's Seven-Year CIPs' but not rolled forward to the current year. No other exceptions were found as a result of this procedure.

City's Response:

The City acknowledges that project CP-11552 (Chapman Rehabilitation Landscape Maintenance) appeared on the Expenditure Report (Schedule 4) but was not listed in the current Seven-Year Capital Improvement Program (CIP). The project had been included in prior years' Seven-Year CIPs, remains active, and continues to qualify as an eligible Measure M2 Local Fair Share project. The omission was due to an oversight during the annual CIP rollover process and does not reflect any change in the project's scope or eligibility.

Going forward, the City will implement a review process to ensure that all active and ongoing projects are appropriately carried forward from one fiscal year to the next and that the Seven-Year CIP remains consistent with the projects reported on Schedule 4.

City Manager

Finance Director

Public Works Director

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF IRVINE

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Irvine's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund, project codes, and object codes. The City records its MOE expenditures in its General Fund (001) and is identified by a 6-digit project code and 4-digit object code. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $19,359,017 (see Schedule A), which exceeded the MOE benchmark requirement of $8,681,278. We agreed the total expenditures of $19,359,017 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

    b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

    Findings: We selected 30 direct MOE expenditures totaling $11,401,876, which represented approximately 59% of total direct MOE expenditures of $19,359,017 for the fiscal year ended June 30, 2025. We agreed the dollar amounts recorded in the general ledger to the supporting documentation provided by the City. During inspection, we identified costs in the amount of $3,113,608 that were based on a percentage allocation methodology and should have been classified as indirect costs. In addition, we identified the City used incorrect rates to allocate certain indirect costs, resulting in overcharges to the MOE in the amount $335,561. Finally, we identified $24,504 in MOE charges that were attributable to the prior fiscal year. After removing these expenditures, the City still met the MOE benchmark requirement. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were reported as MOE expenditures for the fiscal year ended June 30, 2025. However, during inspection of direct costs at Procedure #3, we identified $3,113,608 in indirect costs that were reported as direct costs. These expenditures were for tree maintenance and water utility costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and based upon a reasonable and appropriate methodology. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

    Findings: The City received $21,883,295 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $11,848,618 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

(Continued)

Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (154) followed by a 6-digit project code and a 4-digit object code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $6,206,825, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

   b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

   Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 13 direct Measure M2 Local Fair Share expenditures for inspection totaling $4,788,157 representing approximately 77% of total direct Measure M2 Local Fair Share expenditures of $6,206,825 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

   Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $646,009 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 13, 2026

CITY OF IRVINE, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	$ -
Construction & Right-of-Way	
Street Reconstruction	$ 672,604
Street Reconstruction - Pavement	5,485,215
Pedestrian Ways & Bikepaths	1,287,543
Total Construction	$ 7,445,362
Right of Way Acquisition	$ 594
Total Construction & Right-of-Way	$ 7,445,956
Maintenance	
Street Lights & Traffic Signals	$ 3,290,458
Other Street Purpose Maintenance	8,622,603
Total Maintenance	$ 11,913,061
Total MOE Expenditures	$ 19,359,017
Measure M2 Local Fair Share Expenditures (Schedule 4):	
FY22 Signal Emergency Connection Upgrade	$ 134,752
FY24 Slurry Seal/Local Street Rehabilitation	5,685,797
FY25 Slurry Seal/Local Street Rehabilitation	355,930
Walnut Pavement Rehabilitation (Harvard - Culver)	30,346
Total Measure M2 Local Fair Share Expenditures	$ 6,206,825
Total MOE and Measure M2 Local Fair Share Expenditures	$ 25,565,842

Note: The above amounts were taken directly from the financial records of the City of Irvine and were not audited.

cityofirvine.org

City of Irvine, 1 Civic Center Plaza, P.O. Box 19575, Irvine, California 92623-9575 949-724-6000

April 13, 2026

Board of Directors
Orange County Local Transportation Authority
and the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Irvine as of and for the fiscal year ended June 30, 2025.

Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 30 direct MOE expenditures totaling $11,401,876, which represented approximately 59% of total direct MOE expenditures of $19,359,017 for the fiscal year ended June 30, 2025. We agreed the dollar amounts recorded in the general ledger to the supporting documentation provided by the City. During inspection, we identified costs in the amount of $3,113,608 that were based on a percentage allocation methodology and should have been classified as indirect costs. In addition, we identified the City used incorrect rates to allocate certain indirect costs, resulting in overcharges to the MOE in the amount $335,561. Finally, we identified $24,504 in MOE charges that were attributable to the prior fiscal year. After removing these expenditures, the City still met the MOE benchmark requirement. No other exceptions were found as a result of this procedure.

City's Response:
The City acknowledges the audit results for Procedure #3 related to sampled MOE expenditures for the fiscal year ended June 30, 2025. The City will implement a secondary review process to validate that charges are eligible and properly attributable to MOE.

The variance of $335,561 was due to the use of historical cost allocation rates for tree maintenance and water utility expenditures. To mitigate similar variances going forward, the City will regularly review these cost allocation rates to better align them with actual MOE expenditures and classify as indirect costs.

Additionally, the City acknowledges that $24,504 in street rehabilitation expenditures were attributable to the prior fiscal year and will strengthen its review procedures to ensure expenditures are reported in the appropriate period on the annual M2 Expenditure Report.

Sean Crumby
City Manager — April 13, 2026 Date

Dahle Bulosan
Director of Administrative Services — April 13, 2026 Date

Luis Estevez (Apr 13, 2026 15:30:08 PDT)
Director of Public Works and Sustainability — April 13, 2026 Date

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF LAKE FOREST

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Lake Forest's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund number, program code, object code, and project code. The City recorded its MOE Expenditures in its General Fund (101), State Gas Tax HUTA Fund (210), and State Gas Tax RMRA Fund (211). The City identified MOE Expenditures within the funds by a 3-digit program code, 5-digit object code, and 5-character project code. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

(Continued)

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $674,305 (see Schedule A), which exceeded the MOE benchmark requirement of $245,220. We agreed the total expenditures of $674,305 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

   b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

   Findings: We selected nine direct MOE expenditures totaling $503,651, which represented approximately 75% of direct MOE expenditures of $674,305 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to the supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

   Findings: The City received $5,798,023 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $1,218,201 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

   Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (220) followed by 3-digit program key code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $5,463,957, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

    b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

    Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling $4,216,466 representing approximately 77% of total direct Measure M2 Local Fair Share expenditures of $5,463,957 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

    Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $86,168 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
March 30, 2026

CITY OF LAKE FOREST, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Maintenance	
Other Street Purpose Maintenance	$ 674,305
Total Maintenance	$ 674,305
Total MOE Expenditures	$ 674,305
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Road Rehabilitation - Muirlands/Jeronimo	$ 1,555,323
Road Rehabilitation - Trabuco	3,908,634
Total Measure M2 Local Fair Share Expenditures	$ 5,463,957
Total MOE and Measure M2 Local Fair Share Expenditures	$ 6,138,262

Note: The above amounts were taken directly from the financial records of the City of Lake Forest and were not audited.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF PLACENTIA

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Placentia's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund number, department number, and object code. The City recorded its MOE expenditures in its General Fund (101), Measure U Fund (102), State Gas Tax RMRA Fund (217), and Stormdrain Impact Fee Fund (306). The City identified its MOE expenditures within the funds by a 5-digit department number and 4-digit object code. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

(Continued)

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $1,278,297 (see Schedule A), which exceeded the MOE benchmark requirement of $879,347. We agreed the total expenditures of $1,278,297 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

   a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

   b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

   Findings: We selected one direct MOE expenditure totaling $1,087,615, which represented approximately 85% of direct MOE expenditures of $1,278,297 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to the supporting documentation provided by the City. We determined that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

   Findings: The City received $2,912,959 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $834,265 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

   Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (211) followed by a 5-digit department number and 4-digit object code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $1,241,179, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

    b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

    Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected three direct Measure M2 Local Fair Share expenditures for inspection totaling $1,001,566 representing approximately 81% of total direct Measure M2 Local Fair Share expenditures of $1,241,179 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

    Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $18,006 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 1, 2026

CITY OF PLACENTIA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Construction & Right-of-Way	
Street Reconstruction - Pavement	$ 1,263,462
Pedestrian Ways & Bikepaths	14,835
Total Construction	$ 1,278,297
Total MOE Expenditures	$ 1,278,297
Measure M2 Local Fair Share Expenditures (Schedule 4):	
FY 23-24 Roadway Rehabilitation Project Construction	$ 1,241,179
Total Measure M2 Local Fair Share Expenditures	$ 1,241,179
Total MOE and Measure M2 Local Fair Share Expenditures	$ 2,519,476

Note: The above amounts were taken directly from the financial records of the City of Placentia and were not audited.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF SANTA ANA

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Santa Ana's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund number and account unit. The City recorded its MOE expenditures in its General Fund (11) and identified MOE expenditures within the fund by a 5-digit account unit. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025, and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $14,829,277 (see Schedule A), which exceeded the MOE benchmark requirement of $10,324,712. We agreed the total expenditures of $14,829,277 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

    b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

    Findings: We selected 30 direct MOE expenditures totaling $4,199,030, which represented approximately 32% of direct MOE expenditures of $14,829,277 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

    Findings: The City received $18,659,321 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $17,235,292 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

    Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (32) followed by a 5-digit account unit. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $4,032,548, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

    b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

    Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected seven direct Measure M2 Local Fair Share expenditures for inspection totaling $3,035,602, representing approximately 75% of total direct Measure M2 Local Fair Share expenditures of $4,032,548 for the fiscal year ended June 30, 2025. We agreed the dollar amounts to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share expenditures. Additionally, we identified a negative amount reported on Schedule 4 related to a supported reclassification of previously recorded Local Fair Share expenditures to a different funding source. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

    Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $18,750 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 3, 2026

CITY OF SANTA ANA, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	$ -
Construction & Right-of-Way	
Street Reconstruction	$ 2,738,652
Street Reconstruction - Pavement	1,120,341
Signals, Safety Devices, & Street Lights	3,008,167
Pedestrian Ways & Bikepaths	720,075
Total Construction	$ 7,587,235
Maintenance	
Street Lights & Traffic Signals	$ 2,806,847
Other Street Purpose Maintenance	4,435,195
Total Maintenance	$ 7,242,042
Total MOE Expenditures	$ 14,829,277
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Bristol Widening-Warner/St Andrew Phase IV	$ 646,000
Euclid Street Corrective Traffic Signal Synchronization	3,848
Fairview Bridge and Street Improvements	101,985
Grand Avenue Rehabilitation - McFadden to 1st Street	44,590
Kennedy Elementry and Villa Fundamental Safe Routes to School	238,049
Local Street Preventative Maintenance FY23/24	2,608,134
Local Street Preventative Maintenance	491
Main Street Slurry: Memory Lane to North City Limit	3,199
McFadden Rehabilitation Fairview to Raitt	120,818
Pavement Management FY23/24	33,600
Pavement Management FY24/25	64,066
Project Development	49,031
Project Development FY23/24	14,539
Right of Way Management	144,638
Right of Way Managemement FY22/23	570
Santa Clara Bike Lane Lincoln Ave to Tustin Ave	(216,608)
Sgerstrom/Dyer Taffic Signal Synchronization	6,750
Traffic Management Plans FY22/23	18,638
Traffic Management Plans FY23/24	49,869
Tustin Ave Traffic Signal Synchronization	12,608
Warner Ave Traffic Signal Synchronization	87,733
Total Measure M2 Local Fair Share Expenditures	$ 4,032,548
Total MOE and Measure M2 Local Fair Share Expenditures	$ 18,861,825

Note: The above amounts were taken directly from the financial records of the City of Santa Ana and were not audited.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES CITY OF TUSTIN

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Tustin's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The City's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the City's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies (Maintenance of Effort) MOE expenditures in its general ledger.

   Findings: The MOE expenditures were tracked in the City's general ledger by fund number, organization key, and account code. The City records its MOE expenditures in its General Fund (100), Land Sale Proceeds Fund (189), and General Fund CIP (200). The City identified its MOE expenditures within the funds by a 2-digit department number, and a 2-digit division number. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2025 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2024/2025. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

   Findings: The City's MOE expenditures for the fiscal year ended June 30, 2025, were $6,814,184 (see Schedule A), which exceeded the MOE benchmark requirement of $1,938,025. We agreed the total expenditures of $6,814,184 to the amount reported on the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

    a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation; and

    b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

    Findings: We selected 25 direct MOE expenditures totaling $4,266,789, which represented approximately 63% of direct MOE expenditures of $6,814,184 for fiscal year ended June 30, 2025. We agreed the dollar amount listed on the general ledger to supporting documentation provided by the City. We determined that the expenditures were properly classified as local street and road expenditures and are allowable per the Ordinance. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

    Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2025 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. Explain any differences.

    Findings: The City received $6,555,506 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $4,737,472 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

    Findings: The City tracks its LFS expenditures in its Measure M2 Fair Share Fund (139) followed by a 5-digit project code. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2025, were $627,836, which agreed to the City's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

(Continued)

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share expenditures and allowable per the Ordinance.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 11 direct Measure M2 Local Fair Share expenditures for inspection totaling $475,554 representing approximately 76% of total direct Measure M2 Local Fair Share expenditures of $627,836 for the Fiscal Year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

   Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling $184,258 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Jurisdiction was found eligible by the Board of Directors for the applicable year (FY25) by inspecting the OCLTA Board agenda and action items.

    Findings: No exceptions were found as a result of this procedure.

(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
March 30, 2026

CITY OF TUSTIN, CALIFORNIA
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES
Year ended June 30, 2025
(Unaudited)

	SCHEDULE A
Construction & Right-of-Way	
New Street Construction	$ 4,987,075
Street Reconstruction - Pavement	48,038
Pedestrian Ways & Bikepaths	17,602
Total Construction	$ 5,052,715
Maintenance	
Street Lights & Traffic Signals	$ 321,145
Other Street Purpose Maintenance	1,440,324
Total Maintenance	$ 1,761,469
Total MOE Expenditures	$ 6,814,184
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Traffic Sig Controller Upgrade/Rep	$ 3,069
Main Street Improvements	14,562
Red Hill Ave Synchronization	13,171
First Street Signal Synchronization	4,364
Tustin Ave Signal Synchronization	580
FY 23/24 Major Pavement Maintenance	123,708
FY 24/25 Major Pavement Maintenance	468,382
Total Measure M2 Local Fair Share Expenditures	$ 627,836
Total MOE and Measure M2 Local Fair Share Expenditures	$ 7,442,020

Note: The above amounts were taken directly from the financial records of the City of Tustin and were not audited.

ATTACHMENT C

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 SENIOR NON-EMERGENCY MEDICAL TRANSPORTATION PROGRAM COUNTY OF ORANGE

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

MEASURE M2 SENIOR NON-EMERGENCY MEDICAL TRANSPORTATION PROGRAM COUNTY OF ORANGE

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2025

The County of Orange was selected at the direction of the Orange County Local Transportation Authority Board of Directors to perform agreed-upon procedures for the fiscal year ended June 30, 2025.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES COUNTY OF ORANGE

Board of Directors
Orange County Local Transportation Authority and
the Taxpayer Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayer Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the County of Orange's (County) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2025. The County's management is responsible for compliance with the Ordinance and for its cash, revenue, and expenditure records.

The Taxpayer Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the County's compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2025. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement between OCLTA and the County of Orange and determine that the agreement was properly approved and executed.

   Findings: We obtained and read the cooperative agreement between OCLTA and the County of Orange. The agreement was properly approved and executed, with a term extending through June 30, 2026. No exceptions were found as a result of this procedure.

2. Document which funds the County used to track expenditures relating to Senior Non-Emergency Medical Transportation Program (SNEMT) monies in its general ledger and the amount spent during the fiscal year ended June 30, 2025. Agree the amount listed as expended on schedule 2 of expenditure report. Explain any differences.

(Continued)

Findings: The SNEMT expenditures were tracked in the County's general ledger by fund, department, unit, and job number. The County records its SNEMT expenditures in its General Fund (100) with department number 012 (OC Community Resources department), unit number 2700 (Office on Aging unit) followed by a five-digit job number. The County reported $4,255,805 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 SNEMT payments made from OCLTA to the County and calculate the amount the County has received for the past three fiscal years. Obtain the cash balance of the County's SNEMT funds as of June 30, 2025 and determine whether funds are expended within three years of receipt. For payments received during the fiscal year ended June 30, 2025, agree to the amount listed as received on Schedule 2 of expenditure report. Explain any differences.

   Findings: The County received $12,751,098 for the past three fiscal years ended June 30, 2023, 2024, and 2025. We agreed the fund balance of $3,161,462 from the general ledger detail to the County's Expenditure Report (Schedule 1, line 24), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure. We agreed payments received from OCLTA totaling $4,177,852 during the fiscal year ended June 30, 2025, to the general ledger detail and to the amount listed as received on the County's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the County's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 SNEMT fund.

   Findings: We obtained the amount of interest allocated to the Measure M2 Senior Non-Emergency Medical Transportation Program and agreed the amount reflected to the amount of interest totaling $172,530 listed on the County's Expenditure Report (Schedule 2, line 21). We inspected the interest allocation methodology and recomputed the amount based on the interest allocation methodology. No exceptions were found as a result of this procedure.

5. Determine the amount of Tobacco Settlement funds required to be funded by the County for the fiscal year ending June 30, 2025 (e.g. obtain from OCLTA the percentage requirement and apply to the annual state allocation of Tobacco Settlement funds for the year under review).

   Findings: We obtained the percentage requirement of 5.27% from OCLTA and applied to the annual state allocation of $26,302,300 of Tobacco Settlement funds for the year under review. We determined the amount of Tobacco Settlement funds required to be funded by the County for the fiscal year ending June 30, 2025 was $1,386,131. No exceptions were found as a result of this procedure.

6. Determine that the County spent the required annual amount of Tobacco Settlement funds on the SNEMT program and select a sample from the general ledger to determine whether the expenditures related to the SNEMT program.

   Findings: We determined the County funded $1,661,425 for the Tobacco Settlement funds on the SNEMT program which exceeded the required annual amount to be funded of $1,386,131. We inspected Measure M2 Senior Non-Emergency Medical Transportation Program expenditures funded by Tobacco Settlement funds totaling $1,020,790 representing 78% of total expenditures of $1,301,740 funded by Tobacco Settlement for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Non-Emergency Medical Transportation Program and met the requirements. No exceptions were found as a result of this procedure.

7. Select a sample of Measure M2 SNEMT expenditures from the County's general ledger expenditure detail. For each item selected perform the following:

(Continued)

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine whether the expenditures selected in (a) above are exclusively for the SNEMT program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy guidelines and the cooperative agreement.

Findings: We inspected M2 Senior Non-Emergency Medical Transportation Program expenditures totaling $3,211,964 representing 75% of total Direct Measure M2 Senior Non-Emergency Medical Transportation Program expenditures for the fiscal year ended June 30, 2025. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Non-Emergency Medical Transportation Program and met the requirements outlined in the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

8. Inquire as to the procedures used by the County to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

   Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the SNEMT program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The County then verifies that the applicant is a resident of County of Orange, and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

9. Identify whether or not indirect costs were charged as Measure M2 SNEMT expenditures. If applicable, compare indirect costs identified to the amount reported on the County's Expenditure Report. Explain any differences. If applicable, select a sample of charges. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

   Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, line 1), and discussion with the County's accounting personnel, no indirect costs were identified as SNEMT expenditures for the fiscal year ended June 30, 2025. No exceptions were found as a result of this procedure.

10. Determine if the County contracts with a third-party service provider to provide senior transportation service, and perform the following:

    a. Verify that the Contractor was selected using a competitive procurement process; and

    b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

    Findings: Based on interview with County personnel, the County contracted with Age Well, and Abrazar to provide non-emergency medical transportation for adults age 60 and older, and who lack other reasonable means of medical-related transportation. From inspecting the Age Well and Abrazar procurement documents, we found that the contractors were selected using a competitive procurement process. In addition, per inspection of the original contracts, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

11. Obtain the proof of insurance coverage for the County's Contractor and perform the following:

    a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement; and

(Continued)

b. Determine whether current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for one of the contractors and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the County's contractors was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

12. Obtain the quarterly summary reports and determine if the reports were properly prepared and submitted within forty-five (45) days.

    Findings: We inspected all four quarterly summary reports (September 2024, December 2024, March 2025, and June 2025). Through inspection, we determined all four reports were timely submitted within 45 days of the following quarter end. No exceptions were found as a result of this procedure.

Reporting Month	Due Date	Date Received	Days Late
September 2024	November 15, 2024	October 29, 2024	-
December 2024	February 15, 2025	January 29, 2025	-
March 2025	May 15, 2025	May 2, 2025	-
June 2025	August 15, 2025	July 29, 2025	-

13. Inquire of the County whether they prioritized of trips provided under the SNEMT program. If so, determine whether actual expenditures exceeded available program funding and whether OCLTA was notified as required.

    Findings: Based upon inspection of the four quarterly SNEMT reports during Fiscal Year 2025, the fourth quarter report indicated actual expenditures of $5,665,037, representing 86% of budgeted expenditures. Prioritization of trips was not implemented in the fourth quarter of Fiscal Year 2025 as the County determines the prioritization of trips on a fiscal year basis. We determined the actual expenditures for FY25 did not exceed available program funding. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 8, 2026

COUNTY OF ORANGE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR NON-EMERGENCY MEDICAL TRANSPORTATION PROGRAM
EXPENDITURES
Year ended June 30, 2025
(Unaudited)

SCHEDULE A

Measure M2 Senior Non-Emergency Medical Transportation Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	$ -
Other Senior Non-Emergency Medical Transportation Project U	4,255,805
Total Measure M2 Senior Non-Emergency Medical Transportation Expenditures	$ 4,255,805

Note: The above amounts were taken directly from the financial records of the County of Orange and were not audited.

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Orange County Local Transportation Authority Report on Compliance with the Measure M2 Ordinance, Year Ended June 30, 2025

Overview

Crowe LLP, an independent accounting firm, has issued results of its audit of the Orange County Local Transportation Authority's compliance with the Measure M2 Ordinance for the year ended June 30, 2025. The auditors found that the Orange County Local Transportation Authority complied, in all material respects, with the compliance requirements of the Measure M2 Ordinance for the year ended June 30, 2025. In addition, no reportable deficiencies in internal control over compliance were identified.

Recommendation

Receive and file as an information item.

Background

As spelled out in the Orange County Local Transportation Authority (OCLTA) Measure M2 (M2) Ordinance, the Taxpayer Oversight Committee (TOC) is responsible for reviewing annual audits, along with other materials, and holding an annual public hearing to determine whether the OCLTA is proceeding in accordance with the M2 Ordinance. In addition, following the public hearing, the TOC Chairperson is required to annually certify whether revenues have been spent in compliance with the M2 Ordinance. The TOC Chairperson has communicated that a compliance audit by an independent accounting firm is required for him to provide his annual certification.

Discussion

Crowe LLP (auditors) conducted the audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, and the M2 Ordinance. The objectives of the audit were to obtain reasonable assurance about whether material noncompliance with the M2 Ordinance occurred and express an opinion on compliance based on the audit.

The auditors found that OCLTA complied, in all material respects, with the compliance requirements of the M2 Ordinance and no reportable deficiencies in internal control over compliance were identified.

Summary

The auditors have issued the OCLTA Report on Compliance with the Measure M2 Ordinance for the year ended June 30, 2025.

Attachment

A. Independent Auditor's Report on Compliance with the Measure M2 Ordinance and Report on Internal Control over Compliance

Approved by:



Janet Sutter
Executive Director, Internal Audit
(714) 560-5591

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE MEASURE M2 ORDINANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Orange County Local Transportation Authority
Orange, California

Report on Compliance with the Measure M2 Ordinance

We have audited Orange County Local Transportation Authority's ("OCLTA") compliance with the types of requirements described in the Orange County Local Transportation Authority, Ordinance No. 3 (the "Ordinance" or "M2 Ordinance"), that could have a direct and material effect on OCLTA's compliance with the Ordinance for the year ended June 30, 2025.

In our opinion, OCLTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Ordinance for the year ended June 30, 2025.

Basis for Opinion on the Ordinance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Ordinance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of OCLTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of OCLTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Ordinance.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on OCLTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(Continued)

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about OCLTA's compliance with the requirements of the Ordinance.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding OCLTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of OCLTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Ordinance, but not for the purpose of expressing an opinion on the effectiveness of OCLTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Ordinance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Ordinance will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Ordinance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Costa Mesa, California
April 15, 2026

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Audit of Toll Lanes Integrator System

Overview

The Internal Audit Department of the Orange County Transportation Authority has completed an audit of oversight, contract compliance, and invoice review controls related to the contract with Kapsch Trafficom USA, Incorporated, for provision of toll lanes integrator systems. Based on the audit, management should implement controls to ensure contract terms are enforced, damages and fee adjustments are applied, work is not authorized until applicable amendments are executed, and invoice packages are complete.

Recommendation

Direct staff to implement four recommendations provided in the Audit of Toll Lanes Integrator System, Internal Audit Report No. 26-501.

Background

On June 14, 2018, OCTA entered into Agreement No. C-71911 (contract), with Kapsch Trafficom USA, Incorporated (Kapsch) to design, implement, install, operate, and maintain toll lane integrator systems on the 405 and 91 Express Lanes (EL). The contract is divided into two phases, an Implementation Phase and an Operations and Maintenance Phase. The Implementation Phase includes the design, testing, and installation of new toll lanes integrator systems on both the 91 EL and the 405 EL. After the go-live date of each EL system, the contract transitioned to the Operations and Maintenance Phase, which includes toll operations, system maintenance, and software maintenance.

The contract includes firm-fixed prices for completed and approved milestones during the Implementation Phase, along with liquidated damages to be assessed

for failure to meet guaranteed completion dates. Following the Implementation Phase, the contract entered the Operations and Maintenance Phase, which includes fixed-monthly pricing for operations and maintenance services and variable unit pricing for image review services. The contract outlines performance standards and penalties to be assessed for failure to meet the standards. Kapsch is required to develop and submit reports that reflect performance against standards along with their monthly invoices.

The Express Lanes Department utilizes Parsons Transportation Group, Incorporated (Parsons) to assist with project and contract oversight, including approval of project milestones and review of monthly performance reports provided by Kapsch. Invoices are reviewed by the assigned project manager and approved by the general manager.

Discussion

Kapsch failed to meet guaranteed completion dates for system implementation, and liquidated damages, totaling $3,150,000, were not assessed. System implementation for the 91 EL was approximately three months late, while implementation of the 405 EL was over eight months late. The Internal Audit Department (Internal Audit) recommended management collect liquidated damages due, or document and obtain appropriate approval for waiver of such damages. Management asserted that delays in system implementation were not the responsibility of Kapsch and, as a result, damages were not assessed. Management agreed that decisions regarding waiver of the liquidated damages should have been documented and the contract amended to reflect the revised guaranteed completion dates.

Kapsch failed to provide complete performance measure reports, and to date, OCTA has not imposed contractually outlined fee adjustments against invoiced amounts. Monthly reports were required to be provided upon commencement of the Operations and Maintenance Phases, which began on April 1, 2020, and December 1, 2023, for the 91 and 405 EL, respectively. Reports that were provided, starting in August 2024, were largely insufficient to determine performance against standards and estimate penalties due. Internal Audit recommended management collect penalties due and implement procedures to ensure enforcement of contract penalty provisions going forward. Management agreed and indicated they are currently working with Kapsch to determine penalty amounts to be applied for both current and prior activities.

Management directed Kapsch to perform additional work prior to obtaining contract authorization for the work through an amendment. Amendment No. 11, authorizing additional work valued at $3,965,452, was executed on

June 24, 2024; however, the work performed for this amendment occurred more than six months prior to the amendment date. Internal Audit recommended management not authorize additional work prior to execution of an amendment for such work and improve processes to ensure amendments are timely requested and executed. Management agreed that additional work should not be performed prior to the execution of an amendment authorizing such work.

Invoice packages lacked adequate supporting documentation. The contract requires invoices to be accompanied by a monthly progress report, an updated baseline implementation schedule (for milestone payments), and system generated reports to support charges for image review services. Of the 23 invoices tested, all lacked a monthly progress report as well as a system report supporting image review services, and four of the six invoices for milestone payments lacked an updated baseline implementation schedule. Internal Audit recommended management develop and implement an invoice review checklist to ensure all invoice requirements are met and develop a method to independently obtain system data supporting image review service charges. Management agreed and indicated that an invoice review checklist and a process to verify image review services have been implemented.

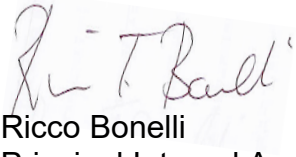
Summary

Internal Audit has completed an audit of oversight, contract compliance, and invoice review controls related to the contract with Kapsch and has offered four recommendations for improvement.

Attachment

A. Audit of Toll Lanes Integrator System

Prepared by:



Ricco Bonelli
Principal Internal Auditor
714-560-5384

Approved by:



Janet Sutter
Executive Director, Internal Audit
714-560-5591

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT

Audit of Toll Lanes Integrator System

Internal Audit Report No. 26-501

May 7, 2026



Performed by Ricco Bonelli, CIA, Principal Internal Auditor RTB
Janet Sutter, CIA, Executive Director

Distributed to: Kirk Avila, General Manager, Express Lanes Programs
Ellen Lee, Anthony Rodriguez

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Audit of Toll Lanes Integrator System
May 7, 2026

Table of Contents

Conclusion 1
Background 1
Objectives, Scope, and Methodology 2
Audit Comments, Recommendations, and Management Responses 4
Guaranteed Completion Dates and Liquidated Damages 4
Performance Measure Reporting and Related Penalties 5
Approval of Work Prior to Contract Amendment 6
Invoice Review and Payment Compliance 7

ORANGE COUNTY TRANSPORTATION AUTHORITY
INTERNAL AUDIT DEPARTMENT
Audit of Toll Lanes Integrator System
May 7, 2026

Conclusion

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has completed an audit of oversight, contract compliance, and invoice review controls related to the contract with Kapsch Trafficom USA, Incorporated (Kapsch) for the design, implementation, operation, and maintenance of the electronic toll and traffic management systems on the 91 and 405 Express Lanes. Based on the audit, management should implement controls to ensure contract terms are enforced, damages and fee adjustments are applied, work is not authorized until applicable amendments are executed, and invoice packages are complete.

Background

Express Lanes Program

The Express Lanes Programs Department (Department) is responsible for overseeing operation of the 91 Express Lanes (EL) and the 405 EL. The Department is managed by a general manager, and each EL program is assigned a project manager and an Information Systems project manager.

The 91 EL is a four-lane, 18-mile tolled facility built in the median of California's Riverside Freeway between the Costa Mesa Freeway (SR-55) in the City of Anaheim and Interstate 15 interchange in the City of Riverside. The 91 EL was built in 1995 and the eight-mile Riverside County Transportation Commission portion of the 91 EL opened in March 2017. The 405 EL spans a four-lane, 16-mile corridor along Interstate 405 (I-405), extending from SR-55 to Interstate 605.

Electronic Toll and Traffic Management (ETTM) System

On June 14, 2018, OCTA entered into Agreement No. C-71911 (contract), with Kapsch to design, implement, install, operate, and maintain an ETTM system on the 405 EL, and the 91 EL for $42,309,259, with an initial term ending March 30, 2028. The contract includes two, 24-month option terms. Effective with Amendment No. 11, executed on June 24, 2024, the maximum obligation has increased to $46,813,309.

The contract is divided into two phases, an Implementation Phase and an Operations and Maintenance Phase. The Implementation Phase included the design, testing, and installation of a new ETTM system on both the 91 EL and the 405 EL. After the go-live date of each system, the contract transitions to the Operations and Maintenance Phase, which includes toll operations, system maintenance, and software maintenance.

The contract includes firm-fixed prices for completed and approved milestones during the Implementation Phase. Following implementation, the contract outlines fixed-monthly pricing for operations and maintenance and variable unit pricing for image review

services. The contract also includes performance standards and penalties to be assessed for failure to meet the operating standards. Penalties are to be assessed against the monthly fee paid to Kapsch. The contract requires Kapsch to develop reports that measure performance against established standards and submit these reports along with monthly invoices.

The contract outlines bond and minimum insurance coverages to be maintained by Kapsch. Bond requirements included both performance and payment bonds to be provided during the Implementation Phase, and an operations and maintenance bond to be provided thereafter. Insurance requirements consist of minimum coverage levels for general liability, automobile liability, workers' compensation, employer's liability, professional liability, completed products coverage, commercial crime, security and privacy liability, technology errors and omissions, and cyber liability insurance. The contract also outlines liquidated damages to be assessed for failure to meet guaranteed completion dates for system implementation.

Project Oversight and Invoice Review

The Department utilizes Parsons Transportation Group, Incorporated (Parsons) to assist with project and contract oversight. These services are provided under Agreement No. C-21513, for program management consultant services for the I-405 Improvement Project. During the Implementation Phase, Parsons assisted management in reviewing milestone submittals, such as the Project Management Plan and Quality Assurance Plan, to ensure compliance with the contract. In addition, Parsons verified on-site installation and performed system acceptance testing. Parsons also provides review of monthly performance measure reports provided by Kapsch and calculates applicable penalty amounts. Invoices are reviewed by the assigned project manager and approved by the general manager. Accounts Payable Department staff processes invoices for payment.

Objectives, Scope, and Methodology

The objectives were to assess and test oversight, contract compliance, and invoice review controls related to the contract with Kapsch for the design, implementation, installation, operation, and maintenance of a toll collection system for the existing 91 EL and the 405 EL.

The methodology consisted of testing a judgmental sample of invoices for compliance with controls, policies and contract provisions, and testing for compliance with selected contract requirements, such as bond, insurance, guaranteed completion date, and performance measure requirements.

The scope is limited to contract compliance and project oversight of Agreement No. C-71911, between OCTA and Kapsch. The scope included invoices paid during calendar years 2023 through 2025, and current bond and insurance certificates on file.

The scope also included Kapsch performance measure reporting, and related Parsons review services, for the period covering October 2024 through September 2025. The judgmental sample of invoices was selected to provide coverage throughout the scope period and to ensure testing of Implementation Phase and Operations and Maintenance Phase invoices. Since the sample was non-statistical, any conclusions are limited to the sample items tested.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Comments, Recommendations, and Management Responses

Guaranteed Completion Dates and Liquidated Damages

Kapsch failed to meet guaranteed completion dates for system implementation, and liquidated damages, totaling $3,150,000, were not assessed.

The contract required the 91 EL system to be fully operational by December 31, 2019; however, the system did not go live until April 1, 2020. According to the contract terms, OCTA was entitled to liquidated damages of $450,000. The contract required the 405 EL system to be fully operational by March 24, 2023; however, the system did not go live until December 1, 2023. As a result, OCTA was entitled to liquidated damages of $2,700,000.

Recommendation 1:

Internal Audit recommends management collect liquidated damages due, or document and obtain appropriate approval for waiver of such damages.

Management Response:

Management agrees that better documentation should be provided for all discussions and decisions regarding liquidated damages and the disposition thereof. Additionally, the agreement should have been amended to reflect revised guaranteed completion dates for both express lanes projects.

System implementation delays for the 91 EL were primarily due to the statewide mandate to transition from the legacy Title 21 transponder to the ISO 18000 (6C) sticker transponder. These delays were the causation for the liquidated damages noted in this finding. It was imperative for continuity of operations for OCTA to ensure the new system could accurately read and process both technologies during the transition period, which contributed to the delay.

The decision to open the 405 EL in December 2023 was made late in the calendar year after multiple discussions with OCTA's Board of Directors and contractors. Management coordinated with multiple stakeholders, including contractors, the design-build team, customer service center (CSC) building management, the back-office system and CSC provider, and Kapsch to meet the targeted opening date. In support of this effort and to avoid further project impacts, management worked with Kapsch to determine the best approach to allow the most expedient benefit to motorists, which was to open the 405 EL and not assess liquidated damages. Liquidated damages related to the guaranteed completion date were established to compensate OCTA for the loss of toll revenues associated with delays in the opening date. Kapsch was not responsible for lost revenues related to the opening date of December 2023.

Performance Measure Reporting and Related Penalties

Kapsch failed to provide complete performance measure reports, and to date, OCTA has not imposed contractually outlined fee adjustments against invoiced amounts.

Monthly performance measure reports were required to be provided under the contract upon commencement of the Operations and Maintenance Phase, which began on April 1, 2020, for the 91 EL, and December 1, 2023, for the 405 EL. Kapsch did not begin providing these reports until August 2024. The reports provided were largely insufficient to determine Kapsch's performance against standards and calculate applicable fee adjustment penalties. OCTA utilized a consultant, Parsons, to review the performance measure data provided, estimate penalties due, and consult with Kapsch to improve performance reporting.

Internal Audit reviewed reports provided by Kapsch for the 12-month period from October 2024 through September 2025, along with estimated penalties as calculated by Kapsch and Parsons. There were significant variances in the estimates due to the lack of complete system data that is required for the calculation of such fee adjustment penalties. During this period, Kapsch calculated penalties of $634,867, while Parsons calculated potential penalties of $2,155,987. Services provided by Parsons to consult on system integration, review Kapsch performance data, and calculate potential penalties, amounted to approximately $350,000 during the same 12-month period.

Recommendation 2:

Internal Audit recommends management collect penalties not assessed and implement procedures to ensure future penalties are collected through fee adjustments against invoice payments, in accordance with contract terms.

Internal Audit also recommends management develop processes and procedures for enforcement of contract requirements related to performance measure reporting. These procedures should include assessment of liquidated or actual damages and/or withholding payments to the contractor until contract requirements are met.

Management Response:

Management agrees to collect penalties associated with the Operations and Maintenance Phase and is currently working with Kapsch to determine the correct amounts for both current and prior invoices.

The Key Performance Indicators (KPI) Reporting and Management Plan (RAMP) outlines the evaluation methodology, including the data to be measured and sampled, calculation formulas, and applicable data exclusions. While the RAMP was conceptually approved

during the 405 EL implementation phase, it was expected to be refined using live traffic conditions and system data following the December 2023 go-live date. Therefore, staff directed Kapsch hold off on providing performance measurement reports until system acceptance.

After system acceptance in August 2024, OCTA staff, in coordination with Parsons, worked with Kapsch to finalize KPI reporting elements, including data sources, interpretations, report development, and calculation methodologies. Following agreement on these components, Kapsch and Parsons were directed to revisit and recalculate previously submitted monthly maintenance reports.

To account for this ongoing process, the retention amounts for the Operations and Maintenance Phase have been held by OCTA. Penalties owed will be applied against the withheld amounts and any subsequent invoices, if applicable.

Management has also developed policies and procedures defining parameters and thresholds for assessing liquidated damages.

Approval of Work Prior to Contract Amendment

Management directed Kapsch to perform additional work prior to obtaining contract authorization for the work through amendment.

Amendment No. 11, authorizing additional work valued at $3,965,452, was executed on June 24, 2024, with an effective date of May 28, 2024. Based on invoice documentation, the work performed for this amendment occurred prior to December 2023, more than six months before execution of the amendment that authorized the work.

Recommendation 3:

Internal Audit recommends management not direct extra work prior to execution of an amendment authorizing such work. Management should improve its process to ensure requests for amendment are timely requested and processed.

Management Response:

Management agrees that additional work should not be performed prior to the execution of an amendment authorizing such work. For the I-405 Improvement Project, it was determined that additional cameras were needed along certain segments of the I-405 corridor to support safety operations. A review of the ready-for-construction drawings and field conditions identified the need for more closed-circuit television cameras and traffic detectors to provide the traffic operations center staff with adequate visibility and detection to monitor the express lanes and respond to incidents in coordination with the Freeway Service Patrol and the California Highway Patrol. Initially, it was believed these

additional cameras could be accommodated within the scope of the original agreement through cost savings elsewhere; however, when this proved unfeasible, staff initiated the amendment process by submitting a requisition in October 2023.

Invoice Review and Payment Compliance

Invoice packages lacked adequate supporting documentation.

The contract requires invoices to be accompanied by a monthly progress report, an updated baseline implementation schedule (for milestone payments), and system generated reports to support charges for image review services. Of the 23 invoices tested, all lacked a monthly progress report as well as a system report supporting image review services, and four of the six invoices for milestone payments lacked an updated baseline implementation schedule.

Recommendation 4:

Internal Audit recommends management develop and implement an invoice review checklist to ensure all invoice requirements are met. Management should also develop a method to independently obtain system data supporting image review service charges.

Management Response:

Management agrees and has implemented an invoice checklist, and a process has been set up for verifying the number of image reviews. Monthly progress reports have been provided by Kapsch as part of monthly status meetings; however, these reports were not included with the invoices. Commencing with the January 2026 invoice, the progress report and baseline implementation schedule have been included with the monthly invoice submittals.

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Annual Insurance Program Renewal

Overview

The Orange County Transportation Authority holds an Excess Workers' Compensation Insurance Policy with Safety National Insurance Company, a Property Insurance Policy with Zurich Insurance Company, and express lanes property insurance with Zurich Insurance Company, Munich Re Insurance, and AIG Specialty Insurance Company. The policies are scheduled to expire on June 30, 2026, and renewals are necessary to maintain coverage.

Recommendations

A. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255099, in an amount not-to-exceed $746,148, to Marsh Risk and Insurance Services, Inc., to purchase excess workers' compensation insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

B. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255098, in an amount not-to-exceed $1,300,000, to Marsh Risk and Insurance Services, Inc., to purchase property insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

C. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C255100, in an amount not-to-exceed $600,000, to Marsh Risk and Insurance Services, Inc., to purchase the 91 and 405 Express Lanes' property and flood insurance on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

D. Authorize the Chief Executive Officer to remain fully self-insured for general liability exposures and maintain a minimum liability reserve of

$31.6 million as directed by the Board in June 2025, for the policy period of July 1, 2026, to June 30, 2027.

Discussion

The Orange County Transportation Authority (OCTA) maintains a broad insurance program designed to protect its assets and operations. This includes coverage for physical loss or damage to buildings, contents, buses, and the express lanes. Additional policies include excess workers' compensation which covers all employees, and accidental death and dismemberment insurance which covers coach operators while in service. Cyber and crime insurance policies further protect OCTA from malicious acts, including cyberattacks and financial crimes.

As directed by the Board of Directors (Board) in December 2020, and reaffirmed by the Board in June 2025, OCTA remains fully self-insured for general liability exposures. Since the Board's review in June 2025 and establishment of a $31.6 million liability reserve, there have been no significant changes to OCTA's loss history or the excess liability insurance market. Staff will continue working with its broker, Marsh Risk and Insurance Services, Inc. (Marsh), to evaluate the excess liability market and will report back to the Board with any viable alternatives to remaining fully self-insured.

All OCTA insurance policy renewals moved to a fiscal year (FY) renewal basis beginning July 1, 2024. Board approval is required to renew the excess workers' compensation, property, and express lanes property insurance policies that expire on June 30, 2026, to maintain coverage for FY 2026-27.

Excess Workers' Compensation Insurance

Workers' compensation coverage is designed to provide medical, temporary disability, and permanent disability benefits to injured workers. Employer's liability is additional coverage provided as part of the Excess Workers' Compensation Insurance Policy. Employer's liability insurance covers claim expenses, such as legal defense costs and damages, that fall outside of workers' compensation coverage if an employee were to file a claim asserting additional damages.

OCTA's FY 2025-26 Excess Workers' Compensation Insurance Policy with Safety National Insurance Company provides coverage for any claim exceeding OCTA's self-insured retention of $750,000, meaning OCTA is responsible for the first $750,000 of every claim, and excess insurance covers all costs beyond that. This policy includes employer's liability coverage, with limits of $1 million

per occurrence/annual aggregate. The term premium for this policy is $678,316 for FY 2025-26.

For the FY 2026-27 renewal, Marsh, OCTA's Broker of Record, reports that the excess workers' compensation market remains stable and competitive as the result of a more predictable loss experience, with a safety-focused culture and risk mitigation reducing claim frequency. Marsh projects a year-over-year premium increase of zero to five percent. Any year-over-year increase or decrease to OCTA's payroll will have a corresponding impact on the premium.

Property Insurance

OCTA purchases insurance to protect its assets, including buildings, contents, and buses (unless otherwise specified below) from accidental loss. OCTA is currently insured with Zurich Insurance Company with a term premium of $1,017,649 for FY 2025-2026 which is based on property values of $836,535,936 and includes all OCTA-owned property except the OCTA express lanes, which are insured under a separate policy.

Insurance companies determine property insurance quotes based on current market conditions affecting rates per $100 in property values. The renewal of this policy is based on updated property values of $815,013,736, which includes real and business personal property, information systems equipment, and directly operated revenue and non-revenue vehicles. The FY 2026-27 property insurance renewal reflects a year-over-year decrease of $21,522,200 to existing property values associated with the sale of several excess properties and the removal of several other assets from the property schedule.

A $50,000 per occurrence deductible applies for fire loss or damage to OCTA's bus fleet in this policy. Revenue vehicles are self-insured for damage while in operation. OCTA's paratransit vehicles are insured separately under an agreement with TransDev, while fixed-route buses operated by Keolis Transit Services, LLC are also not included in OCTA's insurable values.

The property insurance policy limit is $250 million, providing catastrophic protection equivalent to a total loss just above the current insurable values at OCTA's single largest property value location, the Santa Ana Bus Base. Coverage includes fire, flood, terrorism, civil authority, ingress/egress, leaks to fire sprinkler pipes caused by earthquakes, valuable papers, boiler, and machinery.

- Flood coverage: Limit of $10 million, with a $500,000 deductible for high-hazard flood zone areas.

- Earthquake coverage: Limit of $15 million, subject to a five percent deductible of insurable value per location, with a minimum deductible of $250,000.

Express Lanes Property Insurance

Insurance companies determine property insurance quotes based upon current insurance market conditions and the total value of property to be insured. Currently, Zurich Insurance Company, Munich Re Insurance, and AIG Specialty Insurance Company provide primary property and flood coverage for the 91 and 405 Express Lanes for a premium of $453,286, and a total policy coverage limit of $150 million. These policies provide catastrophic protection for the roadway, structures, and business personal property, including business interruption coverage against losses caused by fire and flood. Other coverage includes losses due to civil authority, ingress/egress, debris removal, demolition and increased costs of construction, equipment breakdown, including electronic data processing equipment.

Flood protection is provided in the current policy with a $25 million coverage limit in any one occurrence and a $100,000 deductible. As with many properties in Orange County, the express lanes have structures and buildings that are in areas susceptible to flooding. Flood is defined in the policy to mean “a general and temporary condition of partial or complete inundation of normally dry land areas from (1) the rising or overflow of inland or tidal waters, (2) the unusual and rapid accumulation of run off of surface waters from any source, (3) mudslide (i.e., mudflow), meaning a river or flow of liquid mud proximately caused by flooding as defined in (1) above or by the accumulation of water under the ground, or (4) water that backs up from a sewer or drain. Each loss by flood shall constitute a single claim hereunder; provided if more than one flood shall occur within any period of 72 hours during the term of the policy, such floods shall be deemed to be a single flood.”

OCTA’s broker, Marsh, is paid a flat annual fee of $120,000 for marketing and placement of all property and casualty insurance policies per Agreement No. C-2-2257, which was approved by the Board on June 13, 2022. This fee is not part of the premium OCTA anticipates paying to the selected insurers for these policy renewals. Per this agreement, Marsh does not earn any additional compensation or commission for its services. The contract further requires that any commissions offered by insurers will offset OCTA’s premiums.

Fiscal Impact

Excess Workers' Compensation Insurance

This expenditure is anticipated to be approved in OCTA's Proposed FY 2026-27 Budget, People and Community Engagement Division, Risk Management Department, Account No. 0041-7552-A2311-DSG.

Property Insurance

This expenditure is anticipated to be approved in OCTA's Proposed FY 2026-27 Budget, People and Community Engagement Division, Risk Management Department, account nos. 0040-7563-A0017-DTS and 0035-7563-OC100-13W.

Express Lanes Property Insurance

This expenditure is anticipated to be approved in OCTA's Proposed FY 2026-27 Budget, People and Community Engagement Division, Risk Management Department, account nos. 0036-7563-A0017-GGN and 0037-7563-A0017-GGN.

Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order Nos. C255099, C255098, and C255100, in amounts not to exceed $746,148, $1,300,000, and $600,000 respectively, to Marsh Risk and Insurance Services, Inc., for the purchase of excess workers' compensation, property insurance, and express lanes property insurance renewals on behalf of the Orange County Transportation Authority for the policy period of July 1, 2026, to June 30, 2027.

Attachment

None.

Prepared by:

Greg Bych
Department Manager
Risk Management
714-560-5817

Approved by:

Maggie McJilton
Executive Director
People and Community Engagement
714-560-5824

Pia Veesapen
Director, Contracts Administration and
Materials Management
714-560-5619

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Resolution to Establish the Orange County Transportation Authority General Fund Appropriations Limit for Fiscal Year 2026-27

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation

Adopt Orange County Transportation Authority Resolution No. 2026-019 to establish the Orange County Transportation Authority General Fund appropriations limit at $16,950,578, for fiscal year 2026-27.

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIIIB of the California Constitution, which is also known as the Gann appropriations limit.

Both the Article XIIIB appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, “proceeds of taxes” by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriations limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

Discussion

In accordance with the requirements of Article XIIIB, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Transportation Authority (OCTA) General Fund appropriations limit for fiscal year (FY) 2026-27 at $16,950,578, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limit.

Attachment B shows the calculation of the FY 2026-27 OCTA General Fund appropriations limit. Appropriations subject to limits do not include appropriations for debt service, costs of complying with the mandates of the courts or the federal government, or capital outlay projects. The percentage change in population and change in California per capita personal income were obtained from the State of California, Department of Finance.

Summary

Staff recommends adoption of the Orange County Transportation Authority General Fund Resolution No. 2026-019, which will establish the fiscal year 2026-27 appropriations limit at $16,950,578.

Attachments

A. Resolution No. 2026-019 of the Orange County Transportation Authority - General Fund Establishing Appropriations Limit for Fiscal Year 2026-27
B. Orange County Transportation Authority - General Fund GANN Appropriations Limit Calculation for Fiscal Year 2026-27

Prepared by:



Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

ATTACHMENT A

**RESOLUTION No. 2026-019 OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY - GENERAL FUND
ESTABLISHING APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2026-27**

WHEREAS, Article XIIIB of the California Constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

WHEREAS, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Orange County Transportation Authority - General Fund hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Transportation Authority - General Fund for fiscal year 2026-27 is $16,950,578.

2. The total amount authorized to be expended by the Orange County Transportation Authority - General Fund during fiscal year 2026-27 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is $7,258,013.

3. The appropriations limit for fiscal year 2026-27 exceeds proceeds of taxes for fiscal year 2026-27 by $9,692,565.

ADOPTED, SIGNED, AND APPROVED this 8th day of June 2026.

AYES:

NOES:

ABSENT:

ATTEST:

_____	_____
Andrea West Clerk of the Board	Jamey M. Federico, Chair Orange County Transportation Authority

ATTACHMENT B

Orange County Transportation Authority - General Fund
GANN Appropriations Limit Calculation for
Fiscal Year 2026-27

GANN FACTOR

PER CAPITA CHANGE[1]	**%**		**RATIO**		**GANN FACTOR**
California per capita personal income change	4.95%		1.0495		
POPULATION CHANGE[2]					
County of Orange	-0.37%		0.9963		
GANN FACTOR	1.0495	x	0.9963	=	1.0456

FY 2026-27 APPROPRIATIONS LIMIT

Prior Year Appropriations Limit	$	16,211,341
GANN Factor (Rounded)	x	1.0456
	$	**16,950,578**

ITEMS SUBJECT TO GANN LIMIT[3]

Line Item		***Amount***
Transfers in from the LTF (CTC Administration and Planning)	$	5,264,194
Interest Revenue	$	1,993,819
	$	**7,258,013**

FY 2026-27 APPROPRIATIONS LIMIT

		Amount
FY 2026-27 Appropriations Limit	$	16,950,578
Less Items Subject to GANN Limit	$	(7,258,013)
Appropriation Limit that Exceeds the Proceeds of Taxes:	**$**	**9,692,565**

Note:
LTF - Local Transportation Fund
CTC - County Transportation Commission
FY - Fiscal Year
[1,2]Price Factor and Population Information provided by the Department of Finance.
[3]Items subject to GANN Limit provided from proposed FY 2026-27 budget.

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Resolution to Establish the Orange County Local Transportation Authority/Measure M2 Appropriations Limit for Fiscal Year 2026-27

Overview

The State Constitution requires that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year pursuant to Article XIIIB.

Recommendation

Adopt Orange County Local Transportation Authority/Measure M2 Resolution No. 2026-020 to establish the Orange County Local Transportation Authority/Measure M2 appropriations limit at $2,561,703,810, for fiscal year 2026-27.

Background

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the Gann Initiative. The proposition created Article XIIIB of the California Constitution, which is also known as the Gann Appropriations Limit.

Both the Article XIIIB appropriations limit and its implementing legislation were modified by Proposition 111, approved by voters in 1990. The law specifies that the appropriations of revenues, “proceeds of taxes” by state and local governments, may only increase annually by a limit based on a factor comprised of the change in population and the change in California per capita personal income. The appropriation limit includes any interest earned from the investment of the proceeds of taxes and must be reviewed during the annual financial audit.

Discussion

In accordance with the requirements of Article XIIIB, a resolution has been prepared and is attached for review and approval (Attachment A). The resolution establishes the Orange County Local Transportation Authority (LTA)/Measure M2 (M2) appropriations limit for fiscal year (FY) 2026-27 at $2,561,703,810, excluding federal grant funds and other funds to be received from sources not subject to the appropriations limit.

Attachment B shows the calculation of the FY 2026-27 Orange County LTA/M2 appropriations limit. Appropriations subject to limits do not include appropriations for debt service, costs of complying with the mandates of the courts, federal government, or capital outlay projects. The change in population and change in California per capita personal income rates were obtained from the State of California, Department of Finance.

Summary

Staff recommends adoption of the Orange County Local Transportation Authority/Measure M2 Resolution No. 2026-020, which will establish the fiscal year 2026-27 appropriation limit at $2,561,703,810, for the Orange County Local Transportation Authority.

Attachments

A. Resolution No. 2026-020 of the Orange County Local Transportation Authority/Measure M2 Establishing Appropriations Limit for Fiscal Year 2026-27
B. Orange County Local Transportation Authority/Measure M2 GANN Appropriations Limit Calculation for Fiscal Year 2026-27

Prepared by:



Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

ATTACHMENT A

RESOLUTION No. 2026-020 OF THE
ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY/MEASURE M2
ESTABLISHING APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2026-27

WHEREAS, Article XIIIB of the California Constitution and Sections 7900 through 7913 of the California Government Code require the establishment of an appropriations limit; and

WHEREAS, appropriations limits are applicable to funds received from the proceeds of taxes and interest earned on such proceeds.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Orange County Local Transportation Authority/Measure M2 hereby determines that pursuant to Section 7902b of the California Government Code, the appropriations limit for the Orange County Local Transportation Authority/Measure M2 for fiscal year 2026-27 is $2,561,703,810.

2. The total amount authorized to be expended by the Orange County Local Transportation Authority/Measure M2 during the fiscal year 2026-27 from the proceeds of taxes, including interest earned from the investment of the proceeds of taxes, is $480,333,516.

3. The appropriations limit for fiscal year 2026-27 exceeds proceeds of taxes for fiscal year 2026-27 by $2,081,370,294.

ADOPTED SIGNED AND APPROVED on this 8th day of June 2026.

AYES:

NOES:

ABSENT:

ATTEST:

_____	_____
Andrea West	Jamey M. Federico, Chair
Clerk of the Board	Orange County Local Transportation Authority

ATTACHMENT B

Orange County Local Transportation Authority/Measure M2
GANN Appropriations Limit Calculation for
Fiscal Year 2026-27

GANN FACTOR

PER CAPITA CHANGE[1]	**%**		**RATIO**		**GANN FACTOR**
California per capita personal income change	4.95%		1.0495		
POPULATION CHANGE[2]					
County of Orange	-0.37%		0.9963		
GANN FACTOR	1.0495	x	0.9963	=	1.0456

FY 2026-27 APPROPRIATIONS LIMIT

Prior Year Appropriations Limit	$	2,449,984,516
GANN Factor (Rounded)	x	1.0456
	$	**2,561,703,810**

ITEMS SUBJECT TO GANN LIMIT[3]

Line Item		***Amount***
1/2 cent sales tax (Measure M2)	$	446,173,664
CDTFA Fees	$	4,461,737
Interest Revenue	$	29,698,115
	$	**480,333,516**

FY 2026-27 APPROPRIATIONS LIMIT

		Amount
FY 2026-27 Appropriations Limit	$	2,561,703,810
Less Items Subject to GANN Limit		(480,333,516)
Appropriation Limit that exceeds the proceeds of taxes:	**$**	**2,081,370,294**

Note:
CDTFA - California Department of Tax and Fee Administration
FY - Fiscal Year

[1,2]Price Factor and Population Information provided by the Department of Finance.

[3]Items subject to GANN Limit provided from proposed FY 2026-27 budget.

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Orange County Transportation Authority Investment and Debt Programs Report – March 2026

Overview

The Orange County Transportation Authority has a comprehensive investment and debt program to fund its immediate and long-term cash flow demands. Each month, the Treasurer submits a report detailing investment allocation, performance, compliance, outstanding debt balances, and credit ratings for the Orange County Transportation Authority's debt program. This report is for the month ending March 31, 2026. The report has been reviewed and is consistent with the investment practices contained in the investment policy.

Recommendation

Receive and file as an information item.

Discussion

As of March 31, 2026, the Orange County Transportation Authority's (OCTA) outstanding investments totaled $3.2 billion. The portfolio is divided into two portfolios: the liquid portfolio for immediate cash needs and the managed portfolio for future budgeted expenditures. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes Program.

Portfolio Compliance and Liquidity Requirements for the Next Six Months: The portfolio is in full compliance with OCTA's Investment Policy and the State of California Government Code. Additionally, OCTA has reviewed the liquidity requirements for the next six months and anticipates that OCTA's liquidity will be sufficient to meet projected expenditures during the next six months.

The weighted average book yield for the OCTA's managed portfolio is 4.16 percent. The book yield measures the exact income, or interest, on a bond

without regard to market price change. The yield is the income return on an investment, such as the interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and market value.

OCTA's month-end balance in the Local Agency Investment Fund (LAIF), a pooled investment fund for California local agencies, was $7,517,868, with an average monthly effective yield of 3.83 percent. The LAIF offers local agencies an opportunity to invest funds in a diversified portfolio of high-quality, short-term securities managed by the State Treasurer's Office. OCTA's month-end balance in the Orange County Investment Pool (OCIP), a collective investment fund for local government entities in Orange County, was $168,478. For the month of February, the monthly gross yield for the OCIP was 4.14 percent. The yield for the month of March will be received in May. The OCIP allows local government entities to invest funds in a diversified portfolio managed by the Orange County Treasurer-Tax Collector's Office, aiming for competitive returns while prioritizing safety and liquidity. Mandated by the Transportation Development Act (TDA), OCTA is obligated to participate in the OCIP. It serves as a temporary holding account for TDA funds until claimed by OCTA and then processed by the County of Orange. This framework ensures effective fund management and adherence to regulatory compliance.

During the month of March, four securities held in OCTA's investment portfolio were downgraded or placed on Negative Credit Watch. Please refer to A-4 (Rating Downgrades and Negative Credit Watch) of Attachment A for further details.

OCTA's debt program is separate from its investment program and is comprised of M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and the 2021 Transportation Infrastructure Finance and Innovation Act Loan. The debt program currently has an outstanding principal balance of $1.2 billion as of March 31, 2026. Approximately 43 percent of the outstanding balance is comprised of M2 debt, three percent is associated with the 91 Express Lanes Program, and 54 percent is associated with the 405 Express Lanes.

Summary

The Treasurer is submitting a copy of the Orange County Transportation Authority Investment and Debt Programs report to the Finance and Administration Committee. The report is for the month ending March 31, 2026.

Attachments

A. Orange County Transportation Authority Investment and Debt Programs – For the Period Ending March 31, 2026
B. Orange County Transportation Authority Portfolio Listing as of March 31, 2026

Prepared by:

Robert Davis
Department Manager
Treasury/Public Finance
(714) 560-5675

Approved by:

Andrew Oftelie
Chief Financial Officer
Finance and Administration
(714) 560-5649

ATTACHMENT A

Treasury/Public Finance Department's
Report On

Orange County Transportation Authority
Investment and Debt Programs



Presented to the
Finance and Administration Committee

For The Period Ending
March 31, 2026

INVESTMENT PROGRAM

OCTA Investment Dashboard

3/31/2026

Safety of Principal

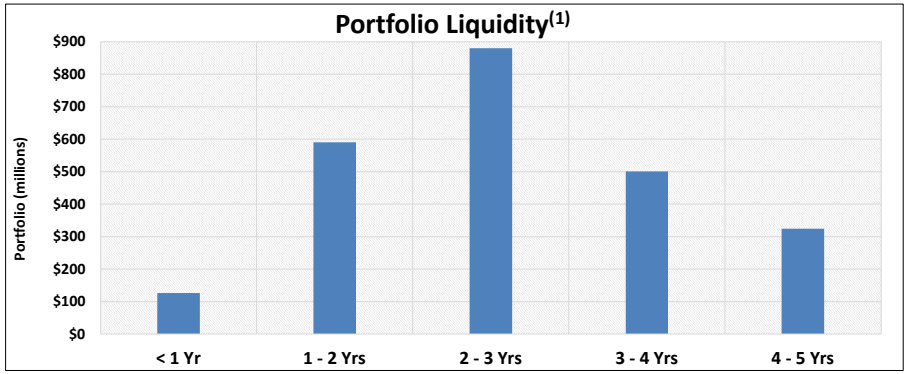
Securities that fell below OCTA's minimum credit quality requirements during the month of March 2026:
N/A

Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:
N/A

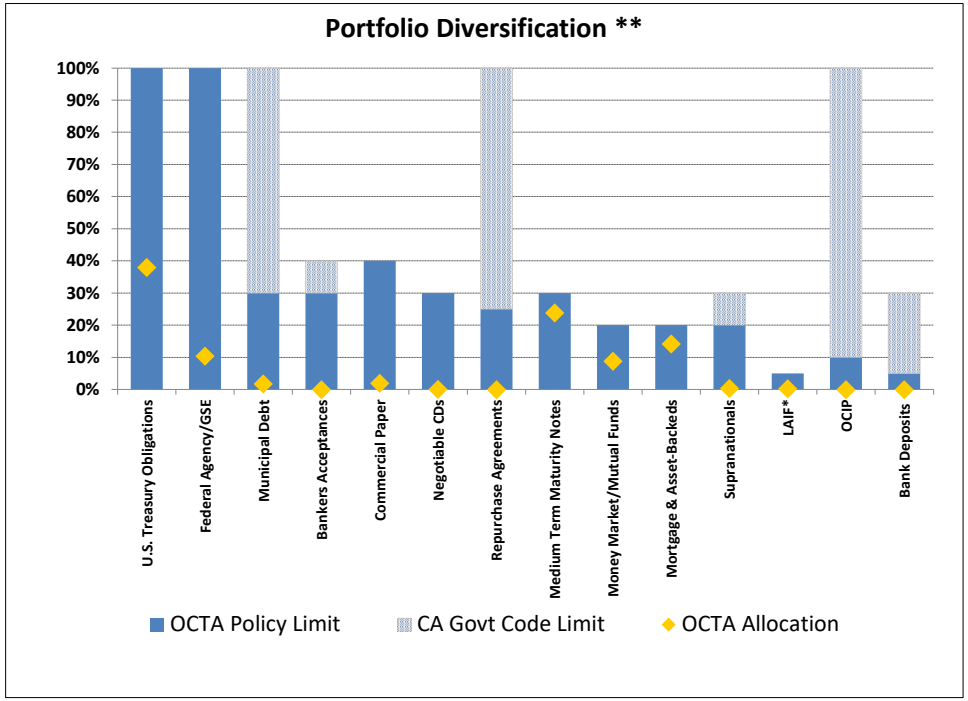
Securities downgraded or placed on Negative Credit Watch during the month of March 2026, but remain in compliance with OCTA's Investment Policy:
Four securities held within OCTA's investment portfolio were downgraded or placed on Negative Credit Watch during the month.

For further details please refer to A-4 of this report.

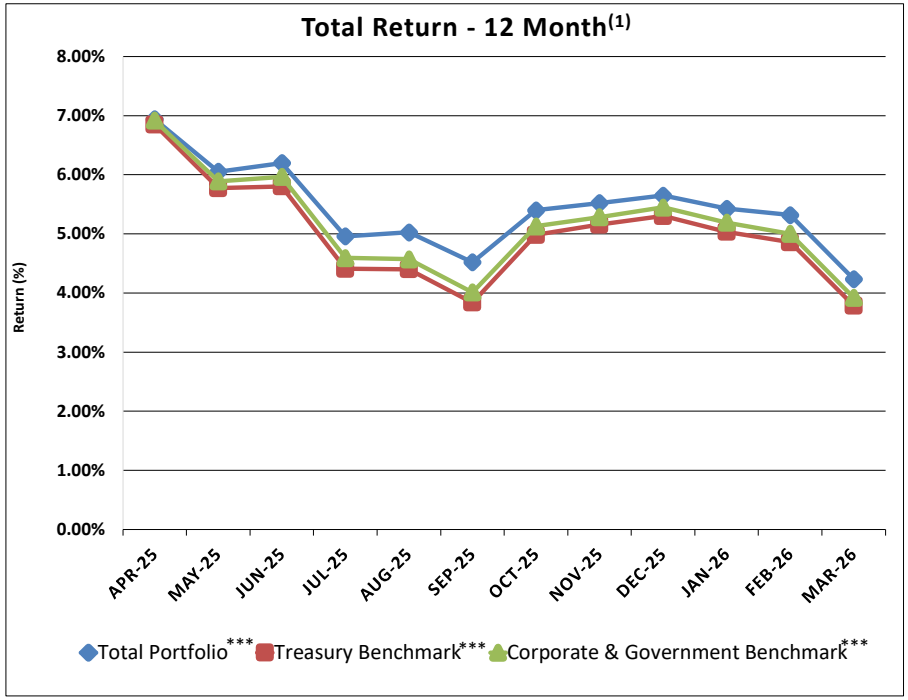
Portfolio Liquidity(1)



Portfolio Diversification **



Total Return - 12 Month(1)



1. Reflects Managed Portfolio.

* Per CA Government Code LAIF limit is $75 million

** Per OCTA's Investment Policy the limit is 30% for variable and floating rate securities. As of March 31, 2026, 9.3% of the portfolio was invested in variable & floating rate securities.

*** Actual portfolio returns represent the aggregate performance of the managed portfolio.
The Treasury Benchmark is the market value-weighted blend of the 1-3 Year and 1-5 Year Treasury Indices.
The Corporate & Government Benchmark is the market value-weighted blend of the 1-3 Year and 1-5 Year AAA-A U.S. Corporate & Government Indices.

Investment Compliance

3/31/2026

Portfolio Subject to Investment Policy				
Managed/Liquid Portfolio[1]		**Dollar Amount Invested**	**Percent Of Portfolio**	**Maximum Percentages**
U.S. Treasury Obligations	$	1,032,996,274	38.0%	100%
Federal Agency/GSE		283,225,756	10.4%	100%
Municipal Debt		47,665,575	1.8%	30%
Commercial Paper		53,807,477	2.0%	40%
Negotiable Certificates of Deposit		3,750,000	0.1%	30%
Repurchase Agreements		-	0.0%	25%
Medium Term Maturity Notes/Corporates		648,047,914	23.9%	30%
Money Market/Mutual Funds		241,714,258	8.9%	20%
Mortgage & Asset-Backed		385,486,417	14.2%	20%
Supranationals		11,786,289	0.4%	20%
Local Agency Investment Fund		7,517,868	0.3%	$ 75 Million
Orange County Investment Pool		168,478	0.0%	10%
Bank Deposits		475,492	0.0%	5%
Total Managed/Liquid Portfolio[2]	**$**	**2,716,641,799**		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of $253,577,663 (9.3% of total Managed/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

Portfolio Subject to Indenture/Grant Funding Agreement						
		Dollar Amount	**OCTA**		**Indenture/Funding Agreement Requirements**	
Portfolio		**Invested**	**Credit Quality**	**Term**	**Min. Credit Quality**	**Max. Term**
Liquid Portfolio*						
Government Obligations MMKT Fund	$	222,923,097	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund		8,526,543	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **		54,972,459	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		25,144,802	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		21,656,244	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		28,274,860	"AAAm"/"Aammf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		27,223,561	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **		26,653,909	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Bank Deposits **		-	N/A	N/A	N/A	N/A
Total Liquid Portfolio	**$**	**415,375,475**				
Reserve Funds Portfolio						
Government Obligations MMKT Fund	$	3,991,180	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Negotiable Certificates of Deposit		5,000,000	"A-1"/"P-1"/"F1+"	266 days	"A-1"/"P-1"/"F1"	270 days
Negotiable Certificates of Deposit		3,000,000	"A-1"/"P-1"/"F1+"	266 days	"A-1"/"P-1"/"F1"	270 days
Government Obligations MMKT Fund ***		868	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Government Obligations MMKT Fund ****		61,528,768	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Bank Deposits ****		-	N/A	N/A	N/A	N/A
Total Reserve Funds Portfolio	**$**	**73,520,816**				
Total Portfolio Subject to Indenture	**$**	**488,896,290**				

91EL and 405EL Operating Funds***		
Money Market Funds	$	13,289,365
Bank Deposits		818,439
Total for EL Operating Funds	**$**	**14,107,804**
Portfolio Total	**$**	**3,219,645,893**

* Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue) or Grant Funding Agreement
** Senate Bill (SB) 125 Grant Funding
*** 91 EL Debt Service Fund
**** Funds subject to 2021 TIFIA Loan Agreement
***** Reflects Express Lanes customers' prepaid balances held in the 91EL and 405EL operating accounts. These funds are invested by OCTA but represent customer liabilities and are therefore disclosed for transparency but excluded from investment policy compliance calculations.

Managed Portfolio
Sector Allocation and Performance Overview
3/31/2026

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
Book Value	$ 599,193,570	$ 604,155,013	$ 606,091,527	$ 612,372,457	$ 2,421,812,568
Market Value with Accrued Interest	$ 609,413,271	$ 610,319,023	$ 611,833,641	$ 616,149,812	$ 2,447,715,747
1-3 Year Portfolio:					
Book Value	$ 394,901,027	$ 402,792,753	$ 427,901,247	$ 407,342,541	$ 1,632,937,568
Market Value with Accrued Interest	$ 401,496,728	$ 407,197,996	$ 432,184,237	$ 410,402,151	$ 1,651,281,114
1-5 Year Portfolio:					
Book Value	$ 204,292,543	$ 201,362,260	$ 178,190,280	$ 205,029,916	$ 788,874,999
Market Value with Accrued Interest	$ 207,916,543	$ 203,121,027	$ 179,649,403	$ 205,747,661	$ 796,434,633

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
U.S. Treasury Obligations	37.3%	47.0%	41.9%	44.3%	42.7%
Federal Agency/GSE	25.0%	4.1%	11.0%	6.8%	11.7%
Municipal Debt	0.5%	3.6%	0.3%	3.5%	2.0%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	0.6%	0.0%	0.2%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	25.7%	28.6%	27.6%	25.1%	26.8%
Money Market/Mutual Funds	0.1%	0.3%	0.0%	1.0%	0.4%
Mortg & Asset Backed Sec	9.3%	16.4%	18.5%	19.3%	15.9%
Supranationals	2.0%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
1-3 Year Portfolio:					
U.S. Treasury Obligations	42.6%	49.4%	42.3%	44.4%	44.7%
Federal Agency/GSE	20.3%	3.3%	9.1%	6.8%	9.8%
Municipal Debt	0.0%	2.8%	0.3%	3.4%	1.6%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	0.6%	0.0%	0.2%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	25.5%	28.1%	28.0%	25.1%	26.7%
Money Market/Mutual Funds	0.1%	0.1%	0.0%	0.9%	0.3%
Mortg & Asset Backed Sec	9.3%	16.3%	19.6%	19.4%	16.3%
Supranationals	2.1%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
1-5 Year Portfolio:					
U.S. Treasury Obligations	27.1%	42.2%	41.0%	44.0%	38.5%
Federal Agency/GSE	34.1%	5.7%	15.4%	6.9%	15.5%
Municipal Debt	1.3%	5.2%	0.3%	3.7%	2.7%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	0.6%	0.0%	0.1%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	26.3%	29.6%	26.7%	25.1%	26.9%
Money Market/Mutual Funds	0.1%	0.7%	0.1%	1.1%	0.5%
Mortg & Asset Backed Sec	9.3%	16.5%	15.9%	19.2%	15.2%
Supranationals	1.7%	0.0%	0.0%	0.0%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Portfolio Characteristics	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Weighted Average Life	2.21	2.33	2.18	2.48	2.30	n/a	n/a
Duration	2.05	2.13	2.00	2.27	2.11	1.99	2.00
Monthly Yield (Annualized)	3.98%	4.09%	4.04%	4.06%	4.04%	3.82%	4.01%
1-3 Year Portfolio:							
Weighted Average Life	1.93	2.07	1.94	2.21	2.04	n/a	n/a
Duration	1.82	1.89	1.79	2.03	1.88	1.76	1.75
Monthly Yield (Annualized)	3.96%	4.07%	4.03%	4.02%	4.02%	3.81%	3.98%
1-5 Year Portfolio:							
Weighted Average Life	2.76	2.84	2.75	3.02	2.85	n/a	n/a
Duration	2.52	2.62	2.51	2.76	2.60	2.47	2.51
Monthly Yield (Annualized)	4.03%	4.14%	4.06%	4.12%	4.09%	3.84%	4.06%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Monthly Return	-0.53%	-0.59%	-0.51%	-0.66%	-0.57%	-0.54%	-0.56%
Three Months Return	0.37%	0.30%	0.35%	0.26%	0.32%	0.26%	0.26%
12 Months Return	4.23%	4.32%	4.25%	4.14%	4.24%	3.79%	3.92%
1-3 Year Portfolio:							
Monthly Return	-0.43%	-0.49%	-0.41%	-0.56%	-0.47%	-0.44%	-0.45%
Three Months Return	0.40%	0.33%	0.38%	0.29%	0.35%	0.29%	0.30%
12 Months Return	4.17%	4.28%	4.21%	4.09%	4.19%	3.75%	3.87%
1-5 Year Portfolio:							
Monthly Return	-0.71%	-0.80%	-0.73%	-0.87%	-0.78%	-0.75%	-0.78%
Three Months Return	0.29%	0.23%	0.28%	0.21%	0.25%	0.19%	0.19%
12 Months Return	4.35%	4.40%	4.35%	4.24%	4.34%	3.86%	4.03%

* Represents the ICE/BAML 1-3 Year U.S. Treasury Index for the 1-3 Year Portfolio and the ICE/BAML 1-5 Year U.S. Treasury Index for the 1-5 Year Portfolio. The benchmarks for duration and monthly yield are weighted for the Total Portfolio.

** Represents the ICE/BAML 1-3 Year AAA-A U.S. Corporate & Government Index for the 1-3 Year Portfolio and the ICE/BAML 1-5 Year AAA-A U.S. Corporate & Government Index for the 1-5 Year Portfolio. The benchmarks for duration and monthly yield are weighted for the Total Portfolio.

Rating Downgrades & Negative Credit Watch
3/31/2026

Investment Manager / Security		Par Amount	Maturity	S&P	Moody's	Fitch Ratings
Rating Downgrades:						
CAM, MetLife, and PFM						
ABBOTT LABORATORIES	$	13,115,000	3/9/2029	A+	Aa3	N/A

On March 24, 2026, S&P downgraded Abbott Laboratories' (Abbott) senior unsecured long-term rating from AA- to A+. The downgrade reflects the heightened leverage as a result of the $23 billion acquisition of Exact Sciences, plus assumption of $1.8 billion of net debt. Deleveraging efforts are expected to be modest as discretionary cash flow will be low and Abbott is expected to continue with modest acquisitions. Despite these challenges, the investment managers maintain a recommendation to hold the position until maturity, citing the company's strong market positions in pharmaceutical products and medical devices in addition to being well diversified geographically. The security complies with the requirements of the Investment Policy.

MetLife and PFM						
AMERICAN HONDA FINANCE CORP	$	3,425,000	10/22/2027 & 9/5/2029	BBB+	A3	A-

In March 2026, S&P and Fitch downgraded the credit ratings of Honda Motor Co. (Honda) and its wholly owned subsidiary, American Honda Finance Corp. S&P lowered its rating from A- to BBB+, while Fitch downgraded its rating from A to A-. The downgrades reflect the agencies' view that Honda's profitability will deteriorate significantly over the next two years due to electric vehicle-related losses and increasing competition. Despite these challenges, the investment managers recommend holding the position to maturity, citing Honda's strong credit profile, supported by its well-established reputation for quality, strong brand franchise, and global leadership in the motorcycle industry, along with modest debt levels and a net cash position. The security remains in compliance with the Investment Policy.

Negative Credit Watch:						
MetLife and Payden & Rygel						
EQUITABLE AMERICA GLOBAL FUNDING	$	4,640,000	6/9/2028 & 6/9/2030	A+	A1	N/A
EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	$	435,000	3/27/2030	A+	A1	N/A

On March 26, 2026, Moody's has placed on review for downgrade, Equitable Holdings, Inc. (Equitable) and its various subsidiaries. The rating action follows the announcement of the merger between Corebridge Financial, Inc. (Corebridge) and Equitable by way of an all-stock merger. The rationale for the action reflects the execution and integration risks associated with the proposed merger, which could weigh on financial performance, governance, and risk management during the transition period. In addition, Corebridge's higher risk investment portfolio could potentially weaken the overall credit quality of the combined entity's investment profile.The investment manager recommends holding the securities given relative valuation.

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, 2021 TIFIA Loan)

Outstanding Debt[1]
As of 3/31/2026

Orange County Local Transportation Authority (OCLTA-M2)		
2025 M2 Sales Tax Revenue Bonds		
Issued:	$	227,565,000
Outstanding:		219,985,000
Debt Service FY 2026:		17,662,394
All in True Interest Cost:		3.04%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ S&P):		AA+/AAA
Final Maturity:		2041
2019 M2 Sales Tax Revenue Bonds		
Issued:	$	376,690,000
Outstanding:		289,070,000
Debt Service FY 2026:		27,579,400
All in True Interest Cost:		3.14%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ S&P):		AA+/AAA
Final Maturity:		2041
Sub-total M2 Outstanding Debt	**$**	**509,055,000**
91 Express Lanes		
2023 OCTA 91 Express Lanes Refunding Bonds		
Issued:	$	47,545,000
Outstanding:		35,610,000
Debt Service FY 2026:		8,048,375
All in True Interest Cost:		2.80%
Pledged Revenue Source:		91 Toll Road Revenues
Ratings (Fitch/ Moody's/ S&P):		AA-/Aa3/AA-
Final Maturity:		2030
Sub-total 91 Express Lanes Outstanding Debt	**$**	**35,610,000**
405 Express Lanes		
2021 TIFIA Loan		
Amount Available	$	628,930,000
Outstanding:		650,028,368
Capitalized Interest:		36,317,073
Interest Rate:		1.95%
Pledged Revenue Source:		405 Toll Road Revenues
Ratings (Moody's):		Baa2
Final Maturity:		2058
Sub-total 405 Express Lanes Outstanding Debt	**$**	**650,028,368**
TOTAL OUTSTANDING DEBT:	**$**	**1,194,693,368**

1. Comprises OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and 2021 TIFIA Loan) currently outstanding and irrespective of OCTA's investment program.

ATTACHMENT B

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
LIQUID PORTFOLIO	MONEY MARKET/MUTUAL FUND	X9USDFIIN	FIDELITY INVESTMENT MM GOV 1 57		N/A	N/A	3.54	3.54	222,923,097	222,923,097
LIQUID PORTFOLIO	MONEY MARKET/MUTUAL FUND	60934N500	FEDERATED TREASURY OBLIGATION FUND		N/A	N/A	3.53	3.53	111,897,524	111,897,524
LIQUID PORTFOLIO	MONEY MARKET/MUTUAL FUND	X9X9USD023B0	FIRST AMERICAN GOV OBL P 4198		N/A	N/A	3.57	3.57	41,199,691	41,199,691
LIQUID PORTFOLIO	MONEY MARKET/MUTUAL FUND	X9X9USDDGCM3	DREYFUS GOVT CM INST 289		N/A	N/A	3.54	3.54	42,526,271	42,526,271
LIQUID PORTFOLIO	MONEY MARKET/MUTUAL FUND	X9X9USDISLQ9	INVESCO GOVT AGENCY INSTIL 1901		N/A	N/A	3.58	3.58	50,525,795	50,525,795
LIQUID PORTFOLIO	MONEY MARKET/MUTUAL FUND	X9USD02KS	FEDERATED GOVT OBLIG FD 7		N/A	N/A	3.57	3.57	8,526,543	8,526,543
LIQUID PORTFOLIO	***SUB-TOTAL FOR MONEY MARKET/MUTUAL FUND***								***477,598,922***	***477,598,922***
LIQUID PORTFOLIO	COMMERCIAL PAPER	0347M3DL5	ANGLESEA FDG PLC		12/18/2025	4/20/2026	3.83	3.83	27,204,063	27,450,829
LIQUID PORTFOLIO	COMMERCIAL PAPER	63873KJU2	NATIXIS NEW YORK		1/6/2026	9/28/2026	3.76	3.76	26,603,415	26,793,897
LIQUID PORTFOLIO	***SUB-TOTAL FOR COMMERCIAL PAPER***								***53,807,477***	***54,244,726***
LIQUID PORTFOLIO	BANK DEPOSIT	N/A	BANK DEPOSIT - GENERAL		N/A	N/A	0.00	0.00	256,796	256,796
LIQUID PORTFOLIO	BANK DEPOSIT	N/A	BANK DEPOSIT - HQ		N/A	N/A	0.00	0.00	218,696	218,696
LIQUID PORTFOLIO	BANK DEPOSIT	N/A	BANK DEPOSIT - 91EL		N/A	N/A	0.00	0.00	462,750	462,750
LIQUID PORTFOLIO	BANK DEPOSIT	N/A	BANK DEPOSIT - 405EL		N/A	N/A	0.00	0.00	355,688	355,688
LIQUID PORTFOLIO	***SUB-TOTAL FOR BANK DEPOSIT***								***1,293,930***	***1,293,930***
LIQUID PORTFOLIO	LAIF	N/A	LOCAL AGENCY INVESTMENT FUND (LAIF)		N/A	N/A	3.83	3.83	7,517,868	7,517,868
LIQUID PORTFOLIO	***SUB-TOTAL FOR LAIF***								***7,517,868***	***7,517,868***
LIQUID PORTFOLIO	OCIP	N/A	ORANGE COUNTY INVESTMENT POOL (OCIP)		N/A	N/A	4.14	4.14	168,478	168,478
LIQUID PORTFOLIO	***SUB-TOTAL FOR OCIP***								***168,478***	***168,478***
****LIQUID PORTFOLIO - TOTAL**									**$ 540,386,675**	**$ 540,823,924**
MANAGED PORTFOLIO	MONEY MARKET/MUTUAL FUND	31846V567	FIRST AMER:GVT OBLG Z		N/A	3/31/2026	3.54	3.54	8,854,341	8,854,341
MANAGED PORTFOLIO	***SUB-TOTAL FOR MONEY MARKET/MUTUAL FUND***								***8,854,341***	***8,854,341***
MANAGED PORTFOLIO	NEGOTIABLE CERTIFICATE OF DEPOSIT	22536DWD6	CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK		2/5/2024	2/1/2027	4.76	4.22	3,750,000	3,765,600
MANAGED PORTFOLIO	***SUB-TOTAL FOR NEGOTIABLE CERTIFICATE OF DEPOSIT***								***3,750,000***	***3,765,600***
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128283F5	UNITED STATES TREASURY		5/17/2023	11/15/2027	3.59	3.84	1,889,375	1,950,240
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128283F5	UNITED STATES TREASURY		9/27/2024	11/15/2027	3.49	3.84	4,817,578	4,875,600
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128283W8	UNITED STATES TREASURY		9/30/2024	2/15/2028	3.51	3.82	7,320,703	7,356,150
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		4/19/2024	8/15/2028	4.73	3.81	9,283,594	9,789,100
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		8/16/2024	8/15/2028	3.85	3.81	1,928,359	1,957,820
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		10/30/2025	8/15/2028	3.60	3.81	9,990,883	9,970,198
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		11/6/2025	8/15/2028	3.64	3.81	6,370,000	6,362,915
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		2/5/2026	8/15/2028	3.60	3.81	10,121,359	10,082,773
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		3/20/2026	8/15/2028	3.89	3.82	3,028,191	3,034,246
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128284V9	UNITED STATES TREASURY		3/20/2026	8/15/2028	3.89	3.81	6,017,309	6,030,086
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128285M8	UNITED STATES TREASURY		3/15/2024	11/15/2028	4.28	3.83	4,757,617	4,912,900
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128285M8	UNITED STATES TREASURY		10/4/2024	11/15/2028	3.56	3.83	2,065,219	2,063,418
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128285M8	UNITED STATES TREASURY		10/22/2024	11/15/2028	3.87	3.83	2,333,063	2,358,192
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128285M8	UNITED STATES TREASURY		5/15/2025	11/15/2028	4.06	3.83	7,272,363	7,369,350
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128285M8	UNITED STATES TREASURY		10/8/2025	11/15/2028	3.61	3.83	4,437,070	4,421,610
MANAGED PORTFOLIO	US TREASURY OBLIGATION	9128286B1	UNITED STATES TREASURY		11/4/2024	2/15/2029	4.19	3.83	1,878,281	1,935,000
MANAGED PORTFOLIO	US TREASURY OBLIGATION	912828V98	UNITED STATES TREASURY		1/12/2023	2/15/2027	3.80	3.76	8,006,270	8,389,670
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		11/7/2024	10/31/2027	4.26	3.85	3,673,023	3,891,310
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		12/24/2024	10/31/2027	4.36	3.85	6,102,734	6,453,880
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		2/13/2025	10/31/2027	4.39	3.85	4,621,126	4,864,138
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		4/10/2025	10/31/2027	3.91	3.85	3,891,442	4,024,184
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		4/14/2025	10/31/2027	3.98	3.85	3,666,563	3,796,400
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		4/14/2025	10/31/2027	3.99	3.85	3,890,145	4,028,930
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		5/8/2025	10/31/2027	3.82	3.85	7,839,590	8,067,350
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAU5	UNITED STATES TREASURY		7/8/2025	10/31/2027	3.87	3.85	1,967,866	2,016,838
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEF4	UNITED STATES TREASURY		10/24/2022	3/31/2027	4.45	3.71	1,844,688	1,976,500
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEM9	UNITED STATES TREASURY		9/3/2024	4/30/2029	3.72	3.84	2,893,008	2,916,570
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEM9	UNITED STATES TREASURY		10/28/2025	4/30/2029	3.56	3.84	4,888,086	4,860,950
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CES6	UNITED STATES TREASURY		9/26/2024	5/31/2029	3.55	3.85	4,828,516	4,837,900
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CES6	UNITED STATES TREASURY		10/7/2024	5/31/2029	3.84	3.85	2,862,422	2,902,740
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CES6	UNITED STATES TREASURY		12/29/2025	5/31/2029	3.62	3.85	461,863	459,601
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		8/16/2024	6/30/2029	3.84	3.85	657,545	662,713
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		9/27/2024	6/30/2029	3.57	3.85	3,771,809	3,755,538
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		1/13/2025	6/30/2029	4.52	3.85	2,182,754	2,258,133
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		2/13/2025	6/30/2029	4.47	3.85	1,927,395	1,988,139
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		5/5/2025	6/30/2029	3.89	3.85	1,926,705	1,939,049
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		7/10/2025	6/30/2029	3.89	3.85	498,069	500,716
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		7/16/2025	6/30/2029	3.99	3.85	1,960,932	1,978,321
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEV9	UNITED STATES TREASURY		9/26/2025	6/30/2029	3.71	3.85	6,493,546	6,479,859
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CEW7	UNITED STATES TREASURY		10/6/2022	6/30/2027	4.01	3.82	3,870,781	3,972,200
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFB2	UNITED STATES TREASURY		5/17/2023	7/31/2027	3.62	3.83	3,865,469	3,943,920
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFH9	UNITED STATES TREASURY		2/10/2023	8/31/2027	3.92	3.84	7,737,813	7,921,600
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFH9	UNITED STATES TREASURY		5/6/2025	8/31/2027	3.83	3.84	9,746,859	9,802,980
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFH9	UNITED STATES TREASURY		7/3/2025	8/31/2027	3.78	3.84	8,774,431	8,807,829
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFH9	UNITED STATES TREASURY		7/7/2025	8/31/2027	3.87	3.84	4,924,219	4,951,000
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFJ5	UNITED STATES TREASURY		6/9/2025	8/31/2029	4.01	3.87	7,244,238	7,323,375
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFM8	UNITED STATES TREASURY		6/9/2023	9/30/2027	4.06	3.84	6,517,012	6,526,650
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CFZ9	UNITED STATES TREASURY		12/18/2024	11/30/2027	4.21	3.84	3,839,429	3,877,286
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGC9	UNITED STATES TREASURY		11/12/2024	12/31/2027	4.19	3.83	3,963,125	4,002,800

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGH8	UNITED STATES TREASURY		11/15/2024	1/31/2028	4.32	3.82	7,317,480	7,457,250
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGQ8	UNITED STATES TREASURY		3/3/2025	2/28/2030	4.02	3.89	2,742,855	2,755,404
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGQ8	UNITED STATES TREASURY		3/12/2025	2/28/2030	4.08	3.89	1,494,668	1,505,685
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGQ8	UNITED STATES TREASURY		3/25/2025	2/28/2030	4.09	3.89	746,953	752,843
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGQ8	UNITED STATES TREASURY		3/27/2025	2/28/2030	4.09	3.89	996,172	1,003,790
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		8/16/2024	5/31/2028	3.86	3.81	4,115,146	4,133,789
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		9/3/2024	5/31/2028	3.73	3.81	2,989,102	2,988,180
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		1/13/2025	5/31/2028	4.45	3.81	7,629,050	7,799,150
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		3/27/2025	5/31/2028	4.03	3.81	790,378	796,875
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		3/27/2025	5/31/2028	4.03	3.81	3,951,576	3,984,240
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		4/8/2025	5/31/2028	3.82	3.81	19,270,988	19,303,643
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		4/14/2025	5/31/2028	4.02	3.81	6,523,688	6,574,219
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		7/8/2025	5/31/2028	3.86	3.81	3,920,036	3,929,457
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		7/8/2025	5/31/2028	3.86	3.81	2,355,002	2,360,742
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		9/29/2025	5/31/2028	3.66	3.81	2,847,672	2,838,771
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		9/26/2025	5/31/2028	3.66	3.81	12,488,281	12,450,750
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHE4	UNITED STATES TREASURY		10/28/2025	5/31/2028	3.50	3.81	2,608,032	2,589,844
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHK0	UNITED STATES TREASURY		12/20/2024	6/30/2028	4.37	3.80	7,409,473	7,531,350
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHQ7	UNITED STATES TREASURY		10/25/2024	7/31/2028	4.01	3.81	3,513,809	3,524,080
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHQ7	UNITED STATES TREASURY		11/27/2024	7/31/2028	4.24	3.81	3,983,750	4,027,520
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHQ7	UNITED STATES TREASURY		3/7/2025	7/31/2028	4.04	3.81	7,519,629	7,551,600
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHX2	UNITED STATES TREASURY		10/9/2024	8/31/2028	3.88	3.83	1,883,025	1,873,125
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJA0	UNITED STATES TREASURY		10/17/2023	9/30/2028	4.72	3.82	1,245,068	1,273,925
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJA0	UNITED STATES TREASURY		11/1/2023	9/30/2028	4.82	3.82	3,241,673	3,331,569
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJA0	UNITED STATES TREASURY		11/1/2023	9/30/2028	4.82	3.82	3,044,609	3,129,779
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		8/16/2024	12/31/2028	3.84	3.82	11,160,625	11,178,125
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		10/3/2024	12/31/2028	3.57	3.82	2,316,262	2,295,508
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		3/27/2025	12/31/2028	4.06	3.82	2,472,860	2,495,117
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		5/5/2025	12/31/2028	3.86	3.82	1,942,383	1,946,191
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		3/23/2026	12/31/2028	3.90	3.82	547,767	548,926
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		3/20/2026	12/31/2028	3.77	3.83	9,893,813	9,880,299
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		3/20/2026	12/31/2028	3.77	3.82	2,098,688	2,095,898
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJR3	UNITED STATES TREASURY		3/20/2026	12/31/2028	3.80	3.83	1,697,549	1,696,617
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJW2	UNITED STATES TREASURY		10/4/2024	1/31/2029	3.62	3.83	3,298,750	3,264,723
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJW2	UNITED STATES TREASURY		10/29/2024	1/31/2029	4.13	3.83	2,238,750	2,260,193
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJW2	UNITED STATES TREASURY		11/27/2024	1/31/2029	4.23	3.83	7,929,375	8,036,240
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CKD2	UNITED STATES TREASURY		12/16/2024	2/28/2029	4.25	3.83	7,999,063	8,091,840
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CKD2	UNITED STATES TREASURY		2/6/2025	2/28/2029	4.34	3.83	996,641	1,011,480
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CKD2	UNITED STATES TREASURY		2/10/2025	2/28/2029	4.33	3.83	997,031	1,011,480
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLC3	UNITED STATES TREASURY		8/16/2024	7/31/2029	3.79	3.86	2,018,750	2,008,900
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLC3	UNITED STATES TREASURY		10/31/2024	7/31/2029	4.11	3.86	8,956,406	9,040,050
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLG4	UNITED STATES TREASURY		9/3/2024	8/15/2027	3.76	3.84	5,882,198	5,877,644
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLG4	UNITED STATES TREASURY		9/10/2024	8/15/2027	3.60	3.84	4,116,496	4,094,875
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLL3	UNITED STATES TREASURY		9/27/2024	9/15/2027	3.47	3.84	1,421,382	1,415,709
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLL3	UNITED STATES TREASURY		9/30/2024	9/15/2027	3.52	3.84	3,087,285	3,079,788
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLL3	UNITED STATES TREASURY		10/4/2024	9/15/2027	3.52	3.84	3,983,750	3,973,920
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLL3	UNITED STATES TREASURY		10/4/2024	9/15/2027	3.54	3.84	6,469,785	6,457,620
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLL3	UNITED STATES TREASURY		10/4/2024	9/15/2027	3.57	3.84	3,977,813	3,973,920
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLN9	UNITED STATES TREASURY		9/30/2024	9/30/2029	3.54	3.87	5,115,190	5,063,346
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLN9	UNITED STATES TREASURY		10/1/2024	9/30/2029	3.58	3.87	33,063,352	32,780,845
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLQ2	UNITED STATES TREASURY		10/29/2024	10/15/2027	4.10	3.83	1,987,813	2,001,260
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLQ2	UNITED STATES TREASURY		11/1/2024	10/15/2027	4.12	3.83	8,826,395	8,890,998
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLQ2	UNITED STATES TREASURY		11/1/2024	10/15/2027	4.12	3.83	8,635,644	8,700,078
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLQ2	UNITED STATES TREASURY		11/4/2024	10/15/2027	4.15	3.83	3,820,674	3,852,426
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLQ2	UNITED STATES TREASURY		11/7/2024	10/15/2027	4.19	3.83	1,982,500	2,001,260
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLQ2	UNITED STATES TREASURY		2/13/2025	10/15/2027	4.39	3.83	7,403,613	7,504,725
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLX7	UNITED STATES TREASURY		11/26/2024	11/15/2027	4.32	3.85	696,227	703,010
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLX7	UNITED STATES TREASURY		12/2/2024	11/15/2027	4.12	3.85	3,141,191	3,154,205
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLX7	UNITED STATES TREASURY		12/2/2024	11/15/2027	4.12	3.85	3,064,300	3,077,476
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLX7	UNITED STATES TREASURY		12/6/2024	11/15/2027	4.17	3.85	3,820,368	3,841,448
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLX7	UNITED STATES TREASURY		12/10/2024	11/15/2027	4.10	3.85	3,827,689	3,841,448
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLX7	UNITED STATES TREASURY		12/16/2024	11/15/2027	4.12	3.85	3,825,149	3,841,448
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMA6	UNITED STATES TREASURY		12/2/2024	11/30/2029	4.08	3.88	2,875,942	2,893,764
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMA6	UNITED STATES TREASURY		12/9/2024	11/30/2029	4.05	3.88	1,946,593	1,956,063
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMA6	UNITED STATES TREASURY		12/10/2024	11/30/2029	4.07	3.88	4,009,844	4,033,120
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMB4	UNITED STATES TREASURY		1/2/2025	12/15/2027	4.28	3.83	8,264,592	8,350,185
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMB4	UNITED STATES TREASURY		1/2/2025	12/15/2027	4.28	3.83	5,514,318	5,572,305
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMD0	UNITED STATES TREASURY		1/2/2025	12/31/2029	4.39	3.89	5,486,569	5,582,836
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMD0	UNITED STATES TREASURY		1/9/2025	12/31/2029	4.48	3.89	995,586	1,016,910
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMD0	UNITED STATES TREASURY		1/13/2025	12/31/2029	4.52	3.89	2,483,594	2,542,275
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMF5	UNITED STATES TREASURY		1/15/2025	1/15/2028	4.34	3.84	3,840,525	3,877,220
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMF5	UNITED STATES TREASURY		2/3/2025	1/15/2028	4.26	3.84	2,504,413	2,522,710
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMF5	UNITED STATES TREASURY		2/6/2025	1/15/2028	4.27	3.84	3,848,346	3,877,220
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMF5	UNITED STATES TREASURY		2/10/2025	1/15/2028	4.29	3.84	1,747,881	1,762,373

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMF5	UNITED STATES TREASURY		11/21/2025	1/15/2028	3.53	3.84	274,008	271,909
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		5/13/2025	2/15/2028	4.00	3.82	7,744,622	7,753,944
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		5/22/2025	2/15/2028	4.00	3.82	8,051,250	8,061,280
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		6/9/2025	2/15/2028	4.00	3.82	11,621,736	11,638,473
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		7/2/2025	2/15/2028	3.76	3.82	7,008,316	6,978,046
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		7/7/2025	2/15/2028	3.85	3.82	3,094,872	3,088,478
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		9/26/2025	2/15/2028	3.67	3.82	8,105,652	8,061,280
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMN8	UNITED STATES TREASURY		10/30/2025	2/15/2028	3.60	3.82	1,496,035	1,486,466
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMS7	UNITED STATES TREASURY		3/25/2025	3/15/2028	4.02	3.81	2,988,047	3,003,390
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMS7	UNITED STATES TREASURY		3/26/2025	3/15/2028	3.98	3.84	99,703	100,066
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMS7	UNITED STATES TREASURY		3/27/2025	3/15/2028	4.00	3.81	2,989,453	3,003,390
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMS7	UNITED STATES TREASURY		4/1/2025	3/15/2028	3.88	3.81	4,909,233	4,915,548
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMS7	UNITED STATES TREASURY		4/10/2025	3/15/2028	3.70	3.81	4,019,375	4,004,520
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		4/1/2025	3/31/2030	3.96	3.90	2,454,594	2,458,796
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		4/8/2025	3/31/2030	3.89	3.90	3,873,974	3,869,607
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		4/10/2025	3/31/2030	4.03	3.90	1,997,656	2,007,180
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		4/10/2025	3/31/2030	4.12	3.90	959,688	968,656
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		5/13/2025	3/31/2030	4.11	3.90	3,095,432	3,121,784
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		6/9/2025	3/31/2030	4.09	3.90	4,283,889	4,316,293
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		6/23/2025	3/31/2030	4.01	3.90	969,700	973,675
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		7/2/2025	3/31/2030	3.84	3.90	1,168,202	1,164,395
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		9/26/2025	3/31/2030	3.76	3.90	4,444,344	4,416,672
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMU2	UNITED STATES TREASURY		9/30/2025	3/31/2030	3.75	3.90	3,611,740	3,588,546
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMW8	UNITED STATES TREASURY		5/1/2025	4/15/2028	3.59	3.82	6,099,212	6,063,382
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMW8	UNITED STATES TREASURY		5/1/2025	4/15/2028	3.59	3.82	7,059,463	7,018,671
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CMZ1	UNITED STATES TREASURY		5/1/2025	4/30/2030	3.73	3.90	785,180	779,150
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CND9	UNITED STATES TREASURY		5/15/2025	5/15/2028	3.77	3.82	2,998,125	2,995,890
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CND9	UNITED STATES TREASURY		6/2/2025	5/15/2028	3.86	3.82	4,590,778	4,598,491
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CND9	UNITED STATES TREASURY		6/2/2025	5/15/2028	3.86	3.82	1,670,230	1,673,105
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CND9	UNITED STATES TREASURY		6/2/2025	5/15/2028	3.86	3.82	4,590,410	4,598,491
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CND9	UNITED STATES TREASURY		6/10/2025	5/15/2028	3.90	3.82	3,162,102	3,170,650
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CND9	UNITED STATES TREASURY		6/10/2025	5/15/2028	4.01	3.82	5,139,588	5,167,910
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNG2	UNITED STATES TREASURY		6/2/2025	5/31/2030	3.96	3.91	4,568,194	4,575,504
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNH0	UNITED STATES TREASURY		7/1/2025	6/15/2028	3.69	3.81	8,281,844	8,250,959
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNH0	UNITED STATES TREASURY		7/7/2025	6/15/2028	3.74	3.81	4,165,400	4,155,520
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNH0	UNITED STATES TREASURY		7/7/2025	6/15/2028	3.84	3.81	5,995,616	5,997,967
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNH0	UNITED STATES TREASURY		7/9/2025	6/15/2028	3.74	3.81	4,014,375	4,005,320
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNK3	UNITED STATES TREASURY		7/1/2025	6/30/2030	3.80	3.91	1,570,380	1,562,621
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNK3	UNITED STATES TREASURY		7/7/2025	6/30/2030	3.87	3.91	1,750,410	1,747,340
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNM9	UNITED STATES TREASURY		7/15/2025	7/15/2028	3.84	3.82	2,101,969	2,102,457
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNM9	UNITED STATES TREASURY		8/6/2025	7/15/2028	3.90	3.82	1,998,594	2,002,340
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNM9	UNITED STATES TREASURY		8/1/2025	7/15/2028	3.89	3.82	2,004,452	2,007,346
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNU1	UNITED STATES TREASURY		8/25/2025	8/15/2028	3.74	3.81	3,239,463	3,236,155
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNU1	UNITED STATES TREASURY		8/15/2025	8/15/2028	3.70	3.81	2,494,824	2,489,350
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNU1	UNITED STATES TREASURY		8/15/2025	8/15/2028	3.73	3.81	747,861	746,805
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNU1	UNITED STATES TREASURY		9/5/2025	8/15/2028	3.62	3.81	4,225,165	4,207,002
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNU1	UNITED STATES TREASURY		9/2/2025	8/15/2028	3.58	3.81	13,593,029	13,517,171
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CDF5	UNITED STATES TREASURY		9/17/2025	10/31/2028	3.50	3.82	7,033,301	7,052,925
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNN7	UNITED STATES TREASURY		9/2/2025	7/31/2030	3.69	3.92	3,427,891	3,394,288
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNX5	UNITED STATES TREASURY		9/18/2025	8/31/2030	3.61	3.93	1,401,094	1,382,822
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNX5	UNITED STATES TREASURY		9/5/2025	8/31/2030	3.72	3.93	2,738,076	2,716,258
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		9/26/2025	9/15/2028	3.66	3.82	5,133,357	5,121,646
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		9/15/2025	9/15/2028	3.48	3.82	3,738,721	3,711,338
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		9/19/2025	9/15/2028	3.50	3.82	4,982,422	4,948,450
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		9/19/2025	9/15/2028	3.55	3.82	3,930,867	3,909,276
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		9/19/2025	9/15/2028	3.55	3.82	4,975,586	4,948,450
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		10/1/2025	9/15/2028	3.61	3.82	3,095,045	3,082,884
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CNY3	UNITED STATES TREASURY		10/7/2025	9/15/2028	3.62	3.82	1,986,641	1,979,380
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPA3	UNITED STATES TREASURY		9/30/2025	9/30/2030	3.75	3.93	4,972,656	4,937,700
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPA3	UNITED STATES TREASURY		10/31/2025	9/30/2030	3.71	3.93	3,964,298	3,930,409
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPA3	UNITED STATES TREASURY		10/31/2025	9/30/2030	3.71	3.93	7,644,420	7,579,370
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPA3	UNITED STATES TREASURY		10/1/2025	9/30/2030	3.73	3.93	826,239	819,658
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPA3	UNITED STATES TREASURY		10/7/2025	9/30/2030	3.74	3.93	1,442,467	1,431,933
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGT2	UNITED STATES TREASURY		10/31/2025	3/31/2028	3.59	3.82	5,003,516	4,981,850
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPC9	UNITED STATES TREASURY		10/31/2025	10/15/2028	3.62	3.82	897,047	893,007
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPC9	UNITED STATES TREASURY		10/28/2025	10/15/2028	3.50	3.82	2,999,883	2,976,690
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPC9	UNITED STATES TREASURY		10/15/2025	10/15/2028	3.59	3.82	2,493,457	2,480,575
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPC9	UNITED STATES TREASURY		11/12/2025	10/15/2028	3.58	3.82	4,988,672	4,961,150
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPC9	UNITED STATES TREASURY		11/7/2025	10/15/2028	3.58	3.82	5,761,690	5,730,128
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPD7	UNITED STATES TREASURY		10/31/2025	10/31/2030	3.71	3.94	2,988,398	2,961,210
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPD7	UNITED STATES TREASURY		11/17/2025	10/31/2030	3.71	3.94	1,628,613	1,613,859
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPD7	UNITED STATES TREASURY		12/10/2025	10/31/2030	3.78	3.94	1,986,172	1,974,140
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAE1	UNITED STATES TREASURY		11/6/2025	8/15/2030	3.76	3.92	1,641,725	1,650,105
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CAE1	UNITED STATES TREASURY		12/10/2025	8/15/2030	3.77	3.92	1,810,225	1,815,116

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPK1	UNITED STATES TREASURY		11/18/2025	11/15/2028	3.59	3.83	1,396,555	1,388,674
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPK1	UNITED STATES TREASURY		12/1/2025	11/15/2028	3.49	3.83	4,103,763	4,068,815
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPK1	UNITED STATES TREASURY		12/3/2025	11/15/2028	3.54	3.83	998,984	991,910
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPK1	UNITED STATES TREASURY		12/4/2025	11/15/2028	3.55	3.83	2,246,924	2,231,798
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPK1	UNITED STATES TREASURY		12/4/2025	11/15/2028	3.54	3.83	2,996,719	2,975,730
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPK1	UNITED STATES TREASURY		12/11/2025	11/15/2028	3.63	3.83	2,989,219	2,975,730
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPE5	UNITED STATES TREASURY		11/18/2025	10/31/2027	3.59	3.85	1,392,602	1,387,537
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		12/31/2025	12/15/2028	3.50	3.82	5,999,531	5,950,320
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		12/19/2025	12/15/2028	3.50	3.82	3,999,688	3,966,880
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		12/29/2025	12/15/2028	3.58	3.82	1,496,719	1,487,580
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		12/15/2025	12/15/2028	3.59	3.82	797,875	793,376
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		12/15/2025	12/15/2028	3.65	3.82	1,493,672	1,487,580
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		1/2/2026	12/15/2028	3.51	3.82	13,310,319	13,204,752
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPP0	UNITED STATES TREASURY		1/13/2026	12/15/2028	3.54	3.82	5,493,340	5,454,460
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPN5	UNITED STATES TREASURY		12/1/2025	11/30/2030	3.60	3.93	6,122,854	6,036,840
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPN5	UNITED STATES TREASURY		12/4/2025	11/30/2030	3.67	3.93	992,461	981,600
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPN5	UNITED STATES TREASURY		12/8/2025	11/30/2030	3.69	3.93	2,479,102	2,454,000
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPN5	UNITED STATES TREASURY		12/10/2025	11/30/2030	3.73	3.93	593,695	588,960
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CGZ8	UNITED STATES TREASURY		12/10/2025	4/30/2030	3.75	3.91	3,959,063	3,939,080
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPR6	UNITED STATES TREASURY		1/2/2026	12/31/2030	3.69	3.94	3,932,980	3,891,387
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPT2	UNITED STATES TREASURY		1/23/2026	1/15/2029	3.67	3.82	4,976,172	4,957,400
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPT2	UNITED STATES TREASURY		2/5/2026	1/15/2029	3.64	3.82	4,482,070	4,461,660
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPT2	UNITED STATES TREASURY		2/10/2026	1/15/2029	3.57	3.82	5,987,578	5,948,880
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLT6	UNITED STATES TREASURY	V	3/27/2026	10/31/2026	3.68	3.73	2,001,927	2,001,277
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPW5	UNITED STATES TREASURY		2/3/2026	1/31/2031	3.83	3.94	1,295,227	1,288,924
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPW5	UNITED STATES TREASURY		2/2/2026	1/31/2031	3.79	3.94	8,692,417	8,634,799
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CPW5	UNITED STATES TREASURY		2/2/2026	1/31/2031	3.80	3.94	9,380,803	9,320,903
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CLK5	UNITED STATES TREASURY		2/13/2026	8/31/2029	3.62	3.87	8,000,938	7,938,720
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQD6	UNITED STATES TREASURY		3/4/2026	2/28/2031	3.67	3.94	3,968,438	3,922,520
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQD6	UNITED STATES TREASURY		3/17/2026	2/28/2031	3.84	3.94	516,961	514,831
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQD6	UNITED STATES TREASURY		3/2/2026	2/28/2031	3.51	3.94	3,108,542	3,049,759
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQD6	UNITED STATES TREASURY		3/25/2026	2/28/2031	4.01	3.94	977,539	980,630
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQA2	UNITED STATES TREASURY		3/9/2026	2/15/2029	3.56	3.82	4,842,422	4,807,951
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQA2	UNITED STATES TREASURY		3/6/2026	2/15/2029	3.57	3.82	4,990,625	4,956,650
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQA2	UNITED STATES TREASURY		3/2/2026	2/15/2029	3.39	3.82	33,898,234	33,497,041
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQA2	UNITED STATES TREASURY		3/5/2026	2/15/2029	3.48	3.82	3,252,158	3,221,823
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQE4	UNITED STATES TREASURY		3/17/2026	3/15/2029	3.73	3.82	1,987,109	1,982,340
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQE4	UNITED STATES TREASURY		3/17/2026	3/15/2029	3.75	3.82	1,142,049	1,139,846
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQE4	UNITED STATES TREASURY		3/25/2026	3/15/2029	3.91	3.82	1,483,066	1,486,755
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CQG9	UNITED STATES TREASURY		3/31/2026	3/31/2031	4.02	3.95	3,974,063	3,987,200
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CJQ5	UNITED STATES TREASURY		3/23/2026	12/31/2030	4.04	3.95	3,950,156	3,965,800
MANAGED PORTFOLIO	US TREASURY OBLIGATION	91282CHF1	UNITED STATES TREASURY		3/16/2026	5/31/2030	3.83	3.91	5,980,781	5,963,460
MANAGED PORTFOLIO	***SUB-TOTAL FOR US TREASURY OBLIGATION***								***1,032,996,274***	***1,036,285,038***
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	30297CAJ1	FRESB 2018-SB52 10F	V	11/18/2024	6/25/2028	4.69	4.09	513,475	525,782
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	30297DAJ9	FRESB 2018-SB53 A1F	V	6/9/2025	6/25/2028	4.41	4.14	307,625	310,354
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	30297DAJ9	FRESB 2018-SB53 A1F	V	6/18/2025	6/25/2028	4.37	4.14	318,831	321,360
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	30308LAD1	FRESB 2018-SB57 A1F	V	7/10/2025	7/25/2028	4.30	4.66	1,571,081	1,562,684
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130ATS57	FEDERAL HOME LOAN BANKS		3/24/2023	3/10/2028	4.01	3.85	5,108,250	5,060,650
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130ATS57	FEDERAL HOME LOAN BANKS		3/27/2025	3/10/2028	4.04	3.85	4,050,320	4,048,520
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130ATUS4	FEDERAL HOME LOAN BANKS		2/1/2023	12/10/2027	3.77	3.81	5,105,600	5,035,550
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130AWBZ2	FEDERAL HOME LOAN BANKS		7/10/2025	6/11/2027	3.91	3.77	5,019,550	5,020,550
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130AWC24	FEDERAL HOME LOAN BANKS		6/30/2023	6/9/2028	4.04	3.83	1,996,120	2,007,060
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130AWN63	FEDERAL HOME LOAN BANKS		7/21/2023	6/30/2028	4.20	3.74	3,965,360	4,022,080
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130AWTQ3	FEDERAL HOME LOAN BANKS		10/2/2023	9/11/2026	4.98	3.73	6,931,120	7,027,230
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130AWTR1	FEDERAL HOME LOAN BANKS		9/8/2023	9/8/2028	4.49	3.81	3,979,600	4,051,720
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3130AXU63	FEDERAL HOME LOAN BANKS		1/23/2024	11/17/2026	4.19	3.74	3,539,865	3,518,970
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPC60	FEDERAL FARM CREDIT BANKS FUNDING CORP		11/15/2023	11/15/2027	4.77	3.81	4,973,700	5,063,750
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPH81	FEDERAL FARM CREDIT BANKS FUNDING CORP		12/11/2023	10/4/2027	4.42	3.77	4,012,000	4,042,160
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPK79	FEDERAL FARM CREDIT BANKS FUNDING CORP		12/13/2023	12/7/2026	4.52	3.79	7,968,800	8,030,720
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPSW6	FEDERAL FARM CREDIT BANKS FUNDING CORP		8/14/2023	8/14/2026	4.58	3.88	4,788,960	4,810,368
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPSW6	FEDERAL FARM CREDIT BANKS FUNDING CORP		8/14/2023	8/14/2026	4.70	3.88	3,978,200	4,008,640
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPUW3	FEDERAL FARM CREDIT BANKS FUNDING CORP		9/11/2023	9/1/2026	4.80	3.75	3,994,800	4,016,200
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133EPZY4	FEDERAL FARM CREDIT BANKS FUNDING CORP		11/1/2023	7/30/2026	5.05	3.71	3,995,640	4,016,640
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133ERAK7	FEDERAL FARM CREDIT BANKS FUNDING CORP		4/15/2024	4/10/2029	4.64	3.84	4,942,000	5,075,050
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133ERDZ1	FEDERAL FARM CREDIT BANKS FUNDING CORP		5/30/2024	5/8/2026	5.04	3.72	7,957,920	8,007,840
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133ERPV7	FEDERAL FARM CREDIT BANKS FUNDING CORP		8/23/2024	8/16/2027	3.86	3.73	4,984,050	5,001,050
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133ERSP7	FEDERAL FARM CREDIT BANKS FUNDING CORP		9/19/2024	9/10/2029	3.53	3.90	1,183,550	1,169,903
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3133ERSP7	FEDERAL FARM CREDIT BANKS FUNDING CORP		9/19/2024	9/10/2029	3.53	3.90	1,927,036	1,905,412
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3136AV6R5	FNGT 2017-T1 A	V	2/20/2024	6/25/2027	4.93	4.10	2,646,322	2,768,783
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3136AV6R5	FNGT 2017-T1 A	V	3/4/2024	6/25/2027	4.99	4.10	927,801	971,503
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3136AY7L1	FNA 2018-M1 A2	V	4/21/2023	12/25/2027	4.92	4.50	591,694	615,318
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3136B0YM2	FNA 2018-M2 A2	V	4/8/2025	1/25/2028	4.60	4.80	2,227,400	2,246,036
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3136BTGM9	FNA 2024-M6 A2	V	12/17/2024	7/25/2027	4.45	4.44	3,922,015	4,016,916
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BSRE5	FHMS K-059 A2		11/20/2023	9/25/2026	5.15	4.29	243,658	255,827

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BTUM1	FHMS K-061 A2	V	5/24/2023	11/25/2026	4.31	3.91	1,572,825	1,614,094
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BUX60	FHMS K-062 A2		11/13/2023	12/25/2026	5.08	3.90	1,881,771	1,965,512
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BVZ82	FHMS K-063 A2	V	12/9/2022	1/25/2027	4.28	3.90	3,836,385	3,941,535
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BVZ82	FHMS K-063 A2	V	10/20/2023	1/25/2027	5.40	3.90	1,704,517	1,798,325
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BXRT1	FHMS K-S08 A2		9/16/2022	3/25/2027	4.08	3.96	894,504	917,230
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137BXRT1	FHMS K-S08 A2		1/13/2023	3/25/2027	4.31	3.96	456,260	471,010
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137F1G44	FHMS K-065 A2		5/1/2023	4/25/2027	4.10	3.88	1,162,125	1,190,292
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137F2LJ3	FHMS K-066 A2		7/15/2024	6/25/2027	4.76	3.89	2,034,098	2,105,870
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137F2LJ3	FHMS K-066 A2		4/11/2025	6/25/2027	4.20	3.89	1,208,897	1,224,343
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137F4D41	FHMS K-074 A2		3/4/2025	1/25/2028	4.36	4.04	1,700,943	1,722,036
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137F4X72	FHMS K-075 A2	V	3/10/2025	2/25/2028	4.24	4.05	2,308,967	2,328,568
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FAWS3	FHMS K-067 A2		4/18/2023	7/25/2027	4.09	3.90	3,858,125	3,957,720
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FAWS3	FHMS K-067 A2		6/9/2025	7/25/2027	4.19	3.90	1,957,656	1,978,860
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBBX3	FHMS K-068 A2		5/17/2023	8/25/2027	3.98	3.98	2,912,461	2,966,010
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBBX3	FHMS K-068 A2		6/21/2024	8/25/2027	4.81	3.98	2,575,758	2,669,409
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBBX3	FHMS K-068 A2		8/19/2024	8/25/2027	4.17	3.98	778,531	790,936
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBU79	FHMS K-069 A2	V	6/14/2023	9/25/2027	4.41	3.96	3,682,362	3,814,430
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBU79	FHMS K-069 A2	V	6/21/2024	9/25/2027	4.83	3.96	2,481,520	2,574,741
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBU79	FHMS K-069 A2	V	12/31/2024	9/25/2027	4.65	4.05	929,871	952,496
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FBU79	FHMS K-069 A2	V	3/11/2025	9/25/2027	4.27	3.96	705,184	715,206
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FCJK1	FHMS K-070 A2	V	8/1/2024	11/25/2027	4.55	4.00	1,851,685	1,901,669
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FCJK1	FHMS K-070 A2	V	12/31/2024	11/25/2027	4.65	4.11	1,118,131	1,144,105
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FEBQ2	FHMS K-072 A2		3/28/2025	12/25/2027	4.29	4.12	640,263	646,704
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FETN0	FHMS K-073 A2		5/30/2023	1/25/2028	4.28	4.01	6,511,410	6,689,432
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FETN0	FHMS K-073 A2		3/28/2025	1/25/2028	4.29	4.01	5,604,453	5,677,378
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FEZU7	FHMS K-076 A2		3/7/2025	4/25/2028	4.23	4.06	1,977,969	1,989,820
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FEZU7	FHMS K-076 A2		3/31/2025	4/25/2028	4.33	4.06	2,219,590	2,238,548
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FG6X8	FHMS K-077 A2	V	6/11/2025	5/25/2028	4.31	4.07	1,824,057	1,838,327
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FGZT5	FHMS K-079 A2		4/22/2025	6/25/2028	4.21	4.07	2,475,098	2,487,300
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FJEH8	FHMS K-081 A2	V	3/25/2024	8/25/2028	4.65	4.08	4,803,447	4,925,865
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FJZ93	FHMS K-084 A2	V	12/12/2024	10/25/2028	4.35	4.08	3,916,250	3,964,440
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FKZZ2	FHMS K-088 A2		5/7/2025	1/25/2029	4.17	4.08	1,965,234	1,976,340
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FL6P4	FHMS K-089 A2		7/3/2025	1/25/2029	4.11	4.07	328,653	330,012
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FLMV3	FHMS K-090 A2		3/31/2025	2/25/2029	4.37	4.09	2,896,875	2,942,370
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FLYV0	FHMS K-092 A2		9/24/2024	4/25/2029	3.83	4.09	1,954,531	1,952,860
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FMCR1	FHMS K-093 A2		10/21/2024	5/25/2029	4.15	4.10	2,808,000	2,853,790
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FNWX4	FHMS K-736 A2		10/11/2023	7/25/2026	5.30	3.53	2,070,126	2,220,476
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FPHK4	FHMS K-098 A2		3/31/2025	8/25/2029	4.31	4.10	1,852,344	1,894,980
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FQ3Y7	FHMS K-101 A1		12/31/2024	7/25/2029	4.96	4.41	583,534	596,312
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137H5YC5	FHMS K-748 A2	V	8/22/2024	1/25/2029	4.19	4.11	1,847,109	1,903,120
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137H9D71	FHMS K-750 A2		11/4/2024	9/25/2029	4.45	4.13	1,881,406	1,932,420
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HA4B9	FHMS K-751 A2	V	3/28/2025	3/25/2030	4.41	4.18	2,996,367	3,017,970
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HAMS2	FHMS K-507 A2	V	10/15/2024	9/25/2028	4.35	4.12	1,267,578	1,266,038
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HAST4	FHMS K-509 A2	V	10/15/2024	9/25/2028	4.34	4.09	1,524,492	1,522,425
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HAST4	FHMS K-509 A2	V	12/31/2025	9/25/2028	3.73	4.09	2,051,484	2,029,900
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HBFY5	FHMS K-513 A2		9/30/2024	12/25/2028	3.92	4.11	1,645,875	1,620,848
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HBFY5	FHMS K-513 A2		7/8/2025	12/25/2028	4.15	4.29	2,032,188	2,017,011
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HC2C5	FHMS K-517 A2	V	9/30/2024	1/25/2029	3.95	4.12	1,579,863	1,544,385
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HC2L5	FHMS K-518 A2	V	9/30/2024	1/25/2029	4.00	4.08	1,605,301	1,573,221
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HC2L5	FHMS K-518 A2	V	12/26/2025	1/25/2029	3.91	4.08	2,079,922	2,063,240
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HCKV3	FHMS K-520 A2	V	9/30/2024	3/25/2029	4.02	4.16	1,405,262	1,378,813
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HFNZ4	FHMS K-528 A2		9/12/2024	7/25/2029	4.02	4.15	566,089	560,017
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HH6C0	FHMS K-529 A2	V	10/16/2024	9/25/2029	4.02	4.17	974,088	971,923
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HHJL6	FHMS K-530 A2	V	11/27/2024	9/25/2029	4.64	4.17	1,201,222	1,216,295
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HHUN9	FHMS K-531 A2	V	12/12/2024	10/25/2029	4.65	4.17	803,634	810,336
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HKXJ8	FHMS K-539 A2		4/24/2025	1/25/2030	4.34	4.19	444,984	447,643
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HKXJ8	FHMS K-539 A2		12/10/2025	1/25/2030	4.00	4.19	6,083,438	6,035,640
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	US3137F64P90	FHMS K-739 A2		11/4/2024	9/25/2027	4.46	3.91	4,304,542	4,513,594
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	US3137F64P90	FHMS K-739 A2		3/28/2025	9/25/2027	4.26	3.91	663,884	685,310
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	880591FE7	TENNESSEE VALLEY AUTHORITY		8/8/2025	8/1/2030	3.97	3.95	597,558	598,110
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FTZQ3	FHMS K-110 A2		9/8/2025	4/25/2030	3.96	4.16	1,798,203	1,807,520
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HN4R6	FHMS K-546 A2		9/18/2025	5/25/2030	3.97	4.23	842,438	832,648
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HN6B9	FHMS K-547 A2	V	9/29/2025	5/25/2030	3.96	4.20	817,050	810,088
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HNZL5	FHR 5607 GJ		11/28/2025	5/15/2030	4.09	4.41	5,890,850	5,842,297
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FMTY8	FHMS K-094 A2		11/28/2025	6/25/2029	3.76	4.10	3,884,219	3,854,720
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FLN91	FHMS K-091 A2		11/28/2025	3/25/2029	3.74	4.09	3,123,422	3,095,852
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FKUP9	FHMS K-087 A2		12/31/2025	12/25/2028	3.75	4.08	1,933,847	1,918,030
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FK4M5	FHMS K-085 A2	V	12/26/2025	10/25/2028	3.83	4.08	2,008,125	1,995,120
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FK4M5	FHMS K-085 A2	V	2/4/2026	10/25/2028	3.80	4.08	2,913,367	2,892,924
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HPEX7	FHMS K-552 A2	V	12/23/2025	11/25/2030	4.14	4.26	959,965	952,080
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3136BGFX4	FNA 2021-M16 A2A		12/10/2025	11/25/2030	4.84	5.66	2,304,883	2,279,275
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HMC65	FHMS K-543 A2	V	1/28/2026	6/25/2030	4.05	4.19	2,018,828	2,007,011
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HPM75	FHR 5616 NG		1/30/2026	1/15/2031	4.10	4.47	4,093,608	4,050,233
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HPM75	FHR 5616 NG		3/16/2026	1/15/2031	4.17	4.47	4,153,982	4,118,289

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137HPU50	FHMS K-553 A2	V	1/15/2026	12/25/2030	4.02	4.26	520,651	515,102
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3140NX3J0	FN BZ3500		2/17/2026	5/1/2030	3.82	4.21	2,307,744	2,273,973
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FKSH0	FHMS K-086 A2	V	2/4/2026	11/25/2028	3.81	4.08	2,898,754	2,878,888
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FNX54	FHMS K-097 A2		2/27/2026	7/25/2029	3.73	4.11	3,842,500	3,801,160
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3140LK4E0	FN BS8920		2/17/2026	8/1/2028	3.61	4.16	1,040,207	1,028,418
MANAGED PORTFOLIO	FEDERAL AGENCY/GSE	3137FNAE0	FHMS K-095 A2		3/13/2026	6/25/2029	3.81	4.10	4,600,078	4,563,658
MANAGED PORTFOLIO	***SUB-TOTAL FOR FEDERAL AGENCY/GSE***								***283,225,756***	***285,729,514***
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00138CBB3	COREBRIDGE GLOBAL FUNDING		8/22/2024	8/20/2027	4.66	4.59	1,859,702	1,861,414
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00138CBD9	COREBRIDGE GLOBAL FUNDING		1/9/2025	1/7/2028	4.90	4.53	590,000	593,623
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00138CBF4	COREBRIDGE GLOBAL FUNDING		6/6/2025	6/6/2030	4.88	4.86	973,801	974,532
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00287YBX6	ABBVIE INC		4/29/2025	11/21/2029	4.40	4.28	1,902,080	1,928,140
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00287YDS5	ABBVIE INC		9/19/2024	3/15/2029	3.99	4.26	1,197,468	1,176,710
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00287YDS5	ABBVIE INC		3/27/2025	3/15/2029	4.53	4.26	287,693	289,105
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00287YDS5	ABBVIE INC		12/26/2025	3/15/2029	3.95	4.20	3,002,342	2,977,085
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00440EAV9	CHUBB INA HOLDINGS LLC		8/28/2023	5/3/2026	5.19	4.37	1,651,406	1,728,339
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00440EAV9	CHUBB INA HOLDINGS LLC		12/29/2023	5/3/2026	4.60	4.37	2,207,530	2,267,821
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00440KAA1	ACCENTURE CAPITAL INC		10/4/2024	10/4/2027	3.95	4.03	569,265	568,951
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00440KAB9	ACCENTURE CAPITAL INC		10/4/2024	10/4/2029	4.09	4.26	544,046	541,294
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00724PAH2	ADOBE INC		1/17/2025	1/17/2028	4.77	4.00	2,398,728	2,429,424
MANAGED PORTFOLIO	MEDIUM TERM NOTE	007903BJ5	ADVANCED MICRO DEVICES INC		3/24/2025	3/24/2028	4.32	3.97	2,095,000	2,108,240
MANAGED PORTFOLIO	MEDIUM TERM NOTE	009158AY2	AIR PRODUCTS AND CHEMICALS INC		2/13/2024	5/15/2027	4.71	4.03	1,829,260	1,952,560
MANAGED PORTFOLIO	MEDIUM TERM NOTE	009158BH8	AIR PRODUCTS AND CHEMICALS INC		9/3/2024	2/8/2029	4.11	4.22	509,605	504,875
MANAGED PORTFOLIO	MEDIUM TERM NOTE	009158BN5	AIR PRODUCTS AND CHEMICALS INC		6/11/2025	6/11/2028	4.32	4.13	1,498,995	1,504,965
MANAGED PORTFOLIO	MEDIUM TERM NOTE	023135BC9	AMAZON.COM INC		7/15/2024	8/22/2027	4.73	4.05	3,819,680	3,951,600
MANAGED PORTFOLIO	MEDIUM TERM NOTE	025816DG1	AMERICAN EXPRESS CO	V	7/28/2023	7/28/2027	5.39	4.52	650,000	651,716
MANAGED PORTFOLIO	MEDIUM TERM NOTE	025816DV8	AMERICAN EXPRESS CO	V	7/26/2024	7/26/2028	5.05	4.46	475,000	479,090
MANAGED PORTFOLIO	MEDIUM TERM NOTE	025816ED7	AMERICAN EXPRESS CO	V	4/25/2025	4/25/2029	4.73	4.59	3,140,000	3,159,845
MANAGED PORTFOLIO	MEDIUM TERM NOTE	025816EJ4	AMERICAN EXPRESS CO	V	7/25/2025	7/20/2029	4.35	4.44	4,190,000	4,187,025
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02665WFQ9	AMERICAN HONDA FINANCE CORP		9/13/2024	9/5/2029	4.28	4.69	804,152	792,776
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02665WFT3	AMERICAN HONDA FINANCE CORP		7/8/2025	10/22/2027	4.42	4.54	2,626,313	2,621,273
MANAGED PORTFOLIO	MEDIUM TERM NOTE	03073EAV7	CENCORA INC		12/9/2024	12/15/2027	4.69	4.40	419,223	421,457
MANAGED PORTFOLIO	MEDIUM TERM NOTE	032654BD6	ANALOG DEVICES INC		6/16/2025	6/15/2028	4.29	4.17	2,292,521	2,298,626
MANAGED PORTFOLIO	MEDIUM TERM NOTE	032654BE4	ANALOG DEVICES INC		6/16/2025	6/15/2030	4.52	4.42	1,273,878	1,279,016
MANAGED PORTFOLIO	MEDIUM TERM NOTE	037833EY2	APPLE INC		5/12/2025	5/12/2028	4.07	3.94	1,746,570	1,751,925
MANAGED PORTFOLIO	MEDIUM TERM NOTE	037833EZ9	APPLE INC		5/12/2025	5/12/2030	4.24	4.06	673,853	678,490
MANAGED PORTFOLIO	MEDIUM TERM NOTE	04685A3T6	ATHENE GLOBAL FUNDING		3/26/2024	3/25/2027	5.52	4.66	2,555,000	2,575,696
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05253JB75	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y		6/18/2025	6/18/2028	4.36	4.16	1,850,000	1,857,641
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05565ECH6	BMW US CAPITAL LLC		4/2/2024	4/2/2027	4.94	4.29	2,447,085	2,464,627
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05565ECW3	BMW US CAPITAL LLC		3/21/2025	3/21/2028	4.77	4.45	354,823	356,963
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05565ECY9	BMW US CAPITAL LLC		3/21/2025	3/21/2030	5.06	4.74	284,926	288,155
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06051GGL7	BANK OF AMERICA CORP	V	11/5/2024	4/24/2028	4.81	4.44	3,820,040	3,890,130
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06051GHG7	BANK OF AMERICA CORP	V	9/13/2024	3/5/2029	4.41	4.47	492,925	495,465
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06051GHM4	BANK OF AMERICA CORP	V	11/12/2024	7/23/2029	4.79	4.46	1,965,280	1,991,840
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06051GLS6	BANK OF AMERICA CORP	V	3/26/2025	9/15/2029	4.70	4.45	2,070,900	2,063,180
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06051GMK2	BANK OF AMERICA CORP	V	1/24/2025	1/24/2029	4.98	4.51	9,625,000	9,699,979
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06051GMT3	BANK OF AMERICA CORP	V	5/9/2025	5/9/2029	4.81	4.40	3,980,000	3,997,313
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06405LAH4	BANK OF NEW YORK MELLON	V	4/22/2025	4/20/2029	4.73	4.36	3,030,000	3,051,543
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06405LAH4	BANK OF NEW YORK MELLON	V	4/22/2025	4/20/2029	4.73	4.35	895,000	901,628
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06406RAH0	BANK OF NEW YORK MELLON CORP		9/13/2024	4/28/2028	4.00	4.07	746,340	746,708
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06406RBA4	BANK OF NEW YORK MELLON CORP		8/31/2022	1/26/2027	3.95	4.10	3,695,080	3,934,360
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06406RBX4	BANK OF NEW YORK MELLON CORP	V	7/22/2024	7/21/2028	4.89	4.27	2,050,000	2,065,990
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06406RCH8	BANK OF NEW YORK MELLON CORP	V	6/10/2025	6/9/2028	4.45	4.30	1,785,000	1,787,356
MANAGED PORTFOLIO	MEDIUM TERM NOTE	09290DAH4	BLACKROCK INC		7/26/2024	7/26/2027	4.55	4.03	2,002,720	2,013,580
MANAGED PORTFOLIO	MEDIUM TERM NOTE	09290DAH4	BLACKROCK INC		7/26/2024	7/26/2027	4.57	4.03	3,002,580	3,020,370
MANAGED PORTFOLIO	MEDIUM TERM NOTE	09290DAH4	BLACKROCK INC		7/26/2024	7/26/2027	4.60	4.03	1,654,950	1,666,237
MANAGED PORTFOLIO	MEDIUM TERM NOTE	10373QBY5	BP CAPITAL MARKETS AMERICA INC		5/17/2024	11/17/2027	5.02	4.13	2,700,000	2,735,451
MANAGED PORTFOLIO	MEDIUM TERM NOTE	127387AM0	CADENCE DESIGN SYSTEMS INC		9/10/2024	9/10/2027	4.21	4.26	1,539,738	1,538,737
MANAGED PORTFOLIO	MEDIUM TERM NOTE	133131BA9	CAMDEN PROPERTY TRUST		11/3/2023	11/3/2026	5.85	4.30	1,799,946	1,813,770
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAL4	CATERPILLAR FINANCIAL SERVICES CORP		5/14/2024	5/14/2027	5.04	4.10	1,882,927	1,903,285
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAL4	CATERPILLAR FINANCIAL SERVICES CORP		5/17/2024	5/14/2027	4.89	4.10	5,014,650	5,048,500
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAQ3	CATERPILLAR FINANCIAL SERVICES CORP		8/16/2024	8/16/2029	4.44	4.27	728,022	732,416
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAR1	CATERPILLAR FINANCIAL SERVICES CORP		8/16/2024	10/15/2027	4.42	4.08	699,650	703,297
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAS9	CATERPILLAR FINANCIAL SERVICES CORP		11/15/2024	11/15/2027	4.63	4.05	1,248,925	1,260,700
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAU4	CATERPILLAR FINANCIAL SERVICES CORP		11/15/2024	11/15/2029	4.74	4.29	549,104	557,563
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UAX8	CATERPILLAR FINANCIAL SERVICES CORP		1/8/2025	1/8/2030	4.84	4.13	1,542,018	1,580,690
MANAGED PORTFOLIO	MEDIUM TERM NOTE	166756BB1	CHEVRON USA INC		2/26/2025	2/26/2028	4.48	4.04	7,135,000	7,189,012
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17252MAR1	CINTAS CORPORATION NO 2		5/2/2025	5/1/2028	4.25	4.29	1,737,773	1,737,042
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17275RBQ4	CISCO SYSTEMS INC		2/26/2024	2/26/2027	4.85	4.04	2,661,536	2,681,203
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17275RBQ4	CISCO SYSTEMS INC		3/4/2024	2/26/2027	4.78	4.04	2,336,261	2,349,197
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17275RBX9	CISCO SYSTEMS INC		2/24/2025	2/24/2030	4.77	4.20	124,906	127,403
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17275RBX9	CISCO SYSTEMS INC		3/12/2025	2/24/2030	4.56	4.20	2,016,520	2,038,440
MANAGED PORTFOLIO	MEDIUM TERM NOTE	172967LW9	CITIGROUP INC	V	5/19/2025	4/23/2029	4.72	4.45	3,134,239	3,166,522
MANAGED PORTFOLIO	MEDIUM TERM NOTE	172967LW9	CITIGROUP INC	V	12/10/2025	4/23/2029	4.48	4.45	1,002,407	997,603
MANAGED PORTFOLIO	MEDIUM TERM NOTE	172967PF2	CITIGROUP INC	V	7/16/2025	2/13/2030	4.74	4.61	1,926,942	1,928,331

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MEDIUM TERM NOTE	172967PZ8	CITIGROUP INC	V	5/7/2025	5/7/2028	4.64	4.48	3,735,000	3,741,163
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17325FBB3	CITIBANK NA		8/6/2024	9/29/2028	4.51	4.12	722,692	716,489
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17325FBL1	CITIBANK NA	V	11/19/2024	11/19/2027	4.88	4.34	1,925,000	1,931,237
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17325FBN7	CITIBANK NA		5/29/2025	5/29/2027	4.58	4.19	955,000	958,801
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17325FBP2	CITIBANK NA		5/29/2025	5/29/2030	4.91	4.49	1,000,000	1,015,590
MANAGED PORTFOLIO	MEDIUM TERM NOTE	17327CAW3	CITIGROUP INC	V	3/4/2025	3/4/2029	4.79	4.51	2,805,000	2,819,137
MANAGED PORTFOLIO	MEDIUM TERM NOTE	194162AT0	COLGATE-PALMOLIVE CO		5/2/2025	5/1/2030	4.21	4.18	1,614,144	1,616,308
MANAGED PORTFOLIO	MEDIUM TERM NOTE	20030NDK4	COMCAST CORP		11/5/2024	4/1/2027	4.46	4.31	3,812,544	3,876,790
MANAGED PORTFOLIO	MEDIUM TERM NOTE	20271RAV2	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)		3/14/2025	3/14/2028	4.42	4.10	1,580,000	1,589,417
MANAGED PORTFOLIO	MEDIUM TERM NOTE	21688ABC5	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)		9/3/2024	1/9/2029	4.28	4.19	510,175	507,835
MANAGED PORTFOLIO	MEDIUM TERM NOTE	21688ABM3	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)		5/27/2025	5/27/2027	4.37	4.13	1,485,000	1,488,935
MANAGED PORTFOLIO	MEDIUM TERM NOTE	231021AY2	CUMMINS INC		5/9/2025	5/9/2028	4.28	4.18	299,790	300,423
MANAGED PORTFOLIO	MEDIUM TERM NOTE	24422EXF1	JOHN DEERE CAPITAL CORP		1/17/2024	1/8/2027	4.52	4.08	3,997,840	4,012,520
MANAGED PORTFOLIO	MEDIUM TERM NOTE	24422EXT1	JOHN DEERE CAPITAL CORP		8/20/2024	6/11/2029	4.33	4.23	2,044,940	2,036,700
MANAGED PORTFOLIO	MEDIUM TERM NOTE	24422EXV6	JOHN DEERE CAPITAL CORP		9/6/2024	7/15/2027	4.21	3.94	1,734,757	1,740,448
MANAGED PORTFOLIO	MEDIUM TERM NOTE	24422EYD5	JOHN DEERE CAPITAL CORP		6/5/2025	6/5/2028	4.28	4.10	1,163,963	1,168,670
MANAGED PORTFOLIO	MEDIUM TERM NOTE	26442CAX2	DUKE ENERGY CAROLINAS LLC		12/12/2023	11/15/2028	4.90	4.27	3,653,676	3,780,015
MANAGED PORTFOLIO	MEDIUM TERM NOTE	26442CBA1	DUKE ENERGY CAROLINAS LLC		2/28/2025	2/1/2030	4.69	4.45	1,804,900	1,860,340
MANAGED PORTFOLIO	MEDIUM TERM NOTE	26875PAX9	EOG RESOURCES INC		7/1/2025	7/15/2028	4.43	4.25	984,035	988,024
MANAGED PORTFOLIO	MEDIUM TERM NOTE	29446Q2A0	EQUITABLE AMERICA GLOBAL FUNDING		6/9/2025	6/9/2028	4.66	4.73	3,218,937	3,214,268
MANAGED PORTFOLIO	MEDIUM TERM NOTE	29446Q2B8	EQUITABLE AMERICA GLOBAL FUNDING		6/9/2025	6/9/2030	4.97	5.01	1,418,566	1,416,494
MANAGED PORTFOLIO	MEDIUM TERM NOTE	29449WAT4	EQUITABLE FINANCIAL LIFE GLOBAL FUNDING		3/27/2025	3/27/2030	5.05	4.78	434,108	438,445
MANAGED PORTFOLIO	MEDIUM TERM NOTE	30303M8S4	META PLATFORMS INC		8/16/2024	8/15/2029	4.29	4.20	1,595,750	1,599,691
MANAGED PORTFOLIO	MEDIUM TERM NOTE	30303M8S4	META PLATFORMS INC		3/27/2025	8/15/2029	4.40	4.20	403,315	406,191
MANAGED PORTFOLIO	MEDIUM TERM NOTE	31677QBU2	FIFTH THIRD BANK NA	V	1/28/2025	1/28/2028	4.97	4.48	1,015,000	1,018,705
MANAGED PORTFOLIO	MEDIUM TERM NOTE	341081GN1	FLORIDA POWER & LIGHT CO		7/24/2023	5/15/2028	4.78	4.19	3,935,680	4,016,040
MANAGED PORTFOLIO	MEDIUM TERM NOTE	341081GN1	FLORIDA POWER & LIGHT CO		9/19/2024	5/15/2028	3.96	4.19	862,019	853,284
MANAGED PORTFOLIO	MEDIUM TERM NOTE	341081GN1	FLORIDA POWER & LIGHT CO		3/27/2025	5/15/2028	4.45	4.19	229,646	230,888
MANAGED PORTFOLIO	MEDIUM TERM NOTE	373334KL4	GEORGIA POWER CO		11/6/2024	9/15/2029	4.67	4.39	1,762,476	1,823,568
MANAGED PORTFOLIO	MEDIUM TERM NOTE	373334KL4	GEORGIA POWER CO		3/27/2025	9/15/2029	4.65	4.39	446,234	458,254
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38141GC77	GOLDMAN SACHS GROUP INC	V	4/23/2025	4/23/2028	4.94	4.46	1,560,000	1,567,628
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38145GAH3	GOLDMAN SACHS GROUP INC		11/14/2023	11/16/2026	5.94	4.29	1,400,475	1,492,755
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38151LAG5	GOLDMAN SACHS BANK USA	V	5/21/2024	5/21/2027	5.41	4.41	1,265,000	1,266,569
MANAGED PORTFOLIO	MEDIUM TERM NOTE	40139LBK8	GUARDIAN LIFE GLOBAL FUNDING		4/28/2025	4/28/2030	4.80	4.64	1,500,000	1,508,655
MANAGED PORTFOLIO	MEDIUM TERM NOTE	40428HR95	HSBC USA INC		6/3/2025	6/3/2028	4.67	4.34	764,640	769,766
MANAGED PORTFOLIO	MEDIUM TERM NOTE	427866BK3	HERSHEY CO		2/24/2025	2/24/2028	4.58	4.13	779,462	785,702
MANAGED PORTFOLIO	MEDIUM TERM NOTE	427866BL1	HERSHEY CO		2/24/2025	2/24/2030	4.79	4.30	628,891	639,954
MANAGED PORTFOLIO	MEDIUM TERM NOTE	437076DB5	HOME DEPOT INC		6/25/2024	6/25/2027	4.92	4.01	2,796,304	2,827,020
MANAGED PORTFOLIO	MEDIUM TERM NOTE	437076DB5	HOME DEPOT INC		6/25/2024	6/25/2027	5.00	4.01	1,684,406	1,706,309
MANAGED PORTFOLIO	MEDIUM TERM NOTE	438516BU9	HONEYWELL INTERNATIONAL INC		8/20/2024	8/15/2029	4.20	4.32	1,865,940	1,899,500
MANAGED PORTFOLIO	MEDIUM TERM NOTE	440452AK6	HORMEL FOODS CORP		3/8/2024	3/30/2027	4.84	4.30	2,282,784	2,295,100
MANAGED PORTFOLIO	MEDIUM TERM NOTE	44644MAK7	HUNTINGTON NATIONAL BANK	V	2/26/2025	4/12/2028	4.87	4.46	1,265,000	1,269,276
MANAGED PORTFOLIO	MEDIUM TERM NOTE	44891ADU8	HYUNDAI CAPITAL AMERICA		6/23/2025	6/23/2027	4.88	4.53	2,854,629	2,866,506
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PAX4	JPMORGAN CHASE & CO	V	3/27/2025	12/5/2029	4.74	4.40	2,476,000	2,503,000
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PAX4	JPMORGAN CHASE & CO	V	12/5/2025	12/5/2029	4.08	4.40	6,068,173	6,012,206
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PAX4	JPMORGAN CHASE & CO	V	12/5/2025	12/5/2029	4.08	4.45	3,031,560	2,999,694
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PCJ3	JPMORGAN CHASE & CO	V	9/13/2024	6/1/2029	4.35	4.44	553,518	570,900
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PDW3	JPMORGAN CHASE & CO	V	10/23/2023	10/22/2027	6.07	4.32	1,205,000	1,216,484
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PEA0	JPMORGAN CHASE & CO	V	1/23/2024	1/23/2028	5.04	4.39	695,000	698,524
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PEE2	JPMORGAN CHASE & CO	V	4/22/2024	4/22/2028	5.57	4.38	240,000	242,930
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PEL6	JPMORGAN CHASE & CO	V	7/22/2024	7/22/2028	4.98	4.44	950,000	956,384
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PEP7	JPMORGAN CHASE & CO	V	10/22/2024	10/22/2028	4.49	4.52	195,098	194,959
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PEP7	JPMORGAN CHASE & CO	V	10/22/2024	10/22/2028	4.51	4.52	895,000	894,812
MANAGED PORTFOLIO	MEDIUM TERM NOTE	46647PEU6	JPMORGAN CHASE & CO	V	1/24/2025	1/24/2029	4.92	4.42	2,485,000	2,506,172
MANAGED PORTFOLIO	MEDIUM TERM NOTE	478160DH4	JOHNSON & JOHNSON		2/20/2025	3/1/2028	4.57	3.89	1,044,394	1,057,164
MANAGED PORTFOLIO	MEDIUM TERM NOTE	532457CK2	ELI LILLY AND CO		8/16/2024	2/9/2029	4.13	4.15	1,516,917	1,508,524
MANAGED PORTFOLIO	MEDIUM TERM NOTE	532457CK2	ELI LILLY AND CO		3/27/2025	2/9/2029	4.35	4.15	386,944	388,483
MANAGED PORTFOLIO	MEDIUM TERM NOTE	532457CQ9	ELI LILLY AND CO		8/14/2024	8/14/2029	4.25	4.17	1,137,503	1,141,083
MANAGED PORTFOLIO	MEDIUM TERM NOTE	532457CU0	ELI LILLY AND CO		2/12/2025	2/12/2028	4.57	4.08	664,574	670,353
MANAGED PORTFOLIO	MEDIUM TERM NOTE	532457CV8	ELI LILLY AND CO		2/12/2025	2/12/2030	4.76	4.23	324,815	330,889
MANAGED PORTFOLIO	MEDIUM TERM NOTE	53359KAA9	LINCOLN FINANCIAL GLOBAL FUNDING		1/13/2025	1/13/2030	5.31	4.87	164,921	167,399
MANAGED PORTFOLIO	MEDIUM TERM NOTE	53359KAB7	LINCOLN FINANCIAL GLOBAL FUNDING		5/28/2025	5/28/2028	4.64	4.62	1,209,637	1,210,182
MANAGED PORTFOLIO	MEDIUM TERM NOTE	53359KAB7	LINCOLN FINANCIAL GLOBAL FUNDING		5/28/2025	5/28/2028	4.64	4.56	2,029,391	2,032,706
MANAGED PORTFOLIO	MEDIUM TERM NOTE	539830CC1	LOCKHEED MARTIN CORP		11/6/2024	2/15/2029	4.57	4.30	1,590,789	1,603,361
MANAGED PORTFOLIO	MEDIUM TERM NOTE	539830CC1	LOCKHEED MARTIN CORP		3/27/2025	2/15/2029	4.52	4.30	404,692	407,123
MANAGED PORTFOLIO	MEDIUM TERM NOTE	55261FAU8	M&T BANK CORP	V	12/17/2024	1/16/2029	4.84	4.52	870,000	874,072
MANAGED PORTFOLIO	MEDIUM TERM NOTE	55279HAW0	MANUFACTURERS AND TRADERS TRUST CO		8/6/2024	1/27/2028	5.15	4.34	340,111	347,032
MANAGED PORTFOLIO	MEDIUM TERM NOTE	564760CC8	MANUFACTURERS AND TRADERS TRUST CO	V	6/17/2025	7/6/2028	4.76	4.53	520,000	521,435
MANAGED PORTFOLIO	MEDIUM TERM NOTE	571676AX3	MARS INC		3/12/2025	3/1/2028	4.60	4.25	2,059,979	2,072,422
MANAGED PORTFOLIO	MEDIUM TERM NOTE	571676AY1	MARS INC		3/12/2025	3/1/2030	4.83	4.50	739,201	747,785
MANAGED PORTFOLIO	MEDIUM TERM NOTE	571748BY7	MARSH & MCLENNAN COMPANIES INC		11/8/2024	11/8/2027	4.58	4.27	429,703	431,778
MANAGED PORTFOLIO	MEDIUM TERM NOTE	571748BY7	MARSH & MCLENNAN COMPANIES INC		11/8/2024	11/8/2027	4.58	4.24	1,009,303	1,014,596
MANAGED PORTFOLIO	MEDIUM TERM NOTE	571748BY7	MARSH & MCLENNAN COMPANIES INC		11/8/2024	11/8/2027	4.59	4.27	599,316	602,481
MANAGED PORTFOLIO	MEDIUM TERM NOTE	571748BY7	MARSH & MCLENNAN COMPANIES INC		11/8/2024	11/8/2027	4.59	4.24	2,357,310	2,370,738

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MEDIUM TERM NOTE	57629TBV8	MASSMUTUAL GLOBAL FUNDING II		1/10/2025	1/10/2030	4.96	4.64	1,599,232	1,617,136
MANAGED PORTFOLIO	MEDIUM TERM NOTE	57629TBW6	MASSMUTUAL GLOBAL FUNDING II		3/27/2025	3/27/2028	4.49	4.28	3,670,627	3,686,723
MANAGED PORTFOLIO	MEDIUM TERM NOTE	57629W4T4	MASSMUTUAL GLOBAL FUNDING II		8/16/2024	5/30/2029	4.51	4.47	1,525,333	1,514,494
MANAGED PORTFOLIO	MEDIUM TERM NOTE	57629W4T4	MASSMUTUAL GLOBAL FUNDING II		3/26/2025	5/30/2029	4.61	4.47	387,767	387,547
MANAGED PORTFOLIO	MEDIUM TERM NOTE	57636QBA1	MASTERCARD INC		9/5/2024	1/15/2028	4.12	4.01	839,538	841,210
MANAGED PORTFOLIO	MEDIUM TERM NOTE	57636QBF0	MASTERCARD INC		2/27/2025	3/15/2028	4.58	4.04	1,224,069	1,236,123
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58769JAL1	MERCEDES-BENZ FINANCE NORTH AMERICA LLC		9/3/2024	8/3/2028	4.42	4.40	358,474	355,390
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58769JAQ0	MERCEDES-BENZ FINANCE NORTH AMERICA LLC		1/11/2024	1/11/2027	4.84	4.28	1,698,266	1,706,545
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58989V2J2	MET TOWER GLOBAL FUNDING		10/1/2024	10/1/2027	4.02	4.31	494,708	492,797
MANAGED PORTFOLIO	MEDIUM TERM NOTE	592179KL8	METROPOLITAN LIFE GLOBAL FUNDING I		6/11/2024	6/11/2027	5.10	4.32	1,732,849	1,749,574
MANAGED PORTFOLIO	MEDIUM TERM NOTE	59217GFT1	METROPOLITAN LIFE GLOBAL FUNDING I		1/9/2025	1/9/2030	4.95	4.65	1,317,281	1,331,431
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61690DK72	MORGAN STANLEY BANK NA	V	1/21/2025	1/12/2029	5.02	4.38	1,315,000	1,329,071
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61690U7W4	MORGAN STANLEY BANK NA		11/1/2023	10/30/2026	5.88	3.99	2,340,000	2,361,739
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61690U8A1	MORGAN STANLEY BANK NA	V	1/18/2024	1/14/2028	4.95	4.42	1,250,000	1,255,013
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61690U8B9	MORGAN STANLEY BANK NA	V	5/30/2024	5/26/2028	5.50	4.48	680,000	687,732
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61690U8E3	MORGAN STANLEY BANK NA	V	7/19/2024	7/14/2028	4.97	4.48	1,060,000	1,066,286
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61690U8G8	MORGAN STANLEY BANK NA	V	10/18/2024	10/15/2027	4.45	4.33	1,140,000	1,140,707
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61747YFA8	MORGAN STANLEY	V	8/6/2024	2/1/2029	4.70	4.49	349,595	348,774
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61747YFH3	MORGAN STANLEY	V	5/19/2025	11/1/2029	4.72	4.59	3,917,160	3,882,564
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61747YFH3	MORGAN STANLEY	V	12/26/2025	11/1/2029	4.16	4.59	2,008,150	1,977,812
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61747YFP5	MORGAN STANLEY	V	4/19/2024	4/13/2028	5.65	4.45	1,530,000	1,548,284
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61747YFY6	MORGAN STANLEY	V	4/17/2025	4/12/2029	4.99	4.52	2,250,000	2,270,633
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61776NVE0	MORGAN STANLEY PRIVATE BANK NA	V	7/21/2025	7/6/2028	4.47	4.45	2,125,000	2,124,915
MANAGED PORTFOLIO	MEDIUM TERM NOTE	62829D2E9	MUTUAL OF OMAHA COMPANIES GLOBAL FUNDING		11/21/2024	10/15/2029	5.09	4.62	1,596,575	1,626,670
MANAGED PORTFOLIO	MEDIUM TERM NOTE	62829D2E9	MUTUAL OF OMAHA COMPANIES GLOBAL FUNDING		3/26/2025	10/15/2029	4.91	4.62	452,052	456,873
MANAGED PORTFOLIO	MEDIUM TERM NOTE	62829D2G4	MUTUAL OF OMAHA COMPANIES GLOBAL FUNDING		7/8/2025	6/9/2028	4.46	4.57	1,316,880	1,313,396
MANAGED PORTFOLIO	MEDIUM TERM NOTE	632525CA7	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)		11/26/2024	10/26/2027	4.61	4.14	448,691	452,453
MANAGED PORTFOLIO	MEDIUM TERM NOTE	632525CJ8	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)		6/13/2025	6/13/2028	4.31	4.18	2,275,000	2,281,120
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63253QAJ3	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)		6/11/2024	6/11/2027	5.09	4.12	1,335,000	1,349,792
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63743HFR8	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP		5/10/2024	5/6/2027	5.12	4.28	2,328,555	2,348,733
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63743HFS6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP		9/16/2024	6/15/2029	4.22	4.41	223,329	219,595
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63743HFW7	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP		2/7/2025	2/7/2028	4.77	4.31	864,619	871,401
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP		3/27/2025	2/7/2030	4.78	4.44	2,014,320	2,034,720
MANAGED PORTFOLIO	MEDIUM TERM NOTE	637639AK1	NATIONAL SECURITIES CLEARING CORP		8/6/2024	5/30/2028	4.32	4.24	353,035	350,178
MANAGED PORTFOLIO	MEDIUM TERM NOTE	637639AN5	NATIONAL SECURITIES CLEARING CORP		5/20/2025	5/20/2027	4.40	4.10	4,431,053	4,446,797
MANAGED PORTFOLIO	MEDIUM TERM NOTE	637639AQ8	NATIONAL SECURITIES CLEARING CORP		5/20/2025	5/20/2030	4.71	4.45	1,364,154	1,377,585
MANAGED PORTFOLIO	MEDIUM TERM NOTE	641423CC0	NEVADA POWER CO		8/16/2024	5/1/2029	4.51	4.44	1,579,361	1,600,255
MANAGED PORTFOLIO	MEDIUM TERM NOTE	641423CC0	NEVADA POWER CO		3/27/2025	5/1/2029	4.60	4.44	401,230	406,181
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64952WFJ7	NEW YORK LIFE GLOBAL FUNDING		10/1/2024	10/1/2027	3.91	4.25	2,739,397	2,726,273
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64952WFK4	NEW YORK LIFE GLOBAL FUNDING		12/5/2024	12/5/2029	4.61	4.42	1,334,239	1,342,836
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64953BBW7	NEW YORK LIFE GLOBAL FUNDING		4/25/2025	4/25/2028	4.43	4.28	2,693,114	2,701,549
MANAGED PORTFOLIO	MEDIUM TERM NOTE	65339KDG2	NEXTERA ENERGY CAPITAL HOLDINGS INC		2/4/2025	2/4/2028	4.85	4.32	464,986	469,301
MANAGED PORTFOLIO	MEDIUM TERM NOTE	65339KDH0	NEXTERA ENERGY CAPITAL HOLDINGS INC	V	2/4/2025	2/4/2028	5.18	4.36	2,325,000	2,327,883
MANAGED PORTFOLIO	MEDIUM TERM NOTE	665859AW4	NORTHERN TRUST CORP		11/30/2022	5/10/2027	4.58	4.11	2,442,500	2,497,025
MANAGED PORTFOLIO	MEDIUM TERM NOTE	665859AW4	NORTHERN TRUST CORP		1/13/2023	5/10/2027	4.21	4.11	1,487,715	1,498,215
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66815L2M0	NORTHWESTERN MUTUAL GLOBAL FUNDING		8/19/2024	6/12/2028	4.40	4.38	1,322,438	1,314,031
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66815L2M0	NORTHWESTERN MUTUAL GLOBAL FUNDING		3/26/2025	6/12/2028	4.48	4.38	354,351	353,778
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66815L2T5	NORTHWESTERN MUTUAL GLOBAL FUNDING		9/12/2024	9/12/2027	4.11	4.25	819,975	818,417
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66815L2U2	NORTHWESTERN MUTUAL GLOBAL FUNDING		1/13/2025	1/13/2030	4.96	4.60	1,594,936	1,614,858
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66989HAT5	NOVARTIS CAPITAL CORP		9/18/2024	9/18/2029	3.85	4.21	927,740	917,929
MANAGED PORTFOLIO	MEDIUM TERM NOTE	67080LAA3	NUVEEN LLC		10/2/2024	11/1/2028	4.10	4.32	796,880	793,752
MANAGED PORTFOLIO	MEDIUM TERM NOTE	677347CJ3	OHIO EDISON CO		5/23/2025	12/15/2029	4.95	4.64	429,948	434,369
MANAGED PORTFOLIO	MEDIUM TERM NOTE	693475BR5	PNC FINANCIAL SERVICES GROUP INC	V	3/26/2025	6/12/2029	4.64	4.38	2,055,340	2,049,460
MANAGED PORTFOLIO	MEDIUM TERM NOTE	693475BV6	PNC FINANCIAL SERVICES GROUP INC	V	1/22/2024	1/21/2028	5.30	4.70	490,000	493,352
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69353RFZ6	PNC BANK NA (DELAWARE)	V	7/21/2025	7/21/2028	4.63	4.42	1,380,000	1,379,476
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RS56	PACCAR FINANCIAL CORP		8/10/2023	8/10/2026	5.07	4.17	1,844,078	1,850,553
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RT22	PACCAR FINANCIAL CORP		5/13/2024	5/13/2027	5.03	4.03	424,673	429,446
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RT30	PACCAR FINANCIAL CORP		8/6/2024	8/6/2027	4.50	4.01	4,803,603	4,837,128
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RT48	PACCAR FINANCIAL CORP		9/26/2024	9/26/2029	4.05	4.20	254,475	253,343
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RT63	PACCAR FINANCIAL CORP		3/3/2025	3/3/2028	4.57	4.14	1,224,253	1,234,151
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RT71	PACCAR FINANCIAL CORP		5/8/2025	5/8/2030	4.59	4.37	2,211,567	2,229,863
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69448TAC5	PACIFIC LIFE GLOBAL FUNDING II		7/8/2025	5/1/2028	4.22	4.38	880,276	876,146
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69448TAC5	PACIFIC LIFE GLOBAL FUNDING II		7/8/2025	5/1/2028	4.23	4.38	3,027,067	3,013,943
MANAGED PORTFOLIO	MEDIUM TERM NOTE	6944PL2U2	PACIFIC LIFE GLOBAL FUNDING II		8/6/2024	7/18/2028	4.40	4.39	358,652	353,297
MANAGED PORTFOLIO	MEDIUM TERM NOTE	6944PL2U2	PACIFIC LIFE GLOBAL FUNDING II		8/16/2024	7/18/2028	4.58	4.38	1,001,564	993,352
MANAGED PORTFOLIO	MEDIUM TERM NOTE	6944PL2U2	PACIFIC LIFE GLOBAL FUNDING II		3/26/2025	7/18/2028	4.52	4.38	262,586	261,139
MANAGED PORTFOLIO	MEDIUM TERM NOTE	6944PL3F4	PACIFIC LIFE GLOBAL FUNDING II		2/10/2025	2/10/2030	4.86	4.60	824,711	832,285
MANAGED PORTFOLIO	MEDIUM TERM NOTE	713448FX1	PEPSICO INC		9/3/2024	7/17/2029	3.98	4.18	511,250	504,805
MANAGED PORTFOLIO	MEDIUM TERM NOTE	713448GA0	PEPSICO INC		2/7/2025	2/7/2028	4.47	3.98	2,848,803	2,872,829
MANAGED PORTFOLIO	MEDIUM TERM NOTE	713448GB8	PEPSICO INC		2/7/2025	2/7/2030	4.64	4.22	364,387	369,741
MANAGED PORTFOLIO	MEDIUM TERM NOTE	713448GH5	PEPSICO INC		7/31/2025	7/23/2030	4.32	4.23	2,497,650	2,506,350
MANAGED PORTFOLIO	MEDIUM TERM NOTE	713448GL6	PEPSICO INC		7/31/2025	1/15/2029	4.21	4.12	2,491,325	2,498,550
MANAGED PORTFOLIO	MEDIUM TERM NOTE	717081ET6	PFIZER INC		8/16/2024	3/15/2029	4.22	4.19	498,546	504,540
MANAGED PORTFOLIO	MEDIUM TERM NOTE	717081ET6	PFIZER INC		3/27/2025	3/15/2029	4.43	4.19	501,639	509,438

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74153WCW7	PRICOA GLOBAL FUNDING I		5/28/2025	5/28/2030	4.72	4.63	1,993,584	2,000,227
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74256LEX3	PRINCIPAL LIFE GLOBAL FUNDING II		1/16/2024	1/16/2027	5.01	4.30	474,815	477,527
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74256LFA2	PRINCIPAL LIFE GLOBAL FUNDING II		8/19/2024	8/19/2027	4.63	4.38	789,384	792,236
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74256LFB0	PRINCIPAL LIFE GLOBAL FUNDING II		11/27/2024	11/27/2029	4.95	4.67	519,979	524,815
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74256LFC8	PRINCIPAL LIFE GLOBAL FUNDING II		1/9/2025	1/9/2028	4.83	4.43	1,938,506	1,951,989
MANAGED PORTFOLIO	MEDIUM TERM NOTE	742718GM5	PROCTER & GAMBLE CO		5/1/2025	5/1/2030	4.10	4.16	997,940	995,890
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO		7/26/2023	5/1/2028	4.86	4.30	1,929,762	2,005,017
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74456QBX3	PUBLIC SERVICE ELECTRIC AND GAS CO		1/31/2024	9/1/2028	4.57	4.26	2,539,642	2,602,582
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74464AAC5	PUBLIC STORAGE OPERATING CO		7/2/2025	7/1/2030	4.44	4.41	1,994,660	1,997,340
MANAGED PORTFOLIO	MEDIUM TERM NOTE	771196CP5	ROCHE HOLDINGS INC		9/18/2024	9/9/2029	3.96	4.24	757,913	749,048
MANAGED PORTFOLIO	MEDIUM TERM NOTE	857449AE2	STATE STREET BANK AND TRUST CO		4/21/2025	11/23/2029	4.59	4.30	2,015,560	2,032,220
MANAGED PORTFOLIO	MEDIUM TERM NOTE	857477CL5	STATE STREET CORP		3/18/2024	3/18/2027	4.99	4.20	5,460,000	5,497,346
MANAGED PORTFOLIO	MEDIUM TERM NOTE	857477CU5	STATE STREET CORP		2/28/2025	2/28/2028	4.51	4.15	2,790,000	2,808,693
MANAGED PORTFOLIO	MEDIUM TERM NOTE	857477DA8	STATE STREET CORP	V	4/24/2025	4/24/2028	4.54	4.34	595,000	596,202
MANAGED PORTFOLIO	MEDIUM TERM NOTE	87612EBU9	TARGET CORP		6/10/2025	6/15/2028	4.35	4.12	739,993	743,441
MANAGED PORTFOLIO	MEDIUM TERM NOTE	882508CK8	TEXAS INSTRUMENTS INC		5/23/2025	5/23/2030	4.51	4.38	599,652	602,760
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89236TMK8	TOYOTA MOTOR CREDIT CORP		8/20/2024	8/9/2029	4.40	4.36	2,012,880	2,011,880
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89236TNG6	TOYOTA MOTOR CREDIT CORP		5/15/2025	5/14/2027	4.52	4.13	1,109,501	1,114,373
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89788JAF6	TRUIST BANK	V	7/24/2025	7/24/2028	4.42	4.39	1,420,000	1,419,929
MANAGED PORTFOLIO	MEDIUM TERM NOTE	90261AAD4	UBS AG (STAMFORD BRANCH)	V	1/10/2025	1/10/2028	4.86	4.33	1,160,000	1,164,582
MANAGED PORTFOLIO	MEDIUM TERM NOTE	90327QD97	USAA CAPITAL CORP		6/3/2024	6/1/2027	5.36	4.16	1,625,289	1,649,853
MANAGED PORTFOLIO	MEDIUM TERM NOTE	90327QDA4	USAA CAPITAL CORP		6/2/2025	6/1/2028	4.44	4.23	833,422	837,413
MANAGED PORTFOLIO	MEDIUM TERM NOTE	90331HPP2	US BANK NA	V	10/22/2024	10/22/2027	4.51	4.33	1,935,000	1,936,587
MANAGED PORTFOLIO	MEDIUM TERM NOTE	90331HPS6	US BANK NA	V	5/15/2025	5/15/2028	4.89	4.47	1,035,000	1,038,767
MANAGED PORTFOLIO	MEDIUM TERM NOTE	904764BU0	UNILEVER CAPITAL CORP		8/12/2024	8/12/2027	4.35	4.01	738,024	742,198
MANAGED PORTFOLIO	MEDIUM TERM NOTE	91159HJF8	US BANCORP	V	8/13/2024	7/22/2028	4.75	4.45	1,501,755	1,511,850
MANAGED PORTFOLIO	MEDIUM TERM NOTE	91159HJF8	US BANCORP	V	3/26/2025	7/22/2028	4.60	4.45	414,469	415,508
MANAGED PORTFOLIO	MEDIUM TERM NOTE	91324PEY4	UNITEDHEALTH GROUP INC		3/21/2024	4/15/2027	4.85	4.18	2,085,363	2,108,274
MANAGED PORTFOLIO	MEDIUM TERM NOTE	931142FN8	WALMART INC		4/28/2025	4/28/2030	4.39	4.09	549,049	555,280
MANAGED PORTFOLIO	MEDIUM TERM NOTE	94106LBX6	WASTE MANAGEMENT INC		7/3/2024	7/3/2027	4.99	4.09	1,882,719	1,903,247
MANAGED PORTFOLIO	MEDIUM TERM NOTE	94106LCB3	WASTE MANAGEMENT INC		11/4/2024	3/15/2028	4.57	4.29	1,606,410	1,616,031
MANAGED PORTFOLIO	MEDIUM TERM NOTE	94106LCB3	WASTE MANAGEMENT INC		11/4/2024	3/15/2028	4.57	4.14	3,826,448	3,860,004
MANAGED PORTFOLIO	MEDIUM TERM NOTE	94106LCB3	WASTE MANAGEMENT INC		3/27/2025	3/15/2028	4.39	4.29	426,271	426,592
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U3L5	WELLS FARGO & CO	V	4/22/2024	4/22/2028	5.71	4.44	995,000	1,007,836
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U3R2	WELLS FARGO & CO	V	1/24/2025	1/24/2028	4.90	4.43	1,010,000	1,013,666
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U3T8	WELLS FARGO & CO	V	4/23/2025	4/23/2029	4.97	4.52	2,295,000	2,314,898
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U3T8	WELLS FARGO & CO	V	4/23/2025	4/23/2029	4.97	4.52	1,395,000	1,407,252
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95954A2B8	WESTERN-SOUTHERN GLOBAL FUNDING		7/16/2025	7/16/2028	4.52	4.51	1,674,297	1,674,464
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RT97	PACCAR FINANCIAL CORP		8/8/2025	8/8/2028	4.02	4.03	3,248,083	3,247,693
MANAGED PORTFOLIO	MEDIUM TERM NOTE	7425APAD7	PRINCIPAL LIFE GLOBAL FUNDING II		8/18/2025	8/18/2028	4.27	4.51	1,714,091	1,704,796
MANAGED PORTFOLIO	MEDIUM TERM NOTE	166756BH8	CHEVRON USA INC		8/13/2025	8/13/2028	4.05	3.99	2,794,776	2,798,382
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63743HFZ0	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP		8/25/2025	8/25/2028	4.19	4.29	3,950,570	3,942,067
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UBB5	CATERPILLAR FINANCIAL SERVICES CORP		8/15/2025	8/15/2028	4.11	4.14	499,930	499,565
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05565EDA0	BMW US CAPITAL LLC		8/11/2025	8/11/2027	4.20	4.33	1,248,938	1,247,075
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64952WCX9	NEW YORK LIFE GLOBAL FUNDING		8/27/2025	1/10/2028	4.04	4.23	1,953,440	1,958,180
MANAGED PORTFOLIO	MEDIUM TERM NOTE	373334LC3	GEORGIA POWER CO		9/29/2025	10/1/2028	4.02	4.25	1,874,044	1,864,013
MANAGED PORTFOLIO	MEDIUM TERM NOTE	437076DH2	HOME DEPOT INC		9/15/2025	9/15/2028	3.77	4.02	504,672	501,783
MANAGED PORTFOLIO	MEDIUM TERM NOTE	437076DJ8	HOME DEPOT INC		9/15/2025	9/15/2030	4.03	4.27	1,678,951	1,663,061
MANAGED PORTFOLIO	MEDIUM TERM NOTE	437076DJ8	HOME DEPOT INC		9/15/2025	9/15/2030	4.04	4.27	1,001,030	991,915
MANAGED PORTFOLIO	MEDIUM TERM NOTE	476556DJ1	JERSEY CENTRAL POWER & LIGHT CO		9/4/2025	1/15/2029	4.18	4.40	1,798,452	1,788,372
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58933YBP9	MERCK & CO INC		9/9/2025	9/15/2027	3.90	3.93	1,748,338	1,747,760
MANAGED PORTFOLIO	MEDIUM TERM NOTE	59217GCK3	METROPOLITAN LIFE GLOBAL FUNDING I		9/24/2025	9/19/2027	3.97	4.29	1,963,260	1,963,760
MANAGED PORTFOLIO	MEDIUM TERM NOTE	8426EPAJ7	SOUTHERN COMPANY GAS CAPITAL CORP		9/8/2025	9/15/2028	4.09	4.37	988,901	982,724
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89236TNR2	TOYOTA MOTOR CREDIT CORP		9/5/2025	9/5/2028	4.09	4.19	1,273,432	1,270,869
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U4A8	WELLS FARGO & CO	V	9/15/2025	9/15/2029	4.37	4.55	2,915,000	2,882,935
MANAGED PORTFOLIO	MEDIUM TERM NOTE	US21688ABP66	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)		10/17/2025	10/17/2028	3.96	4.12	1,030,000	1,026,096
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61748UAK8	MORGAN STANLEY	V	10/22/2025	10/18/2029	4.39	4.61	2,290,000	2,263,436
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38141GD27	GOLDMAN SACHS GROUP INC	V	10/21/2025	10/21/2029	4.38	4.54	6,800,000	6,736,556
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89788JAH2	TRUIST BANK	V	10/23/2025	10/23/2029	4.37	4.53	5,390,000	5,338,687
MANAGED PORTFOLIO	MEDIUM TERM NOTE	023135CT1	AMAZON.COM INC		11/20/2025	11/20/2030	4.12	4.38	5,014,629	4,961,166
MANAGED PORTFOLIO	MEDIUM TERM NOTE	717081FD0	PFIZER INC		11/21/2025	11/15/2030	4.22	4.37	2,358,136	2,343,598
MANAGED PORTFOLIO	MEDIUM TERM NOTE	14913UBD1	CATERPILLAR FINANCIAL SERVICES CORP		11/14/2025	11/14/2028	3.97	4.14	6,501,552	6,473,841
MANAGED PORTFOLIO	MEDIUM TERM NOTE	032095AX9	AMPHENOL CORP		11/10/2025	11/15/2028	3.94	4.20	1,448,434	1,439,227
MANAGED PORTFOLIO	MEDIUM TERM NOTE	665859AY0	NORTHERN TRUST CORP		11/19/2025	11/19/2030	4.16	4.37	349,829	346,857
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66989HAX6	NOVARTIS CAPITAL CORP		11/5/2025	11/5/2028	3.89	4.10	1,000,250	995,100
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66989HAX6	NOVARTIS CAPITAL CORP		11/5/2025	11/5/2028	3.91	4.10	1,344,704	1,338,410
MANAGED PORTFOLIO	MEDIUM TERM NOTE	717081FJ7	PFIZER INC		11/21/2025	11/15/2027	3.88	4.01	1,144,874	1,142,515
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RU20	PACCAR FINANCIAL CORP		11/7/2025	11/7/2028	4.02	4.15	694,611	692,519
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02079KAV9	ALPHABET INC		11/6/2025	11/15/2028	3.91	4.01	1,104,050	1,101,420
MANAGED PORTFOLIO	MEDIUM TERM NOTE	023135CS3	AMAZON.COM INC		11/20/2025	11/20/2028	3.91	4.07	5,543,780	5,521,323
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38141GWV2	GOLDMAN SACHS GROUP INC	V	11/6/2025	4/23/2029	4.54	4.51	4,727,393	4,710,347
MANAGED PORTFOLIO	MEDIUM TERM NOTE	45865VAA8	INTERCONTINENTAL EXCHANGE INC		11/17/2025	12/1/2028	4.10	4.42	602,441	597,831
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89236TJF3	TOYOTA MOTOR CREDIT CORP		12/29/2025	4/6/2028	3.80	4.10	3,030,535	3,027,059
MANAGED PORTFOLIO	MEDIUM TERM NOTE	23338VAN6	DTE ELECTRIC CO		12/29/2025	4/1/2028	3.81	4.15	1,601,547	1,598,758

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MEDIUM TERM NOTE	202795JN1	COMMONWEALTH EDISON CO		12/29/2025	8/15/2028	3.82	4.20	2,382,926	2,362,993
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58933YBW4	MERCK & CO INC		12/4/2025	3/15/2029	3.90	4.11	6,425,476	6,388,282
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58933YBW4	MERCK & CO INC		12/4/2025	3/15/2029	3.90	4.19	2,261,648	2,243,501
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05253JB83	AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD (NEW Y		12/8/2025	12/8/2028	3.92	4.18	1,510,000	1,500,004
MANAGED PORTFOLIO	MEDIUM TERM NOTE	666807BN1	NORTHROP GRUMMAN CORP		12/26/2025	1/15/2028	3.95	4.30	2,993,572	2,980,765
MANAGED PORTFOLIO	MEDIUM TERM NOTE	976656CV8	WISCONSIN ELECTRIC POWER CO		12/5/2025	3/1/2029	3.96	4.35	3,849,500	3,807,727
MANAGED PORTFOLIO	MEDIUM TERM NOTE	976656CV8	WISCONSIN ELECTRIC POWER CO		12/5/2025	3/1/2029	3.96	4.20	1,539,800	1,529,352
MANAGED PORTFOLIO	MEDIUM TERM NOTE	63743HGB2	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP		12/10/2025	12/10/2027	3.99	4.24	7,039,787	7,011,254
MANAGED PORTFOLIO	MEDIUM TERM NOTE	806851AH4	SCHLUMBERGER HOLDINGS CORP		12/29/2025	5/1/2029	4.08	4.40	568,526	563,311
MANAGED PORTFOLIO	MEDIUM TERM NOTE	806851AH4	SCHLUMBERGER HOLDINGS CORP		12/26/2025	5/1/2029	4.13	4.40	738,513	732,802
MANAGED PORTFOLIO	MEDIUM TERM NOTE	806851AH4	SCHLUMBERGER HOLDINGS CORP		12/26/2025	5/1/2029	4.14	4.40	768,634	762,713
MANAGED PORTFOLIO	MEDIUM TERM NOTE	806851AH4	SCHLUMBERGER HOLDINGS CORP		12/30/2025	5/1/2029	4.04	4.40	327,441	324,028
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U3G6	WELLS FARGO & CO	V	12/5/2025	10/23/2029	4.11	4.57	5,025,382	4,941,870
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38141GA87	GOLDMAN SACHS GROUP INC	V	12/5/2025	4/25/2030	4.24	4.57	1,460,914	1,441,538
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38141GA87	GOLDMAN SACHS GROUP INC	V	12/5/2025	4/25/2030	4.25	4.57	548,130	541,093
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74153WCZ0	PRICOA GLOBAL FUNDING I		12/9/2025	11/25/2030	4.36	4.60	1,499,520	1,484,535
MANAGED PORTFOLIO	MEDIUM TERM NOTE	053484AH4	AVALONBAY COMMUNITIES INC		12/1/2025	12/1/2030	4.36	4.61	1,019,551	1,008,933
MANAGED PORTFOLIO	MEDIUM TERM NOTE	40139LBP7	GUARDIAN LIFE GLOBAL FUNDING		12/11/2025	12/11/2030	4.36	4.59	1,001,690	992,190
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00138CBJ6	COREBRIDGE GLOBAL FUNDING		12/10/2025	10/2/2030	4.63	4.96	2,004,264	1,978,537
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64952WFR9	NEW YORK LIFE GLOBAL FUNDING		1/9/2026	1/9/2031	4.29	4.53	549,120	543,477
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64952WFR9	NEW YORK LIFE GLOBAL FUNDING		2/4/2026	1/9/2031	4.34	4.58	2,022,367	2,001,308
MANAGED PORTFOLIO	MEDIUM TERM NOTE	74456QCX2	PUBLIC SERVICE ELECTRIC AND GAS CO		1/7/2026	1/1/2031	4.21	4.51	1,999,300	1,973,460
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61747YFQ3	MORGAN STANLEY	V	1/16/2026	4/18/2030	4.27	4.74	2,198,177	2,164,079
MANAGED PORTFOLIO	MEDIUM TERM NOTE	95000U4D2	WELLS FARGO & CO	V	1/23/2026	1/23/2030	4.19	4.49	940,000	931,672
MANAGED PORTFOLIO	MEDIUM TERM NOTE	06406RCG0	BANK OF NEW YORK MELLON CORP	V	1/22/2026	1/22/2030	4.09	4.38	1,460,000	1,445,385
MANAGED PORTFOLIO	MEDIUM TERM NOTE	632525CQ2	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)		1/13/2026	12/13/2028	3.86	4.15	764,725	759,217
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89236TPF6	TOYOTA MOTOR CREDIT CORP		1/12/2026	1/12/2028	3.79	4.18	1,703,568	1,692,554
MANAGED PORTFOLIO	MEDIUM TERM NOTE	21688ABR2	COOPERATIEVE RABOBANK UA (NEW YORK BRANCH)		1/14/2026	1/14/2028	3.74	4.15	1,900,000	1,886,852
MANAGED PORTFOLIO	MEDIUM TERM NOTE	693475CG8	PNC FINANCIAL SERVICES GROUP INC	V	1/26/2026	1/26/2029	4.08	4.35	1,860,000	1,850,179
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89158TAA7	TOTALENERGIES CAPITAL USA LLC		1/13/2026	1/13/2031	4.25	4.46	725,000	718,308
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58989V2M5	MET TOWER GLOBAL FUNDING		1/14/2026	1/14/2029	4.05	4.40	1,897,549	1,880,088
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89788JAJ8	TRUIST BANK	V	1/27/2026	1/27/2029	4.21	4.40	3,930,000	3,908,935
MANAGED PORTFOLIO	MEDIUM TERM NOTE	38145GAP5	GOLDMAN SACHS GROUP INC	V	1/21/2026	1/21/2029	4.23	4.46	1,295,000	1,287,010
MANAGED PORTFOLIO	MEDIUM TERM NOTE	53359KAD3	LINCOLN FINANCIAL GLOBAL FUNDING		1/12/2026	1/12/2029	4.24	4.63	259,696	257,091
MANAGED PORTFOLIO	MEDIUM TERM NOTE	75524KSA3	CITIZENS BANK NA	V	1/29/2026	1/29/2029	4.25	4.48	555,000	551,515
MANAGED PORTFOLIO	MEDIUM TERM NOTE	61748UAR3	MORGAN STANLEY	V	1/20/2026	1/9/2030	4.30	4.59	1,240,000	1,227,488
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02079KBK2	ALPHABET INC		2/17/2026	2/15/2031	4.11	4.26	815,596	810,329
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02079KBK2	ALPHABET INC		2/17/2026	2/15/2031	4.09	4.26	1,184,521	1,175,771
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02079KBK2	ALPHABET INC		2/19/2026	2/15/2031	4.04	4.26	2,346,739	2,323,611
MANAGED PORTFOLIO	MEDIUM TERM NOTE	459200LQ2	INTERNATIONAL BUSINESS MACHINES CORP		2/3/2026	2/3/2029	4.02	4.38	3,957,782	3,920,004
MANAGED PORTFOLIO	MEDIUM TERM NOTE	459200LQ2	INTERNATIONAL BUSINESS MACHINES CORP		2/3/2026	2/3/2029	4.02	4.40	1,973,894	1,954,209
MANAGED PORTFOLIO	MEDIUM TERM NOTE	02079KBJ5	ALPHABET INC		2/13/2026	2/15/2029	3.83	4.02	2,705,145	2,691,678
MANAGED PORTFOLIO	MEDIUM TERM NOTE	69371RU38	PACCAR FINANCIAL CORP		2/5/2026	2/5/2029	3.92	4.18	1,239,479	1,230,588
MANAGED PORTFOLIO	MEDIUM TERM NOTE	025816EN5	AMERICAN EXPRESS CO	V	2/10/2026	2/9/2029	4.01	4.39	7,335,000	7,288,129
MANAGED PORTFOLIO	MEDIUM TERM NOTE	64952WFS7	NEW YORK LIFE GLOBAL FUNDING		2/2/2026	2/2/2029	4.05	4.34	1,839,945	1,825,850
MANAGED PORTFOLIO	MEDIUM TERM NOTE	002824BR0	ABBOTT LABORATORIES		3/9/2026	3/9/2029	3.75	4.13	8,853,741	8,759,595
MANAGED PORTFOLIO	MEDIUM TERM NOTE	002824BR0	ABBOTT LABORATORIES		3/9/2026	3/9/2029	3.75	4.13	1,962,504	1,941,597
MANAGED PORTFOLIO	MEDIUM TERM NOTE	002824BR0	ABBOTT LABORATORIES		3/27/2026	3/9/2029	4.25	4.13	2,250,268	2,257,831
MANAGED PORTFOLIO	MEDIUM TERM NOTE	00287YED7	ABBVIE INC		3/4/2026	3/3/2028	3.79	4.14	1,789,391	1,777,971
MANAGED PORTFOLIO	MEDIUM TERM NOTE	009066AD3	AIRBNB INC		3/16/2026	3/16/2031	4.67	4.70	299,682	299,325
MANAGED PORTFOLIO	MEDIUM TERM NOTE	009066AC5	AIRBNB INC		3/16/2026	3/16/2029	4.41	4.45	419,908	419,446
MANAGED PORTFOLIO	MEDIUM TERM NOTE	023135DC7	AMAZON.COM INC		3/13/2026	3/13/2029	4.00	4.18	5,864,355	5,835,382
MANAGED PORTFOLIO	MEDIUM TERM NOTE	05565EDF9	BMW US CAPITAL LLC		3/19/2026	3/17/2028	4.33	4.35	2,998,590	2,997,240
MANAGED PORTFOLIO	MEDIUM TERM NOTE	20271RAX8	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)		3/27/2026	3/27/2029	4.36	4.25	1,815,000	1,820,209
MANAGED PORTFOLIO	MEDIUM TERM NOTE	249672AC0	DEPOSITORY TRUST CO		3/27/2026	3/27/2029	4.34	4.27	2,167,461	2,171,628
MANAGED PORTFOLIO	MEDIUM TERM NOTE	43849RAC9	HONEYWELL AEROSPACE INC		3/16/2026	3/16/2029	4.06	4.34	1,572,354	1,560,290
MANAGED PORTFOLIO	MEDIUM TERM NOTE	43849RAE5	HONEYWELL AEROSPACE INC		3/16/2026	3/16/2031	4.34	4.57	2,021,396	2,001,046
MANAGED PORTFOLIO	MEDIUM TERM NOTE	43849RAA3	HONEYWELL AEROSPACE INC		3/16/2026	3/16/2028	3.94	4.30	4,206,969	4,179,014
MANAGED PORTFOLIO	MEDIUM TERM NOTE	24422EYK9	JOHN DEERE CAPITAL CORP		3/10/2026	3/9/2029	3.95	4.13	2,416,757	2,404,464
MANAGED PORTFOLIO	MEDIUM TERM NOTE	58769JBP1	MERCEDES-BENZ FINANCE NORTH AMERICA LLC		3/10/2026	3/10/2029	4.27	4.51	1,774,255	1,762,185
MANAGED PORTFOLIO	MEDIUM TERM NOTE	66989HBF4	NOVARTIS CAPITAL CORP		3/18/2026	3/16/2029	4.14	4.14	1,228,561	1,228,524
MANAGED PORTFOLIO	MEDIUM TERM NOTE	743315BC6	PROGRESSIVE CORP		3/26/2026	3/26/2031	4.60	4.55	1,039,865	1,042,371
MANAGED PORTFOLIO	MEDIUM TERM NOTE	744448DD0	PUBLIC SERVICE COMPANY OF COLORADO		3/13/2026	3/13/2029	4.17	4.25	1,513,985	1,510,667
MANAGED PORTFOLIO	MEDIUM TERM NOTE	744448DD0	PUBLIC SERVICE COMPANY OF COLORADO		3/13/2026	3/13/2029	4.17	4.31	759,491	756,753
MANAGED PORTFOLIO	MEDIUM TERM NOTE	79466LAR5	SALESFORCE INC		3/13/2026	3/15/2029	4.66	4.61	2,234,508	2,237,552
MANAGED PORTFOLIO	MEDIUM TERM NOTE	79466LAR5	SALESFORCE INC		3/13/2026	3/15/2029	4.66	4.57	3,154,306	3,161,531
MANAGED PORTFOLIO	MEDIUM TERM NOTE	79466LAQ7	SALESFORCE INC		3/13/2026	3/15/2028	4.54	4.49	9,447,436	9,457,458
MANAGED PORTFOLIO	MEDIUM TERM NOTE	89236TPQ2	TOYOTA MOTOR CREDIT CORP		3/13/2026	3/13/2029	4.09	4.27	4,994,850	4,970,000
MANAGED PORTFOLIO	MEDIUM TERM NOTE	90261AAG7	UBS AG (STAMFORD BRANCH)	V	3/16/2026	3/16/2029	4.36	4.37	1,205,000	1,203,446
MANAGED PORTFOLIO	***SUB-TOTAL FOR MEDIUM TERM NOTE***								***648,047,914***	***649,631,809***
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02007NAC2	ALLYA 2024-2 A3		9/27/2024	7/16/2029	4.44	4.10	790,101	790,578
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02007WAC2	ALLYA 2023-1 A3		7/19/2023	5/15/2028	5.53	4.54	664,478	667,882
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	023947AD6	AMCAR 2024-1 A3		5/29/2024	1/18/2029	5.83	4.32	946,241	951,987
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02582JJZ4	AMXCA 2023-1 A		6/14/2023	5/15/2028	4.87	3.99	1,339,881	1,341,340

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02582JKH2	AMXCA 2024-1 A		4/23/2024	4/16/2029	5.31	3.96	5,218,930	5,288,695
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02582JKM1	AMXCA 2025-1 A		2/11/2025	12/17/2029	4.57	4.10	949,789	957,600
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02582JKM1	AMXCA 2025-1 A		6/23/2025	12/17/2029	4.26	4.16	1,511,719	1,510,693
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02582JKP4	AMXCA 2025-2 A		5/13/2025	4/15/2030	4.28	4.13	5,724,896	5,744,809
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	02582JKV1	AMXCA 2025-4 A		7/22/2025	7/15/2030	4.30	4.13	3,834,447	3,851,912
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	03065UAD1	AMCAR 2023-2 A3		9/20/2023	5/18/2028	5.89	4.09	2,288,547	2,301,331
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05330QAC6	DRVPNK 2025-1 A3		5/21/2025	11/13/2029	4.62	4.20	674,984	677,990
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05330QAC6	DRVPNK 2025-1 A3		6/4/2025	11/13/2029	4.52	4.20	1,320,239	1,320,825
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05377RHL1	AESOP 2023-7 A		4/28/2025	8/21/2028	4.76	4.33	2,047,500	2,036,540
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05377RHM9	AESOP 2023-8 A		7/25/2025	2/20/2030	4.70	4.59	3,992,775	3,971,442
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05377RHM9	AESOP 2023-8 A		7/25/2025	2/20/2030	4.70	4.61	1,991,175	1,979,729
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05377RJG0	AESOP 242 A		8/20/2024	10/20/2028	4.83	4.48	575,611	575,051
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05377RJG0	AESOP 242 A		9/27/2024	10/20/2028	4.51	4.48	727,736	721,336
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05522RDH8	BACCT 2023-2 A		12/14/2023	11/15/2028	4.99	3.96	1,334,821	1,343,491
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05522RDJ4	BACCT 2024-1 A		6/13/2024	5/15/2029	4.93	4.01	2,544,857	2,571,315
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05522RDK1	BACCT 2025-1 A		6/12/2025	5/15/2030	4.35	4.15	1,954,993	1,962,351
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05592XAD2	BMWOT 2023-A A3		7/18/2023	2/25/2028	5.47	4.36	225,432	226,617
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05594BAD8	BAAT 2025-1 A3		5/12/2025	11/20/2029	4.35	4.17	2,029,860	2,035,786
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05613MAD1	BMWLT 2024-2 A3		10/7/2024	10/25/2027	4.49	4.05	449,958	450,279
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	06054YAC1	BAAT 232 A3		11/21/2023	6/15/2028	5.74	4.36	640,878	645,998
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	06428AAC2	BAAT 231 A3		7/31/2023	2/15/2028	5.60	4.42	362,996	364,847
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	096912AD2	BMWLT 2025-1 A3		6/10/2025	6/26/2028	4.82	4.11	5,539,878	5,558,337
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	096919AD7	BMWOT 2024-A A3		6/11/2024	2/26/2029	5.18	4.46	3,071,650	3,092,362
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	096924AD7	BMWOT 2025-A A3		2/12/2025	9/25/2029	4.56	4.17	864,915	869,628
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	09709AAC6	BAAT 2024-1 A3		5/22/2024	11/15/2028	5.35	4.42	361,919	364,389
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14041NGE5	COMET 2024-1 A		9/24/2024	9/17/2029	3.92	4.03	3,694,279	3,690,714
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14041NGE5	COMET 2024-1 A		9/24/2024	9/17/2029	3.94	4.04	2,498,242	2,496,673
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14041NGE5	COMET 2024-1 A		9/24/2024	9/17/2029	3.94	4.03	999,297	998,840
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14043GAD6	COPAR 2022-2 A3		8/10/2022	5/17/2027	4.18	3.92	44,387	44,381
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14290DAC5	CARMX 2024-4 A3		11/5/2024	10/15/2029	4.85	4.23	1,099,794	1,105,775
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14290FAD8	CARMX 2025-3 A3		7/23/2025	7/15/2030	4.58	4.27	3,799,219	3,808,626
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14318UAD3	CARMX 2022-4 A3		10/31/2022	8/16/2027	5.79	4.26	245,941	246,264
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	16144QAC9	CHAOT 245 A3		9/24/2024	8/27/2029	4.60	4.22	944,901	945,321
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	16145NAC5	CHAOT 251 A3		7/30/2025	6/25/2030	4.29	4.18	2,684,738	2,690,531
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	161571HT4	CHAIT 2023-1 A		9/15/2023	9/15/2028	5.17	3.97	5,328,523	5,358,889
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	161571HV9	CHAIT 241 A		1/31/2024	1/16/2029	4.61	4.04	3,259,504	3,274,768
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	17305EHA6	CCCIT 2025-A1 A1		6/26/2025	6/21/2030	4.31	4.15	5,003,642	5,019,765
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	233249AC5	DLLAA 251 A3		1/22/2025	9/20/2029	4.95	4.30	1,319,876	1,333,609
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	29374MAC2	EFF 244 A3		10/16/2024	11/20/2028	4.56	4.08	5,499,336	5,530,635
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	29375UAC3	EFF 2025-3 A3		7/23/2025	9/20/2029	4.46	4.28	3,499,685	3,513,720
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	31680EAD3	FITAT 2023-1 A3		8/23/2023	8/15/2028	5.53	4.32	1,206,168	1,214,421
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	32113CCE8	FNMNT 2025-1 A		7/18/2025	2/15/2030	4.33	4.19	962,951	961,752
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	344930AD4	FORDO 2023-B A3		6/26/2023	5/15/2028	5.29	4.34	603,388	606,070
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJA3	FORDF 2024-1 A1		5/10/2024	4/15/2029	5.60	4.17	2,599,488	2,630,082
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJK1	FORDF 243 A1		10/8/2024	9/17/2029	4.30	4.25	5,849,468	5,856,669
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJK1	FORDF 243 A1		7/23/2025	9/17/2029	4.32	4.25	2,825,883	2,828,221
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJK1	FORDF 243 A1		7/23/2025	9/17/2029	4.32	4.20	1,400,438	1,402,567
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34529BAA4	FORDF 2025-1 A1		5/28/2025	4/15/2030	4.68	4.33	1,599,618	1,610,384
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34529BAA4	FORDF 2025-1 A1		7/24/2025	4/15/2030	4.31	4.33	2,194,711	2,189,116
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34529BAA4	FORDF 2025-1 A1		7/24/2025	4/15/2030	4.31	4.32	1,094,833	1,092,258
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34531QAD1	FORDO 2024-B A3		6/24/2024	4/15/2029	5.10	4.25	3,148,536	3,173,029
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34532UAD1	FORDO 2024-C A3		9/20/2024	7/15/2029	4.81	4.10	1,524,990	1,524,893
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34533MAF3	FORDL 2025-B B		7/29/2025	8/15/2029	4.52	4.35	1,974,762	1,981,755
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34533MAF3	FORDL 2025-B B		7/29/2025	8/15/2029	4.52	4.56	984,881	984,946
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34535KAD0	FORDO 2025-A A3		3/25/2025	10/15/2029	4.45	4.19	2,929,715	2,943,068
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	361886DQ4	GFORT 244 A1		7/22/2025	11/15/2029	4.31	4.29	631,348	629,606
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	361886DQ4	GFORT 244 A1		7/23/2025	11/15/2029	4.33	4.29	176,695	176,290
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	362549AD9	GMCAR 2025-2 A3		5/14/2025	4/16/2030	4.71	4.19	2,599,617	2,604,810
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	362583AD8	GMCAR 2023-2 A3		4/12/2023	2/16/2028	4.51	4.22	180,607	180,764
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	36268GAD7	GMCAR 2024-1 A3		1/17/2024	12/18/2028	4.91	4.30	503,395	505,449
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	36269FAD8	GMALT 2024-1 A3		2/15/2024	3/22/2027	5.09	4.06	294,910	295,136
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	362955AD8	GMCAR 2025-1 A3		1/15/2025	12/17/2029	5.04	4.21	2,964,780	2,981,396
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	362962AD4	GMALT 2025-2 A3		5/29/2025	5/22/2028	4.84	4.05	919,985	924,370
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	379930AD2	GMCAR 2023-4 A3		10/11/2023	8/16/2028	5.86	4.41	515,081	519,587
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	379931AD0	GMCAR 2024-2 A3		4/10/2024	3/16/2029	5.10	4.40	936,959	942,220
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	38012QAD0	GMALT 2024-3 A3		10/2/2024	10/20/2027	4.61	4.08	427,618	427,810
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	38013KAD2	GMCAR 2024-3 A3		7/10/2024	4/16/2029	5.13	4.30	1,663,635	1,675,722
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	38014AAD3	GMCAR 2024-4 A3		10/16/2024	8/16/2029	4.32	4.20	2,639,492	2,646,178
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	39154GAJ5	GALC 251 A3		3/12/2025	4/16/2029	4.49	4.18	1,699,832	1,706,936
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	39154TCJ5	GALC 241 A3		1/31/2024	1/18/2028	4.99	4.04	1,799,824	1,809,460
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	41285JAD0	HDMOT 2023-A A3		2/23/2023	12/15/2027	5.11	4.21	289,096	289,625
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	437921AD1	HAROT 252 A3		5/8/2025	10/15/2029	4.15	4.14	5,354,402	5,358,481
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	438123AC5	HAROT 2023-4 A3		11/8/2023	6/21/2028	5.74	4.34	332,199	335,145
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	43813YAC6	HAROT 2024-3 A3		8/21/2024	3/21/2029	4.66	4.19	3,205,178	3,217,126

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	446144AE7	HUNT 241 A3		2/22/2024	1/16/2029	5.23	4.42	1,141,067	1,149,212
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	448976AD2	HART 2024-C A3		10/16/2024	5/15/2029	4.46	4.12	1,794,869	1,801,444
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	448988AD7	HALST 2024-A A3		1/24/2024	3/15/2027	5.03	4.16	405,918	406,194
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44933DAD3	HART 2022-C A3		11/9/2022	6/15/2027	5.39	3.99	77,768	77,805
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44934FAD7	HALST 2024-B A3		5/22/2024	5/17/2027	5.41	4.06	1,212,708	1,215,518
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935CAD3	HART 2025-A A3		3/12/2025	10/15/2029	4.84	4.18	4,439,345	4,450,390
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935DAD1	HALST 2025-B A3		4/30/2025	4/17/2028	4.53	4.14	629,943	632,451
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935DAE9	HALST 2025-B A4		4/30/2025	4/17/2028	4.57	4.09	1,999,733	2,013,140
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935GAD4	HALST 25C A3		7/30/2025	7/17/2028	4.37	4.13	2,299,645	2,307,199
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935GAE2	HALST 25C A4		7/30/2025	6/15/2029	4.38	4.23	1,899,968	1,905,263
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935GAF9	HALST 25C B		7/30/2025	11/15/2029	4.57	4.38	3,829,719	3,844,554
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935GAF9	HALST 25C B		7/30/2025	11/15/2029	4.57	4.46	1,909,860	1,914,532
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935WAD9	HALST 2025-A A3		1/22/2025	1/18/2028	4.83	3.94	809,939	814,722
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44935XAD7	HART 2025-B A3		6/11/2025	12/17/2029	4.36	4.16	7,174,352	7,202,050
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	47800DAD6	JDOT 2025 A3		3/11/2025	9/17/2029	5.09	4.07	2,644,834	2,652,380
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	47800RAD5	JDOT 2024 A3		3/19/2024	11/15/2028	5.12	4.21	1,023,618	1,029,643
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	47800UAD8	JDOT 2025-B A3		7/17/2025	12/17/2029	4.52	4.09	4,548,943	4,559,100
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	500945AC4	KCOT 2023-2 A3		7/26/2023	1/18/2028	5.29	3.98	717,486	722,088
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	50117BAC4	KCOT 241 A3		2/21/2024	7/17/2028	5.19	4.21	1,414,181	1,424,772
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	50117DAB2	KCOT 2024-2 A2		6/25/2024	4/15/2027	5.45	4.06	134,266	134,448
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	50117FAB7	KCOT 251 A2		2/19/2025	12/15/2027	4.62	4.14	634,733	636,297
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	50117KAC4	KCOT 2023-1 A3		3/31/2023	6/15/2027	5.41	4.28	465,372	466,273
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	50117LAC2	KCOT 252 A3		6/25/2025	9/17/2029	4.42	4.31	3,979,996	3,989,313
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	55340QAC9	MTLRF 25LEA1 A3		5/21/2025	9/17/2029	4.79	4.48	3,599,284	3,625,020
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	58768PAC8	MBART 2022-1 A3		11/22/2022	8/16/2027	5.28	4.22	334,869	335,387
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	58768YAD7	MBALT 2025-A A3		5/21/2025	4/16/2029	4.66	4.11	1,004,877	1,012,276
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	58769GAD5	MBALT 2024-B A3		9/25/2024	2/15/2028	4.24	4.11	1,889,800	1,890,837
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	58770AAC7	MBART 2023-1 A3		1/25/2023	11/15/2027	4.57	4.18	110,933	111,035
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	58770JAD6	MBALT 2024-A A3		5/23/2024	1/18/2028	5.73	3.96	1,243,166	1,249,901
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	58773DAD6	MBART 2025-1 A3		1/23/2025	12/17/2029	4.84	4.26	2,659,434	2,680,721
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65341KCF1	NFMOT 251 A2		6/23/2025	2/15/2030	4.52	4.38	3,005,391	3,011,158
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65479UAD0	NAROT 2024-A A3		5/22/2024	12/15/2028	5.85	4.58	2,077,397	2,091,303
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65479VAB2	NMOTR 24B A		10/25/2024	2/15/2029	4.56	4.24	1,593,211	1,586,276
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65480JAC4	NAROT 2022-B A3		9/28/2022	5/17/2027	4.63	4.17	151,661	151,750
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65481GAD7	NAROT 2025-A A3		5/27/2025	12/17/2029	4.74	4.15	3,529,322	3,552,345
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65481RAF8	NALT 2025-B B		7/29/2025	7/16/2029	4.98	4.57	1,334,820	1,335,676
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	65481RAF8	NALT 2025-B B		7/29/2025	7/16/2029	4.98	4.70	2,679,639	2,675,096
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	73329KAD8	PILOT 251 A3		5/21/2025	10/20/2028	4.61	4.07	5,359,426	5,394,250
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	78437PAC7	SBAT 24A A3		3/28/2024	6/15/2029	5.32	3.90	1,104,601	1,107,368
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	858928AE4	SFUEL 25A A4		7/30/2025	3/20/2029	4.45	4.18	1,036,779	1,039,782
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	858928AF1	SFUEL 25A B		7/30/2025	4/20/2029	4.66	4.52	777,028	777,891
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	87268CAA5	TMUST 2024-2 A		10/9/2024	5/21/2029	4.77	4.14	2,299,560	2,303,266
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	872974AA8	TMUST 2025-1 A		4/1/2025	11/20/2029	4.54	4.23	1,915,957	1,914,212
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	891940AC2	TAOT 2023-A A3		1/30/2023	9/15/2027	5.18	4.06	169,195	169,424
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	891941AD8	TAOT 2023-B A3		5/23/2023	2/15/2028	5.15	4.05	756,900	759,115
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	891943AD4	TLOT 2024-B A3		9/17/2024	9/20/2027	4.21	4.08	873,418	873,879
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89231CAD9	TAOT 2022-C A3		8/16/2022	4/15/2027	3.80	3.93	34,354	34,353
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89231HAD8	TAOT 2025-B A3		4/30/2025	11/15/2029	4.82	4.15	1,114,936	1,119,170
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89238VAD0	TAOT 2025-C A3		7/30/2025	3/15/2030	4.11	4.08	1,599,831	1,601,664
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89239FAD4	TAOT 2023-D A3		11/14/2023	8/15/2028	6.30	4.18	1,310,866	1,323,213
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89239NAD7	TLOT 2025-A A3		2/26/2025	2/22/2028	4.75	4.06	2,099,972	2,110,458
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89239NAE5	TLOT 2025-A A4		2/26/2025	6/20/2029	4.81	4.11	1,199,960	1,209,780
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89240JAD3	TAOT 2025-A A3		1/29/2025	8/15/2029	4.69	4.17	4,774,809	4,805,847
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	90327VAC2	USAOT 2024-A A3		7/30/2024	3/15/2029	5.04	4.36	644,339	648,095
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	90367VAC3	USCAR 2025-1 A3		6/20/2025	6/17/2030	4.49	4.49	1,899,656	1,907,809
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92348KDY6	VZMT 2025-3 A1A		3/31/2025	3/20/2030	4.55	4.06	3,584,846	3,601,025
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92868MAD1	VALET 2025-1 A3		3/25/2025	8/20/2029	4.97	4.16	2,429,917	2,443,365
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92868RAD0	VALET 2024-1 A3		11/26/2024	7/20/2029	4.93	4.16	569,946	573,813
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAA3	WFCIT 2024-1 A		5/20/2024	2/15/2029	5.07	4.01	538,903	544,385
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAA3	WFCIT 2024-1 A		6/27/2024	2/15/2029	5.06	4.01	2,455,964	2,479,975
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAE5	WFCIT 2024-2 A		10/24/2024	10/15/2029	4.33	4.01	1,534,772	1,541,964
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAE5	WFCIT 2024-2 A		10/24/2024	10/15/2029	4.33	4.04	4,544,325	4,563,589
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAJ4	WFCIT 2025-1 A		6/10/2025	5/15/2030	4.33	4.11	8,024,867	8,066,650
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAJ4	WFCIT 2025-1 A		7/25/2025	5/15/2030	4.20	4.11	348,627	348,801
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAJ4	WFCIT 2025-1 A		7/25/2025	5/15/2030	4.20	4.07	173,811	174,036
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAJ4	WFCIT 2025-1 A		7/25/2025	5/15/2030	4.23	4.11	374,428	374,936
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92970QAJ4	WFCIT 2025-1 A		7/25/2025	5/15/2030	4.23	4.07	187,716	188,119
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	96043LAC4	WLAKE 2025-P1 A3		5/29/2025	6/15/2029	4.58	4.33	2,099,723	2,106,846
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	96043LAD2	WLAKE 2025-P1 A4		5/29/2025	4/15/2030	4.67	4.24	1,999,600	2,012,940
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	379965AD8	GMALT 2025-3 A3		8/13/2025	8/21/2028	4.18	4.15	894,864	895,448
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	87268MAA3	TMUST 2025-2 A		8/6/2025	4/22/2030	4.34	4.29	10,934,806	10,950,528
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	87268MAA3	TMUST 2025-2 A		8/6/2025	4/22/2030	4.34	4.28	1,909,966	1,912,941
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	379965AF3	GMALT 2025-3 B		8/13/2025	8/20/2029	4.41	4.43	704,994	705,204
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	379965AF3	GMALT 2025-3 B		8/13/2025	8/20/2029	4.41	4.42	349,997	350,133

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION	* VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	379965AF3	GMALT 2025-3 B	V	10/6/2025	8/20/2029	4.27	4.43	823,972	820,238
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	858933AE4	SFUEL 25B B		8/20/2025	7/20/2029	4.47	4.74	3,874,529	3,860,005
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14319WAD8	CARMX 2025-1 A3		8/7/2025	1/15/2030	4.27	4.43	638,613	634,322
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14041NGF2	COMET 2025-1 A		9/16/2025	9/16/2030	3.83	4.11	2,564,514	2,549,507
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14320BAC3	CMXS 2025-B A3		9/24/2025	3/15/2030	4.16	4.34	599,885	598,002
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34532BAG6	FORDO 2025-B A3		9/26/2025	4/15/2030	4.27	4.10	5,779,376	5,761,273
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	88162VAF7	TLEVS 2025-A B		9/29/2025	6/20/2029	4.80	4.73	1,694,705	1,697,913
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	88162VAF7	TLEVS 2025-A B		9/29/2025	6/20/2029	4.80	4.73	3,394,409	3,400,941
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89240NAD4	TLOT 2025-B A3		9/17/2025	11/20/2028	3.97	4.32	1,334,761	1,328,592
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92868BAE3	VWALT 2025-B A4		9/16/2025	5/20/2030	4.49	3.97	2,499,804	2,502,225
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92886CAC3	VFET 252 A3		9/24/2025	12/17/2029	3.99	4.26	2,219,815	2,210,254
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92886CAC3	VFET 252 A3		9/24/2025	12/17/2029	3.99	4.33	1,109,908	1,103,655
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89231GAD0	TAOT 2025-D A3		10/23/2025	6/17/2030	4.27	4.22	1,039,880	1,032,481
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	90327HAC3	USAOT 25A A3		10/9/2025	12/17/2029	3.95	4.11	684,940	683,479
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	05594HAD5	BMWLT 2025-2 A3		10/15/2025	9/25/2028	4.32	4.11	1,049,997	1,048,583
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJU9	FORDF 2025-2 A1		10/16/2025	9/15/2030	4.10	4.18	2,284,723	2,280,158
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJU9	FORDF 2025-2 A1		10/16/2025	9/15/2030	4.10	4.21	4,584,444	4,572,666
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJW5	FORDF 2025-2 B		10/16/2025	9/15/2030	4.38	4.63	889,767	884,633
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528QJW5	FORDF 2025-2 B		10/16/2025	9/15/2030	4.38	4.60	444,884	442,647
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44921QAH9	HFMOT 251 A		11/5/2025	10/15/2030	4.01	4.23	8,044,026	7,983,697
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44921QAH9	HFMOT 251 A		11/5/2025	10/15/2030	4.01	4.30	1,824,779	1,806,145
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	44921QAH9	HFMOT 251 A		2/10/2026	10/15/2030	4.03	4.23	160,075	158,781
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	39154TCQ9	GALC 252 A3		11/13/2025	12/17/2029	4.14	4.26	2,599,657	2,593,344
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14043YAD7	COPAR 2025-1 A3		11/5/2025	7/15/2030	3.86	4.11	1,369,710	1,362,999
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	43814XAD5	HAROT 2025-4 A3		11/12/2025	6/17/2030	3.03	4.27	2,344,546	2,332,853
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92869QAD1	VALET 2025-2 A3		11/25/2025	3/20/2030	4.34	4.20	884,852	880,451
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	34528PAK2	FORDF 2018-4 A		12/30/2025	11/15/2030	3.92	4.39	1,014,813	1,002,708
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	69335PFY6	PFSFC 2025-D A		12/30/2025	5/15/2030	4.01	4.43	687,650	680,979
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	69335PFU4	PFSFC 2025-B A		12/18/2025	2/15/2030	4.05	4.39	976,500	968,534
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	345276AF6	FORDL 2026-A B		1/26/2026	2/15/2030	4.21	4.47	1,854,681	1,845,410
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	345276AF6	FORDL 2026-A B		1/26/2026	2/15/2030	4.21	4.41	924,841	921,513
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	448970AF0	HALST 2026-A B		1/21/2026	5/15/2030	4.16	4.47	574,977	571,748
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	448970AF0	HALST 2026-A B		1/21/2026	5/15/2030	4.16	4.46	1,149,955	1,143,756
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	448970AD5	HALST 2026-A A3		1/21/2026	12/15/2028	3.98	4.22	1,384,797	1,380,042
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89240KAD0	TAOT 2026-A A3		1/21/2026	9/16/2030	4.13	4.18	1,339,886	1,331,129
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	36273VAF2	GMALT 2026-1 B		2/12/2026	1/22/2030	4.49	4.45	619,882	616,261
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	36273VAF2	GMALT 2026-1 B		2/12/2026	1/22/2030	4.49	4.38	309,941	308,526
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	50118HAC0	KCOT 2026-1 A3		2/25/2026	5/15/2030	3.88	4.36	969,781	959,864
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	89240MAD6	TLOT 26A A3		2/17/2026	2/20/2029	3.82	4.26	2,219,724	2,205,592
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	448981AD2	HART 2026-A A3		2/18/2026	2/18/2031	4.30	4.17	1,244,916	1,234,480
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	43815CAD0	HAROT 2026-1 A3		2/18/2026	9/23/2030	3.03	4.17	1,084,827	1,076,005
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	36273VAD7	GMALT 2026-1 A3		2/12/2026	1/22/2029	4.11	4.24	2,169,716	2,159,020
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	30296SAG3	FRESB 2020-SB72 A1F	V	2/4/2026	1/25/2030	3.85	4.46	2,471,644	2,427,601
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	30313KAD6	FRESB 2020-SB71 A1F	V	2/4/2026	12/25/2029	3.89	4.52	3,561,527	3,496,852
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	14689FAC9	CRVNA 2026-P1 A3		3/17/2026	2/10/2031	4.13	4.48	3,999,145	3,983,080
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	47787DAD3	JDOT 2026 A3		3/18/2026	8/15/2030	4.49	4.16	2,199,610	2,186,932
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92886FAC6	VFET 261 A3		3/11/2026	5/15/2030	3.93	3.93	1,499,745	1,490,265
MANAGED PORTFOLIO	MORTGAGE & ASSET-BACKED SECURITY	92348KFC2	VZMT 2026-1 A1A	V	3/13/2026	2/20/2031	3.94	3.94	3,514,511	3,497,706
MANAGED PORTFOLIO	***SUB-TOTAL FOR MORTGAGE & ASSET-BACKED SECURITY***								***385,486,417***	***386,068,671***
MANAGED PORTFOLIO	MUNICIPAL DEBT	010268CP3	ALABAMA FED AID HWY FIN AUTH SPL OBLIG REV		9/6/2022	9/1/2027	3.85	3.86	98,611	106,509
MANAGED PORTFOLIO	MUNICIPAL DEBT	120827EH9	BURBANK GLENDALE PASADENA ARPT AUTH CALIF ARPT REV		5/30/2024	7/1/2028	5.12	4.06	1,500,000	1,533,660
MANAGED PORTFOLIO	MUNICIPAL DEBT	13063EGT7	CALIFORNIA STATE		11/5/2024	8/1/2029	4.38	3.93	1,713,985	1,735,059
MANAGED PORTFOLIO	MUNICIPAL DEBT	13068XKC2	CALIFORNIA ST PUB WKS BRD LEASE REV		11/8/2023	11/1/2026	5.54	4.02	1,600,000	1,613,632
MANAGED PORTFOLIO	MUNICIPAL DEBT	13068XLJ6	CALIFORNIA ST PUB WKS BRD LEASE REV		4/11/2024	4/1/2027	4.92	3.90	1,510,000	1,524,753
MANAGED PORTFOLIO	MUNICIPAL DEBT	20772KZH5	CONNECTICUT ST		5/7/2025	3/15/2027	4.28	3.83	1,319,474	1,315,496
MANAGED PORTFOLIO	MUNICIPAL DEBT	20772KZL6	CONNECTICUT ST		5/7/2025	3/15/2030	4.59	4.04	700,000	713,762
MANAGED PORTFOLIO	MUNICIPAL DEBT	485429Z49	KANSAS ST DEV FIN AUTH REV		11/22/2024	4/15/2029	4.60	4.08	1,318,473	1,342,650
MANAGED PORTFOLIO	MUNICIPAL DEBT	54438CDT6	LOS ANGELES CALIF CMNTY COLLEGE DIST		2/14/2025	8/1/2029	5.07	-26.17	671,609	675,695
MANAGED PORTFOLIO	MUNICIPAL DEBT	544445U98	LOS ANGELES CALIF DEPT ARPTS ARPT REV		9/25/2024	5/15/2029	3.96	3.99	821,894	846,659
MANAGED PORTFOLIO	MUNICIPAL DEBT	544647KX7	LOS ANGELES CALIF UNI SCH DIST		5/13/2025	7/1/2027	4.38	3.90	3,825,000	3,846,917
MANAGED PORTFOLIO	MUNICIPAL DEBT	544647KX7	LOS ANGELES CALIF UNI SCH DIST		5/13/2025	7/1/2027	4.38	3.48	1,000,000	1,010,816
MANAGED PORTFOLIO	MUNICIPAL DEBT	544647KY5	LOS ANGELES CALIF UNI SCH DIST		5/13/2025	7/1/2028	4.42	4.01	1,000,000	1,008,680
MANAGED PORTFOLIO	MUNICIPAL DEBT	544647LA6	LOS ANGELES CALIF UNI SCH DIST		7/9/2025	10/1/2027	4.22	3.93	490,000	491,955
MANAGED PORTFOLIO	MUNICIPAL DEBT	57582RK96	MASSACHUSETTS COMMONWEALTH		6/26/2023	11/1/2026	4.61	3.84	431,068	477,031
MANAGED PORTFOLIO	MUNICIPAL DEBT	57582TEA6	MASSACHUSETTS COMMONWEALTH		6/18/2025	6/1/2030	4.32	4.02	1,001,300	1,012,540
MANAGED PORTFOLIO	MUNICIPAL DEBT	576004HD0	MASSACHUSETTS (COMMONWEALTH OF)		5/1/2024	7/15/2027	4.99	3.92	764,544	792,504
MANAGED PORTFOLIO	MUNICIPAL DEBT	650036AX4	NEW YORK ST URBAN DEV CORP REV		9/25/2024	3/15/2029	3.94	4.17	525,642	537,849
MANAGED PORTFOLIO	MUNICIPAL DEBT	70869PQZ3	PENNSYLVANIA ECONOMIC DEV FING AUTH REV		2/26/2025	6/1/2027	4.56	3.95	540,000	543,672
MANAGED PORTFOLIO	MUNICIPAL DEBT	70869PRA7	PENNSYLVANIA ECONOMIC DEV FING AUTH REV		2/26/2025	6/1/2028	4.64	4.07	455,000	460,233
MANAGED PORTFOLIO	MUNICIPAL DEBT	70869PRB5	PENNSYLVANIA ECONOMIC DEV FING AUTH REV		2/26/2025	6/1/2029	4.72	4.15	1,500,000	1,525,062
MANAGED PORTFOLIO	MUNICIPAL DEBT	735000TR2	PORT OAKLAND CALIF REV		9/25/2024	5/1/2029	3.96	4.13	1,284,426	1,312,082
MANAGED PORTFOLIO	MUNICIPAL DEBT	735000TR2	PORT OAKLAND CALIF REV		7/25/2025	5/1/2029	4.57	4.13	173,245	178,297
MANAGED PORTFOLIO	MUNICIPAL DEBT	757696AS8	REDONDO BEACH CALIF CMNTY FING AUTH LEASE REV		7/15/2021	5/1/2026	1.32	3.87	1,495,000	1,491,651
MANAGED PORTFOLIO	MUNICIPAL DEBT	797356NZ1	SAN DIEGO UNIFIED SCHOOL DISTRICT		9/19/2024	7/1/2029	3.97	3.99	790,000	789,351

Orange County Transportation Authority
Portfolio Listing
As of March 31, 2026

PORTFOLIO	SECURITY TYPE	SECURITY ID	DESCRIPTION * VARIABLES	SETTLE DATE	MATURITY	** YIELD AT COST	** YIELD AT MARKET	BOOK VALUE	*** MARKET VALUE
MANAGED PORTFOLIO	MUNICIPAL DEBT	79766DSZ3	SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	9/19/2024	5/1/2029	3.94	4.05	933,320	950,762
MANAGED PORTFOLIO	MUNICIPAL DEBT	79768HJN9	SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM	7/31/2024	10/1/2027	4.66	3.82	4,230,000	4,277,757
MANAGED PORTFOLIO	MUNICIPAL DEBT	79768HJN9	SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM	10/4/2024	10/1/2027	3.91	3.81	499,937	495,639
MANAGED PORTFOLIO	MUNICIPAL DEBT	977100HN9	WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	3/26/2025	5/1/2029	4.36	4.02	437,761	454,216
MANAGED PORTFOLIO	MUNICIPAL DEBT	977100HT6	WISCONSIN ST GEN FD ANNUAL APPROPRIATION REV	2/16/2023	5/1/2026	4.36	3.83	1,240,000	1,240,347
MANAGED PORTFOLIO	MUNICIPAL DEBT	5445874Z8	LOS ANGELES CALIF MUN IMPT CORP LEASE REV	11/25/2025	5/1/2029	4.05	4.29	1,250,000	1,241,147
MANAGED PORTFOLIO	MUNICIPAL DEBT	79768HAJ7	SAN FRANCISCO (CITY & COUNTY) PUBLIC UTILITIES COM	2/26/2026	10/1/2030	4.47	4.79	784,703	774,233
MANAGED PORTFOLIO	MUNICIPAL DEBT	576004HE8	MASSACHUSETTS (COMMONWEALTH OF)	3/18/2026	7/15/2029	3.90	4.08	1,249,930	1,245,211
MANAGED PORTFOLIO	MUNICIPAL DEBT	576004HE8	MASSACHUSETTS (COMMONWEALTH OF)	3/18/2026	7/15/2029	3.90	4.08	3,879,576	3,864,619
MANAGED PORTFOLIO	MUNICIPAL DEBT	76913CBC2	RIVERSIDE CNTY CALIF PENSION OBLIG	3/17/2026	2/15/2028	4.01	4.08	589,686	589,110
MANAGED PORTFOLIO	MUNICIPAL DEBT	76913CBC2	RIVERSIDE CNTY CALIF PENSION OBLIG	3/6/2026	2/15/2028	3.87	4.08	5,024,112	5,007,435
MANAGED PORTFOLIO	MUNICIPAL DEBT	427078AL4	SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGE	3/18/2026	8/1/2030	4.18	4.35	1,017,280	1,010,250
MANAGED PORTFOLIO	***SUB-TOTAL FOR MUNICIPAL DEBT***							***47,665,575***	***48,037,240***
MANAGED PORTFOLIO	SUPRANATIONAL	459058KL6	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	9/27/2024	9/21/2029	3.58	3.86	2,003,800	1,984,720
MANAGED PORTFOLIO	SUPRANATIONAL	459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	10/16/2024	10/16/2029	3.93	3.86	1,481,124	1,485,535
MANAGED PORTFOLIO	SUPRANATIONAL	459058LT8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5/6/2025	5/5/2028	3.70	3.81	3,362,519	3,357,295
MANAGED PORTFOLIO	SUPRANATIONAL	45950KDF4	INTERNATIONAL FINANCE CORP	12/6/2023	1/15/2027	4.49	3.68	4,938,847	4,981,509
MANAGED PORTFOLIO	***SUB-TOTAL FOR SUPRANATIONAL***							***11,786,289***	***11,809,059***
MANAGED PORTFOLIO - TOTAL								**$ 2,421,812,568**	**$ 2,430,181,272**
GRANT FUNDS	MONEY MARKET/MUTUAL FUND	X9USDFIIN	FIDELITY INVESTMENT MM GOV 1 57	N/A	N/A	3.53	3.53	21,656,244	21,656,244
GRANT FUNDS	MONEY MARKET/MUTUAL FUND	X9USDDGCM	DREYFUS GOVT CM INST 289	N/A	N/A	3.54	3.54	25,144,802	25,144,802
GRANT FUNDS	MONEY MARKET/MUTUAL FUND	X9USDINVE	INVESCO TREASURY INSTL 1931	N/A	N/A	3.55	3.55	28,274,860	28,274,860
GRANT FUNDS	MONEY MARKET/MUTUAL FUND	X9USDMOR3	MORGAN STANLEY LIQ GOVT INST 8302	N/A	N/A	3.57	3.57	27,223,561	27,223,561
GRANT FUNDS	MONEY MARKET/MUTUAL FUND	X9USDRBCG	RBC US GOVTT 1 1465	N/A	N/A	3.46	3.46	54,972,459	54,972,459
GRANT FUNDS	MONEY MARKET/MUTUAL FUND	X9USDWAIG	WESTERN ASSET INSTL GOVT MM 4512	N/A	N/A	3.55	3.55	26,653,909	26,653,909
GRANT FUNDS	***SUB-TOTAL FOR MONEY MARKET/MUTUAL FUND***							***183,925,835***	***183,925,835***
GRANT FUNDS - TOTAL *****								**$ 183,925,835**	**$ 183,925,835**
DEBT SERVICE RESERVE FUNDS	MONEY MARKET/MUTUAL FUND	31846V203	FIRST AMERICAN MM GOV - 91EL 2023 BONDS DSF/DSRF	N/A	N/A	3.27	3.27	3,992,048	3,992,048
DEBT SERVICE RESERVE FUNDS	MONEY MARKET/MUTUAL FUND	31846V203	FIRST AMERICAN MM GOV - 2021 TIFIA DSRF	N/A	N/A	3.27	3.27	1,692,639	1,692,639
DEBT SERVICE RESERVE FUNDS	MONEY MARKET/MUTUAL FUND	31846V203	FIRST AMERICAN MM GOV - 2021 TIFIA TRF/DLUF	N/A	N/A	3.27	3.27	51,577,163	51,577,163
DEBT SERVICE RESERVE FUNDS	MONEY MARKET/MUTUAL FUND	31846V203	FIRST AMERICAN MM GOV - 2021 TIFIA ORF	N/A	N/A	3.27	3.27	8,258,966	8,258,966
DEBT SERVICE RESERVE FUNDS	***SUB-TOTAL FOR MONEY MARKET/MUTUAL FUND***							***65,520,816***	***65,520,816***
DEBT SERVICE RESERVE FUNDS	NEGOTIABLE CERTIFICATE OF DEPOSIT	05612B2Z6	BMO HARRIS BANK - 91EL 2023 BONDS MMRF	7/9/2025	4/1/2026	4.37	4.37	5,000,000	5,000,000
DEBT SERVICE RESERVE FUNDS	NEGOTIABLE CERTIFICATE OF DEPOSIT	05612B2Z6	BMO HARRIS BANK - 91EL 2023 BONDS ORF	7/9/2025	4/1/2026	4.37	4.37	3,000,000	3,000,000
DEBT SERVICE RESERVE FUNDS	***SUB-TOTAL FOR NEGOTIABLE CERTIFICATE OF DEPOSIT***							***8,000,000***	***8,000,000***
DEBT SERVICE RESERVE FUNDS - TOTAL								**$ 73,520,816**	**$ 73,520,816**
TOTAL PORTFOLIO								**$ 3,219,645,893**	**$ 3,228,451,846**

* V indicates varialble or floating rate securities.

** Yield at Cost represents the yield to maturity based on the acquisition cost, which refers to the internal rate of return of a security, calculated using its acquisition cost and the expected cash flows over the entire holding period.
Yield at Market represents the yield to worst (the lowest yield based on maturity or earliest possible call date) calculated from the market value. It reflects the internal rate of return of a security given its market price as of the report date and its future expected cash flows.

*** Market Value does not include accrued interest.

**** Includes Express Lanes customers' prepaid balances held in the 91EL and 405EL operating accounts. These funds are invested by OCTA but represent customer liabilities.

***** SB125 Funding Agreement.

ORANGE COUNTY TRANSPORTATION AUTHORITY
TRANSACTION ACTIVITY [1][2]
FOR THE MONTH OF MARCH 2026

TRANSACTION	SECURITY ID	DESCRIPTION	SETTLE DATE	MATURITY DATE	ACCOUNT	COUPON RATE	PAR VALUE	PROCEEDS/ (COST)
PURCHASE	002824BR0	ABBOTT LABORATORIES	3/9/2026	3/9/2029	CAM	3.70	1,715,000	(1,712,822)
PURCHASE	002824BR0	ABBOTT LABORATORIES	3/9/2026	3/9/2029	MetLife	3.70	5,900,000	(5,892,507)
PURCHASE	002824BR0	ABBOTT LABORATORIES	3/9/2026	3/9/2029	PFM	3.70	3,215,000	(3,210,917)
PURCHASE	002824BR0	ABBOTT LABORATORIES	3/27/2026	3/9/2029	CAM	3.70	2,285,000	(2,254,495)
PURCHASE	00287YED7	ABBVIE INC	3/4/2026	3/3/2028	PFM	3.78	1,790,000	(1,789,391)
PURCHASE	009066AC5	AIRBNB INC	3/16/2026	3/16/2029	P&R	4.40	420,000	(419,908)
PURCHASE	009066AD3	AIRBNB INC	3/16/2026	3/16/2031	P&R	4.65	300,000	(299,682)
PURCHASE	023135DC7	AMAZON.COM INC	3/13/2026	3/13/2029	P&R	4.00	3,110,000	(3,109,658)
PURCHASE	023135DC7	AMAZON.COM INC	3/13/2026	3/13/2029	PFM	4.00	2,755,000	(2,754,697)
PURCHASE	05565EDF9	BMW US CAPITAL LLC	3/19/2026	3/17/2028	PFM	4.30	3,000,000	(2,998,590)
PURCHASE	14689FAC9	CRVNA 2026-P1 A3	3/17/2026	2/10/2031	P&R	4.26	4,000,000	(3,999,145)
PURCHASE	20271RAX8	COMMONWEALTH BANK OF AUSTRALIA (NEW YORK BRANCH)	3/27/2026	3/27/2029	PFM	4.36	1,815,000	(1,815,000)
PURCHASE	24422EYK9	JOHN DEERE CAPITAL CORP	3/10/2026	3/9/2029	CAM	3.90	1,270,000	(1,268,298)
PURCHASE	24422EYK9	JOHN DEERE CAPITAL CORP	3/10/2026	3/9/2029	PFM	3.90	1,150,000	(1,148,459)
PURCHASE	249672AC0	DEPOSITORY TRUST CO	3/27/2026	3/27/2029	P&R	4.30	1,050,000	(1,048,772)
PURCHASE	249672AC0	DEPOSITORY TRUST CO	3/27/2026	3/27/2029	PFM	4.30	1,120,000	(1,118,690)
PURCHASE	3137FNAE0	FHMS K-095 A2	3/13/2026	6/25/2029	P&R	2.79	4,750,000	(4,604,488)
PURCHASE	3137HPM75	FHR 5616 NG	3/16/2026	1/15/2031	P&R	4.25	4,161,737	(4,161,304)
PURCHASE	427078AL4	SUCCESSOR AGENCY TO THE HERCULES REDEVELOPMENT AGE	3/18/2026	8/1/2030	P&R	4.61	1,000,000	(1,023,303)
PURCHASE	43849RAA3	HONEYWELL AEROSPACE INC	3/16/2026	3/16/2028	MetLife	3.90	4,210,000	(4,206,969)
PURCHASE	43849RAC9	HONEYWELL AEROSPACE INC	3/16/2026	3/16/2029	P&R	4.00	1,575,000	(1,572,354)
PURCHASE	43849RAE5	HONEYWELL AEROSPACE INC	3/16/2026	3/16/2031	MetLife	4.30	2,025,000	(2,021,396)
PURCHASE	47787DAD3	JDOT 2026 A3	3/18/2026	8/15/2030	P&R	3.87	2,200,000	(2,199,610)
PURCHASE	576004HE8	MASSACHUSETTS (COMMONWEALTH OF)	3/18/2026	7/15/2029	P&R	3.77	5,150,000	(5,163,474)
PURCHASE	58769JBP1	MERCEDES-BENZ FINANCE NORTH AMERICA LLC	3/10/2026	3/10/2029	PFM	4.25	1,775,000	(1,774,255)
PURCHASE	66989HBF4	NOVARTIS CAPITAL CORP	3/18/2026	3/16/2029	PFM	4.10	1,230,000	(1,228,561)
PURCHASE	743315BC6	PROGRESSIVE CORP	3/26/2026	3/26/2031	P&R	4.60	1,040,000	(1,039,865)
PURCHASE	744448DD0	PUBLIC SERVICE COMPANY OF COLORADO	3/13/2026	3/13/2029	MetLife	4.15	2,275,000	(2,273,476)
PURCHASE	76913CBC2	RIVERSIDE CNTY CALIF PENSION OBLIG	3/17/2026	2/15/2028	P&R	3.07	600,000	(591,323)
PURCHASE	76913CBC2	RIVERSIDE CNTY CALIF PENSION OBLIG	3/6/2026	2/15/2028	P&R	3.07	5,100,000	(5,033,245)
PURCHASE	79466LAQ7	SALESFORCE INC	3/13/2026	3/15/2028	MetLife	4.50	4,265,000	(4,261,588)
PURCHASE	79466LAQ7	SALESFORCE INC	3/13/2026	3/15/2028	PFM	4.50	5,190,000	(5,185,848)
PURCHASE	79466LAR5	SALESFORCE INC	3/13/2026	3/15/2029	MetLife	4.65	2,235,000	(2,234,508)
PURCHASE	79466LAR5	SALESFORCE INC	3/13/2026	3/15/2029	P&R	4.65	3,155,000	(3,154,306)
PURCHASE	89236TPQ2	TOYOTA MOTOR CREDIT CORP	3/13/2026	3/13/2029	CAM	4.05	5,000,000	(4,994,850)
PURCHASE	90261AAG7	UBS AG (STAMFORD BRANCH)	3/16/2026	3/16/2029	PFM	4.30	1,205,000	(1,205,000)
PURCHASE	9128284V9	UNITED STATES TREASURY	3/20/2026	8/15/2028	MetLife	2.88	9,260,000	(9,069,770)
PURCHASE	91282CHF1	UNITED STATES TREASURY	3/16/2026	5/31/2030	CAM	3.75	6,000,000	(6,046,303)
PURCHASE	91282CJQ5	UNITED STATES TREASURY	3/23/2026	12/31/2030	CAM	3.75	4,000,000	(3,984,134)
PURCHASE	91282CJR3	UNITED STATES TREASURY	3/20/2026	12/31/2028	MetLife	3.75	13,700,000	(13,802,165)
PURCHASE	91282CJR3	UNITED STATES TREASURY	3/23/2026	12/31/2028	MetLife	3.75	550,000	(552,439)
PURCHASE	91282CLT6	UNITED STATES TREASURY	3/27/2026	10/31/2026	MetLife	3.87	2,000,000	(2,013,663)
PURCHASE	91282CQA2	UNITED STATES TREASURY	3/9/2026	2/15/2029	PFM	3.50	4,850,000	(4,852,738)
PURCHASE	91282CQA2	UNITED STATES TREASURY	3/6/2026	2/15/2029	PFM	3.50	5,000,000	(4,999,810)
PURCHASE	91282CQA2	UNITED STATES TREASURY	3/5/2026	2/15/2029	PFM	3.50	3,250,000	(3,257,814)
PURCHASE	91282CQA2	UNITED STATES TREASURY	3/2/2026	2/15/2029	P&R	3.50	38,215,000	(38,392,830)
PURCHASE	91282CQD6	UNITED STATES TREASURY	3/4/2026	2/28/2031	PFM	3.50	4,000,000	(3,969,959)
PURCHASE	91282CQD6	UNITED STATES TREASURY	3/17/2026	2/28/2031	PFM	3.50	525,000	(517,810)
PURCHASE	91282CQD6	UNITED STATES TREASURY	3/2/2026	2/28/2031	P&R	3.50	3,110,000	(3,109,134)
PURCHASE	91282CQD6	UNITED STATES TREASURY	3/25/2026	2/28/2031	PFM	3.50	1,000,000	(979,917)
PURCHASE	91282CQE4	UNITED STATES TREASURY	3/17/2026	3/15/2029	PFM	3.50	3,150,000	(3,129,757)
PURCHASE	91282CQE4	UNITED STATES TREASURY	3/25/2026	3/15/2029	PFM	3.50	1,500,000	(1,484,493)
PURCHASE	91282CQG9	UNITED STATES TREASURY	3/31/2026	3/31/2031	CAM	3.88	4,000,000	(3,974,063)
PURCHASE	92348KFC2	VZMT 2026-1 A1A	3/13/2026	2/20/2031	PFM	3.94	3,515,000	(3,514,511)

ORANGE COUNTY TRANSPORTATION AUTHORITY
TRANSACTION ACTIVITY [1][2]
FOR THE MONTH OF MARCH 2026

TRANSACTION	SECURITY ID	DESCRIPTION	SETTLE DATE	MATURITY DATE	ACCOUNT	COUPON RATE	PAR VALUE	PROCEEDS/ (COST)
PURCHASE	92886FAC6	VFET 261 A3	3/11/2026	5/15/2030	P&R	3.93	1,500,000	(1,499,745)
PURCHASE	9AMRTJDF7	METLIFE CREDIT AG REPO 1 3.670 03/03/2026	3/2/2026	3/3/2026	MetLife	3.67	4,000,000	(4,000,000)
PURCHASE	9AMRTJF24	METLIFE CREDIT AG REPO 3 3.650 03/04/2026	3/3/2026	3/4/2026	MetLife	3.65	4,000,000	(4,000,000)
PURCHASE	9AMRTJH06	CREDIT AG REPO 4 3.630% 3/05/26	3/4/2026	3/5/2026	MetLife	3.63	4,000,000	(4,000,000)
PURCHASE	9AMRTJJU8	CREDIT AG REPO 5 3.610% 3/06/26	3/5/2026	3/6/2026	MetLife	3.61	4,000,000	(4,000,000)
PURCHASE	9AMRTJLE1	CREDIT AG REPO 5 3.600% 3/09/26	3/6/2026	3/9/2026	MetLife	3.60	4,000,000	(4,000,000)
PURCHASE	9AMRTJV00	CREDIT AG REPO 4 3.620% 3/16/26	3/13/2026	3/16/2026	MetLife	3.62	4,000,000	(4,000,000)
PURCHASE - TOTAL							**$ 226,161,737**	**$ (225,921,807)**
DISPOSITION	00724PAE9	ADOBE INC	3/9/2026	4/4/2027	PFM	4.85	(1,135,000)	1,170,130
DISPOSITION	02665WEK3	AMERICAN HONDA FINANCE CORP	3/4/2026	7/7/2026	PFM	5.25	(250,000)	253,161
DISPOSITION	04636NAK9	ASTRAZENECA FINANCE LLC	3/5/2026	2/26/2027	PFM	4.80	(1,235,000)	1,247,856
DISPOSITION	06051GGL7	BANK OF AMERICA CORP	3/12/2026	4/24/2028	MetLife	3.71	(2,290,000)	2,308,601
DISPOSITION	133131BA9	CAMDEN PROPERTY TRUST	3/12/2026	11/3/2026	P&R	5.85	(650,000)	669,697
DISPOSITION	14913UAL4	CATERPILLAR FINANCIAL SERVICES CORP	3/11/2026	5/14/2027	P&R	5.00	(680,000)	699,720
DISPOSITION	14913UAR1	CATERPILLAR FINANCIAL SERVICES CORP	3/13/2026	10/15/2027	P&R	4.40	(620,000)	633,782
DISPOSITION	166756BB1	CHEVRON USA INC	3/11/2026	2/26/2028	P&R	4.48	(825,000)	836,430
DISPOSITION	21969AAF9	CORONA	3/20/2026	5/1/2027	MetLife	1.68	(3,685,000)	3,611,662
DISPOSITION	233249AC5	DLLAA 251 A3	3/24/2026	9/20/2029	MetLife	4.95	(550,000)	554,685
DISPOSITION	24422EXM6	JOHN DEERE CAPITAL CORP	3/5/2026	3/5/2027	PFM	4.85	(1,000,000)	1,011,110
DISPOSITION	29374MAC2	EFF 244 A3	3/20/2026	11/20/2028	MetLife	4.56	(2,330,000)	2,347,227
DISPOSITION	29379VCE1	ENTERPRISE PRODUCTS OPERATING LLC	3/11/2026	1/11/2027	P&R	4.60	(1,885,000)	1,908,745
DISPOSITION	3137BRQJ7	FHMS K-057 A2	3/13/2026	7/25/2026	PFM	2.57	(3,462,114)	3,446,687
DISPOSITION	3137BSRE5	FHMS K-059 A2	3/6/2026	9/25/2026	PFM	3.12	(2,807,552)	2,793,415
DISPOSITION	3137F1G44	FHMS K-065 A2	3/6/2026	4/25/2027	PFM	3.24	(2,850,000)	2,831,133
DISPOSITION	38145GAH3	GOLDMAN SACHS GROUP INC	3/4/2026	11/16/2026	PFM	3.50	(575,000)	579,589
DISPOSITION	48125LRU8	JPMORGAN CHASE BANK NA	3/12/2026	12/8/2026	P&R	5.11	(630,000)	643,244
DISPOSITION	57629W4S6	MASSMUTUAL GLOBAL FUNDING II	3/20/2026	4/9/2027	MetLife	5.10	(2,615,000)	2,698,179
DISPOSITION	57636QBA1	MASTERCARD INC	3/13/2026	1/15/2028	PFM	4.10	(360,000)	362,655
DISPOSITION	632525CA7	NATIONAL AUSTRALIA BANK LTD (NEW YORK BRANCH)	3/13/2026	10/26/2027	PFM	4.50	(520,000)	532,717
DISPOSITION	63743HFR8	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	3/12/2026	5/6/2027	P&R	5.10	(500,000)	514,125
DISPOSITION	63873QP65	Natixis, New York Branch	3/10/2026	9/18/2026	PFM	5.61	(3,575,000)	3,701,935
DISPOSITION	65341KBZ8	NFMOT 241 A2	3/23/2026	3/15/2029	MetLife	5.12	(1,400,000)	1,411,054
DISPOSITION	65341KCC8	NFMOT 242 A2	3/20/2026	9/17/2029	MetLife	4.42	(3,125,000)	3,125,209
DISPOSITION	65479XAF9	NALT 2025-A B	3/20/2026	2/15/2029	MetLife	5.03	(1,570,000)	1,579,376
DISPOSITION	66815L2R9	NORTHWESTERN MUTUAL GLOBAL FUNDING	3/12/2026	3/25/2027	MetLife	5.07	(1,210,000)	1,252,010
DISPOSITION	69335PFE0	PFSFC 24B A	3/24/2026	2/15/2029	MetLife	4.95	(1,500,000)	1,510,528
DISPOSITION	69371RT22	PACCAR FINANCIAL CORP	3/12/2026	5/13/2027	P&R	5.00	(1,320,000)	1,357,195
DISPOSITION	69371RT30	PACCAR FINANCIAL CORP	3/24/2026	8/6/2027	P&R	4.45	(700,000)	708,220
DISPOSITION	717081FJ7	PFIZER INC	3/4/2026	11/15/2027	PFM	3.88	(465,000)	470,969
DISPOSITION	717081FJ7	PFIZER INC	3/11/2026	11/15/2027	P&R	3.88	(860,000)	871,137
DISPOSITION	89236TLY9	TOYOTA MOTOR CREDIT CORP	3/9/2026	3/19/2027	PFM	5.00	(535,000)	554,143
DISPOSITION	89236TMS1	TOYOTA MOTOR CREDIT CORP	3/4/2026	10/8/2027	PFM	4.35	(220,000)	225,566
DISPOSITION	89236TNG6	TOYOTA MOTOR CREDIT CORP	3/4/2026	5/14/2027	PFM	4.50	(455,000)	464,878
DISPOSITION	90327QD97	USAA CAPITAL CORP	3/13/2026	6/1/2027	PFM	5.25	(590,000)	606,187
DISPOSITION	904764BU0	UNILEVER CAPITAL CORP	3/4/2026	8/12/2027	PFM	4.25	(265,000)	267,429
DISPOSITION	91159HJC5	US BANCORP	3/12/2026	1/27/2028	MetLife	2.22	(3,980,000)	3,923,837
DISPOSITION	91282CAU5	UNITED STATES TREASURY	3/11/2026	10/31/2027	MetLife	0.50	(700,000)	666,950
DISPOSITION	91282CEW7	UNITED STATES TREASURY	3/20/2026	6/30/2027	MetLife	3.25	(1,800,000)	1,800,034
DISPOSITION	91282CGP0	UNITED STATES TREASURY	3/17/2026	2/29/2028	PFM	4.00	(1,100,000)	1,108,650
DISPOSITION	91282CGP0	UNITED STATES TREASURY	3/18/2026	2/29/2028	PFM	4.00	(350,000)	352,777
DISPOSITION	91282CGP0	UNITED STATES TREASURY	3/23/2026	2/29/2028	CAM	4.00	(4,000,000)	4,013,594
DISPOSITION	91282CGP0	UNITED STATES TREASURY	3/25/2026	2/29/2028	PFM	4.00	(550,000)	552,483
DISPOSITION	91282CJN2	UNITED STATES TREASURY	3/16/2026	11/30/2028	P&R	4.38	(3,495,000)	3,595,502
DISPOSITION	91282CKD2	UNITED STATES TREASURY	3/12/2026	2/28/2029	P&R	4.25	(325,000)	330,833

ORANGE COUNTY TRANSPORTATION AUTHORITY
TRANSACTION ACTIVITY [1][2]
FOR THE MONTH OF MARCH 2026

TRANSACTION	SECURITY ID	DESCRIPTION	SETTLE DATE	MATURITY DATE	ACCOUNT	COUPON RATE	PAR VALUE	PROCEEDS/ (COST)
DISPOSITION	91282CKR1	UNITED STATES TREASURY	3/9/2026	5/15/2027	PFM	4.50	(3,750,000)	3,842,000
DISPOSITION	91282CKR1	UNITED STATES TREASURY	3/4/2026	5/15/2027	PFM	4.50	(1,875,000)	1,922,671
DISPOSITION	91282CKR1	UNITED STATES TREASURY	3/13/2026	5/15/2027	PFM	4.50	(5,250,000)	5,372,947
DISPOSITION	91282CKR1	UNITED STATES TREASURY	3/2/2026	5/15/2027	P&R	4.50	(5,110,000)	5,238,450
DISPOSITION	91282CKT7	UNITED STATES TREASURY	3/12/2026	5/31/2029	P&R	4.50	(1,000,000)	1,037,688
DISPOSITION	91282CKV2	UNITED STATES TREASURY	3/2/2026	6/15/2027	P&R	4.63	(5,645,000)	5,781,817
DISPOSITION	91282CKZ3	UNITED STATES TREASURY	3/19/2026	7/15/2027	PFM	4.38	(2,700,000)	2,742,917
DISPOSITION	91282CKZ3	UNITED STATES TREASURY	3/18/2026	7/15/2027	PFM	4.38	(900,000)	914,513
DISPOSITION	91282CKZ3	UNITED STATES TREASURY	3/2/2026	7/15/2027	P&R	4.38	(13,220,000)	13,456,163
DISPOSITION	91282CLG4	UNITED STATES TREASURY	3/27/2026	8/15/2027	PFM	3.75	(2,125,000)	2,126,750
DISPOSITION	91282CLG4	UNITED STATES TREASURY	3/19/2026	8/15/2027	PFM	3.75	(225,000)	225,746
DISPOSITION	91282CLG4	UNITED STATES TREASURY	3/26/2026	8/15/2027	PFM	3.75	(25,000)	25,032
DISPOSITION	91282CLG4	UNITED STATES TREASURY	3/25/2026	8/15/2027	PFM	3.75	(1,025,000)	1,026,713
DISPOSITION	91282CLQ2	UNITED STATES TREASURY	3/2/2026	10/15/2027	P&R	3.88	(6,840,000)	6,988,313
DISPOSITION	91282CLQ2	UNITED STATES TREASURY	3/25/2026	10/15/2027	P&R	3.88	(1,640,000)	1,666,635
DISPOSITION	91282CLR0	UNITED STATES TREASURY	3/27/2026	10/31/2029	CAM	4.13	(2,500,000)	2,555,060
DISPOSITION	91282CLT6	UNITED STATES TREASURY	3/20/2026	10/31/2026	MetLife	3.85	(5,500,000)	5,533,104
DISPOSITION	91282CLT6	UNITED STATES TREASURY	3/11/2026	10/31/2026	MetLife	3.84	(6,500,000)	6,533,531
DISPOSITION	91282CMA6	UNITED STATES TREASURY	3/4/2026	11/30/2029	P&R	4.13	(1,500,000)	1,544,631
DISPOSITION	91282CMB4	UNITED STATES TREASURY	3/4/2026	12/15/2027	PFM	4.00	(1,750,000)	1,778,591
DISPOSITION	91282CMB4	UNITED STATES TREASURY	3/13/2026	12/15/2027	PFM	4.00	(450,000)	456,356
DISPOSITION	91282CME8	UNITED STATES TREASURY	3/16/2026	12/31/2026	CAM	4.25	(4,000,000)	4,052,565
DISPOSITION	91282CMF5	UNITED STATES TREASURY	3/2/2026	1/15/2028	P&R	4.25	(2,175,000)	2,219,966
DISPOSITION	91282CMN8	UNITED STATES TREASURY	3/6/2026	2/15/2028	P&R	4.25	(2,180,000)	2,211,857
DISPOSITION	91282CMN8	UNITED STATES TREASURY	3/2/2026	2/15/2028	P&R	4.25	(835,000)	849,974
DISPOSITION	91282CMS7	UNITED STATES TREASURY	3/6/2026	3/15/2028	P&R	3.88	(1,345,000)	1,377,592
DISPOSITION	91282CMS7	UNITED STATES TREASURY	3/2/2026	3/15/2028	P&R	3.88	(6,630,000)	6,812,681
DISPOSITION	91282CMS7	UNITED STATES TREASURY	3/11/2026	3/15/2028	P&R	3.88	(1,900,000)	1,946,464
DISPOSITION	91282CND9	UNITED STATES TREASURY	3/27/2026	5/15/2028	PFM	3.75	(775,000)	781,904
DISPOSITION	91282CND9	UNITED STATES TREASURY	3/25/2026	5/15/2028	PFM	3.75	(200,000)	202,076
DISPOSITION	91282CNU1	UNITED STATES TREASURY	3/11/2026	8/15/2028	P&R	3.63	(300,000)	300,920
DISPOSITION	91282CPE5	UNITED STATES TREASURY	3/27/2026	10/31/2027	PFM	3.50	(5,000)	5,030
DISPOSITION	91282CPK1	UNITED STATES TREASURY	3/11/2026	11/15/2028	P&R	3.50	(5,450,000)	5,501,152
DISPOSITION	91282CPW5	UNITED STATES TREASURY	3/18/2026	1/31/2031	P&R	3.75	(3,905,000)	3,919,947
DISPOSITION	91282CPW5	UNITED STATES TREASURY	3/24/2026	1/31/2031	P&R	3.75	(1,040,000)	1,036,137
DISPOSITION	91282CQA2	UNITED STATES TREASURY	3/25/2026	2/15/2029	P&R	3.50	(1,025,000)	1,017,595
DISPOSITION	91282CQA2	UNITED STATES TREASURY	3/11/2026	2/15/2029	P&R	3.50	(1,600,000)	1,600,525
DISPOSITION	91282CQA2	UNITED STATES TREASURY	3/24/2026	2/15/2029	P&R	3.50	(350,000)	348,012
DISPOSITION	91282CQA2	UNITED STATES TREASURY	3/12/2026	2/15/2029	P&R	3.50	(1,450,000)	1,447,331
DISPOSITION	931142FL2	WALMART INC	3/5/2026	4/28/2027	PFM	4.10	(875,000)	892,101
DISPOSITION - TOTAL							**$ (171,114,666)**	**$ 173,398,503**
MATURITY & CALL REDEMPTION	38151LAF7	GOLDMAN SACHS BANK USA	3/18/2026	3/18/2027	P&R	5.28	(590,000)	590,000
MATURITY & CALL REDEMPTION	63743HFH0	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	3/6/2026	3/13/2026	CAM	4.45	(1,400,000)	1,400,000
MATURITY & CALL REDEMPTION	9AMRTJDF7	METLIFE CREDIT AG REPO 1 3.670 03/03/2026	3/3/2026	3/3/2026	MetLife	3.67	(4,000,000)	4,000,000
MATURITY & CALL REDEMPTION	9AMRTJF24	METLIFE CREDIT AG REPO 3 3.650 03/04/2026	3/4/2026	3/4/2026	MetLife	3.65	(4,000,000)	4,000,000
MATURITY & CALL REDEMPTION	9AMRTJH06	CREDIT AG REPO 4 3.630% 3/05/26	3/5/2026	3/5/2026	MetLife	3.63	(4,000,000)	4,000,000
MATURITY & CALL REDEMPTION	9AMRTJJU8	CREDIT AG REPO 5 3.610% 3/06/26	3/6/2026	3/6/2026	MetLife	3.61	(4,000,000)	4,000,000
MATURITY & CALL REDEMPTION	9AMRTJLE1	CREDIT AG REPO 5 3.600% 3/09/26	3/9/2026	3/9/2026	MetLife	3.60	(4,000,000)	4,000,000
MATURITY & CALL REDEMPTION	9AMRTJV00	CREDIT AG REPO 4 3.620% 3/16/26	3/16/2026	3/16/2026	MetLife	3.62	(4,000,000)	4,000,000
MATURITY & CALL REDEMPTION - TOTAL							**(25,990,000)**	**25,990,000**

Note: 1. Transaction activity is reported based on the settlement date.

2. The Transaction Activity Schedule presents principal investment activity for the reporting period, including purchases, sales, maturities, and calls/redemptions. Recurring cash flows from existing holdings, such as principal paydowns, periodic interest receipts, and money market fund sweep transactions, are reflected in balances in the month-end Portfolio Listing section but are not shown as separate transactions on this schedule.

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Annual Update to Investment Policy

Overview

The Treasurer is presenting the Orange County Transportation Authority's Proposed Fiscal Year 2026-27 Investment Policy. The governing body of a local agency is required to annually renew the delegation of authority for the Treasurer to invest, reinvest, purchase, exchange, sell, or manage public funds for a period of one year. Additionally, and as recommended under California Government Code Section 53646(a)(2), the Orange County Transportation Authority is submitting its Proposed Fiscal Year 2026-27 Investment Policy to be reviewed at a public meeting.

Recommendations

A. Adopt the Fiscal Year 2026-27 Investment Policy, effective July 1, 2026.

B. Authorize the Treasurer to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2026-27.

Background

The Investment Policy (Policy) sets forth the guidelines for all Orange County Transportation Authority (OCTA) investments that must conform to the California Government Code (Code). The main objectives of the Policy continue to be the preservation of capital, liquidity, diversification, and a market average rate of return through economic cycles.

The Policy is reviewed, updated, and approved by the Board of Directors (Board) at least annually. However, relevant changes to the Code may warrant amendments to the Policy throughout the year.

Discussion

The Proposed Fiscal Year 2026-27 Policy is being submitted for review and adoption by the Board. OCTA's four investment managers performed an objective evaluation of the policy as it relates to effectiveness and risk. New legislation was enacted, resulting in updates to the Policy.

OCTA's investment managers reviewed the Policy and provided feedback during the annual review process. Staff considered that feedback and incorporated changes deemed appropriate, while preserving OCTA's current risk framework and providing sufficient flexibility to navigate the fixed-income market.

The proposed updates are summarized below and are intended to align the Policy with the Code and recent statutory changes.

- Amend the table for authorized investments, issuer concentration, and maturity restrictions under Section 11, Permitted Investments, to extend maximum maturity of commercial paper from 270 days to 397 days, consistent with updates to the Code.

- Extend the sunset period from January 1, 2026 to January 1, 2031, related to low-interest rate U.S. Government securities under Section 12, Prohibited Investment Vehicles and Practices, consistent with updates to the Code.

The Proposed Fiscal Year 2026-27 Policy can be found in Attachment A, and for reference, a redlined copy of the Policy (reflecting all proposed changes, including minor adjustments) can be found in Attachment B.

Next Steps

If the Board approves the Proposed Fiscal Year 2026-27 Policy, a copy of the final Policy will be provided to each portfolio manager. Each portfolio manager will be required to acknowledge receipt and understanding of the Policy changes.

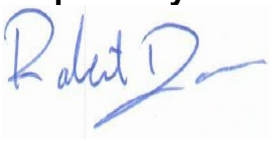
Summary

California Government Code Section 53646(a)(2) recommends that local agencies annually review their Investment Policy at a public meeting. The Treasurer is submitting the Orange County Transportation Authority's Proposed Fiscal Year 2026-27 Investment Policy for approval by the Board of Directors. Further, the Orange County Transportation Authority requests approval by the Board of Directors, authorizing the Treasurer, for a period of one year, to invest, reinvest, purchase, exchange, sell, and manage Orange County Transportation Authority funds during fiscal year 2026-27.

Attachments

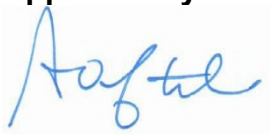
A. Orange County Transportation Authority Fiscal Year 2026-27 Investment Policy, July 1, 2026
B. Redlined Copy of Orange County Transportation Authority's Proposed Fiscal Year 2026-27 Investment Policy, July 1, 2026

Prepared by:



Robert Davis
Department Manager
Treasury/Public Finance
714-560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
714-560-5649

ATTACHMENT A

Orange County Transportation Authority
Fiscal Year 2026-27 Investment Policy
July 1, 2026

1. PURPOSE

This Investment Policy (Policy) sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA). The objective of this Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity, and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Policy. The Policy conforms to the California Government Code (Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

2. SCOPE

The Policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, Environmental Mitigation Program Endowment Fund, and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

A. **Safety of Principal --** Safety of principal is the foremost objective of OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.

B. **Liquidity --** It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.

C. **Total Return --** OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.

D. **Diversification --** Finally, OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

4. PRUDENCE

OCTA's Board, or persons authorized to make investment decisions on behalf of OCTA, are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with the Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

5. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

6. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

7. RESPONSIBILITIES

The Finance and Administration (F&A) Committee of the OCTA Board, subject to the approval of the OCTA Board, is responsible for establishing the Policy and ensuring investments are made in compliance with this Policy. This Policy shall be reviewed annually by the Board at a public meeting.

The Treasurer is responsible for making investments and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board. OCTA provides a monthly report to the F&A Committee and the Board in accordance with Section 53607 of the Code.

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

8. COMPLIANCE

OCTA has provided each of its portfolio managers with a copy of this Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the F&A Committee and the Board.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Policy.

If OCTA's Treasurer, in their sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the F&A Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chairman of the F&A Committee and the Treasurer as soon as practical at which time it will be decided whether the Board will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Policy, the Treasurer shall notify the Board of the compliance violations. OCTA may terminate services for its convenience at any time by providing at least 30 days written notice.

9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment performance, OCTA shall use benchmarks for the portfolio or portfolio segments being evaluated, including blended benchmarks as appropriate.

The benchmarks used shall generally reflect the duration, credit quality, sector allocation, and liquidity needs of the portfolio or portfolio segment.

The Treasurer shall designate the specific benchmarks used for performance comparison and may also use supplemental benchmarks for comparative or contextual analysis. Benchmarks may change from time to time based on market conditions, cash flow requirements, or portfolio structure.

10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

11. PERMITTED INVESTMENTS

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment.

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Policy. If a security held in OCTA's portfolio is subsequently placed on "Negative Credit Watch" (Credit Watch) by any of the three primary Nationally Recognized Statistical Rating Organizations (NRSROs), S&P Global Ratings, Moody's Investors Service, Inc., or Fitch Ratings, Inc, or if a security on Credit Watch is purchased in accordance with this Policy, it shall be addressed under the provisions outlined in the Credit Rating Actions section. Percentage holding limits and credit quality minimums in this section apply at the time of purchase.

11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency, or authority of OCTA, which may bear interest at a fixed or floating rate.

11-2. U.S. TREASURY OBLIGATIONS

U.S. Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

B. Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency, or authority of the local agency.

C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

D. Defeased state and local obligations (as defined in A, B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet all of the following conditions in paragraph A or B:

A. Is organized and operating in the U.S. as a general corporation; has total assets in excess of five hundred million dollars ($500,000,000); has debt other than commercial paper, if any, that is rated in the ratings category of A or its equivalent or higher by two NRSROs.

B. Is organized within the U.S. as a special purpose corporation, trust, or LLC; has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; has commercial paper that is rated “A-1” or higher, or the equivalent, by two NRSRO’s.

11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the Federal Deposit Insurance Corporation (FDIC) provided:

A. A Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and

B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits of not less than $50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and

C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and

D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

11-9. MEDIUM-TERM NOTES

Medium-term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S.

11-10. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are mutual funds or money market mutual funds, registered with the Securities and Exchange Commission under the Investment Company Act of 1940, are permitted investments under this Policy, provided that:

A. The fund has attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

B. The purchase price of shares does not include any commission or sales charge.

C. The total investment in mutual funds and money market mutual funds combined shall not exceed 20 percent of the agency's total portfolio. However, no more than 10 percent of the agency's total portfolio may be invested in any one mutual fund. This limitation does not apply to money market mutual funds

11-11. MORTGAGE OR ASSET-BACKED SECURITIES (NON-AGENCY)

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass- through certificate, or consumer receivable-backed bond.

Mortgage and asset-backed securities issued or guaranteed by the U.S., its federal agencies and/or government-sponsored enterprises are exempt when calculating the 20% maximum portfolio exposure to mortgage and asset-backed securities.

11-12. SUPRANATIONALS

U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Code Sections 53600 et seq. and 53630 et seq.

11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of Code Sections 53600 through 53610 and Section 53630.

11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under Code Section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits, as specified under Code Section 53649.

11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation. Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the F&A Committee prior to entering into such investment.

Credit Rating Actions

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating is on Credit Watch at the time of purchase, has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Policy.

For any security, whose credit rating falls below the minimum required rating as per the California Code and the Policy or placed on Negative Credit Watch for imminent downgrade to below the minimum required ratings, the Treasurer will make the decision whether to continue to retain or sell the security. For all other security rating downgrades, and for securities placed on Negative Credit Watch, the decision to retain or sell the security will be left to the investment manager, and OCTA will be notified immediately of the decision along with rationale regarding the decision to retain or sell.

OCTA will notify the Board through its monthly reporting practices of all securities on Credit Watch at the time of purchase, placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

Diversification and Maturity Restrictions

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS

Authorized Investments, Issuer Concentration and Maturity Restrictions					
Type of Investment	**CA Code Maximum Maturity**	**CA Code Maximum % of Portfolio**	**CA Code Minimum Quality Requirements**	**OCTA Maximum % of Portfolio***	**OCTA Code Minimum Quality Requirements**
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agencies or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	397 Days	40% **	"A-1" rated, or its equivalent or higher by an NRSRO	40%**	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs

Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1"rated, or its equivalent, by 2 NRSROs
Medium-Term Notes**	5 Years	30%**	"A" rating category, or its equivalent or higher, by an NRSRO	30%**	Same as CA Code
Mutual Funds and Money Market Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities (Non-Agency)***	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	Same as CA Code	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)****	N/A	$75 million per account	None	$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

* Additional portfolio restrictions include a 5 percent limit on bank deposits and a 30 percent limit on variable and floating rate securities.
** A combined 10 percent per issuer limit applies to commercial paper and medium-term notes pursuant to the Code. A separate 5 percent per issuer limit applies under this Policy. See the section titled Issuer/Counterparty Diversification Guidelines for all Securities Except U.S. Treasuries and U.S. Government Agency Securities for details.
*** The credit and holding limits under this section do not apply to mortgage-backed or asset backed securities that are issued or guaranteed by federal agencies or government-sponsored enterprises (GSEs).
**** The current deposit limits for the LAIF regular account are set by the California State Treasurer.

Issuer/Counterparty Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed five percent of the portfolio.

Issuer/Counterparty Diversification Guidelines for OCTA's Debt

OCTA can purchase all or a portion of the OCTA's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25 percent of the maximum portfolio.

12. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Except securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted, under a provision sunsetting on January 1, 2031.
- Step-up notes and dual-index notes are prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending, or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.
- The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

13. SECURITIES SAFE KEEPING

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safekeeping receipts and in compliance with Code Section 53608.

14. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify, at the outset of their engagement, that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Policy.

15. INVESTMENT POLICY REVIEW

This Policy shall be reviewed annually by the F&A Committee of the OCTA Board to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification, and its relevance to current law and economic trends.

16. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle (SPV) and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as X.YZ percent, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.
CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an investment agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as “interest rate.”

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers’ acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that determines the direction of monetary policy. The committee decides either to sell securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the two Federal Reserve banks and about 3,000-member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSROs): Firms designated by the U.S. Securities and Exchange Commission (SEC) to evaluate the creditworthiness of debt issuers and express their opinions in the form of standardized letter

ratings (e.g. AAA, AA, A, BBB, etc.). The three primary NRSROs referenced by OCTA are Standard & Poor's Global Ratings, Moody's Investors Services, Inc., and Fitch Ratings, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets, which includes securities, cash, and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITES & EXCHANCE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

SUPRANATIONAL: A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from 10 to 30 years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

VOLATILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

ATTACHMENT B

Orange County Transportation Authority
Fiscal Year ~~2025-26~~2026-27 Investment
Policy July 1, ~~2025~~2026

1. PURPOSE

This Investment Policy (Policy) sets forth the investment guidelines for all funds of the Orange County Transportation Authority (OCTA). The objective of this Policy is to ensure OCTA's funds are prudently invested to preserve capital, provide necessary liquidity, and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Policy. The Policy conforms to the California Government Code (Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Investment Policy and adhered to.

2. SCOPE

The Policy applies to the investment of all funds, excluding the investment of employees' retirement funds, separate trusts, Environmental Mitigation Program Endowment Fund, and funds invested separately under Bond Indenture Agreements (Bond Agreements). Bond Funds and Accounts (Bond Funds) shall be invested in the securities permitted by the applicable Bond Agreements. If the Bond Agreements are silent as to the permitted investments, the Bond Funds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the percentage limitations listed elsewhere in this Policy do not apply to Bond Funds.

3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be:

A. **Safety of Principal --** Safety of principal is the foremost objective of OCTA. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of the securities.

B. **Liquidity --** It is important that the portfolio contain investments for which there is an active secondary market, and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.

C. **Total Return --** OCTA's portfolio shall be designed to attain a market-average rate of return through economic cycles.

D. **Diversification --** Finally, OCTA shall diversify its portfolio(s) to avoid incurring unreasonable market risks.

4. PRUDENCE

OCTA's Board, or persons authorized to make investment decisions on behalf of OCTA, are trustees and fiduciaries subject to the prudent investor standard.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard as defined in the Code below and shall be applied in the context of managing an overall portfolio. OCTA's investment professionals acting in accordance with the Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control developments.

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of OCTA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

5. ETHICS AND CONFLICTS OF INTEREST

OCTA's officers and employees involved in the investment process shall not participate in personal business activity that conflicts with the proper execution of OCTA's investment program, or which impairs their ability to make impartial investment decisions. OCTA's investment professionals and Treasury/Public Finance Department employees are not permitted to have any material financial interests in financial institutions that conduct business with OCTA, and they are not permitted to have any personal financial/investment holdings that have a material effect on the performance of OCTA's investments.

6. DELEGATION OF AUTHORITY

Authority to manage OCTA's investment program is derived from an order of the Board. Management responsibility for the investment program is hereby delegated to OCTA's Treasurer pursuant to Section 53607 of the Code. On an annual basis, the Board is required to renew the authority of OCTA's Treasurer to invest or reinvest OCTA funds. The Treasurer is hereby authorized to delegate his authority as he determines to be appropriate. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate professionals.

The Treasurer shall develop administrative procedures and internal control, consistent with this Policy, for the operation of OCTA's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of OCTA.

7. RESPONSIBILITIES

The Finance and Administration (F&A) Committee of the OCTA Board, subject to the approval of the OCTA Board, is responsible for establishing the Policy and ensuring investments are made in compliance with this Policy. This Policy shall be reviewed annually by the Board at a public meeting.

The Treasurer is responsible for making investments and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. Pursuant to Section 53607 of the Code, the Treasurer shall make a monthly report to the Board. OCTA provides a monthly report to the F&A Committee and the Board in accordance with Section 53607 of the Code.

The Treasurer is responsible for establishing a procedural manual for OCTA's investment program and for having an annual independent audit performed on OCTA's investments.

8. COMPLIANCE

OCTA has provided each of its portfolio managers with a copy of this Policy as a part of their contract and expects its portfolio managers to invest each portfolio they manage for OCTA in accordance with the provisions of the Policy or the respective Bond Agreements as applicable. When diversification limits are exceeded by a portfolio manager, the Treasurer will document the situation and include a write-up in the monthly Debt and Investment Report to the F&A Committee and the Board.

The OCTA Treasurer is responsible for verifying each portfolio manager's compliance as well as OCTA's entire portfolio's compliance with the provisions of the Policy.

If OCTA's Treasurer, in their sole discretion, finds that a portfolio manager has made an investment that does not comply with the provisions of the Policy, the Treasurer shall immediately notify the portfolio manager of the compliance violation. At that point, the portfolio manager is on probation for a period of one year. The second time a violation occurs while the portfolio manager is on probation, the F&A Committee shall review the error and may request that the portfolio manager responsible for the compliance violation meet with the Chairman of the F&A Committee and the Treasurer as soon as practical at which time it will be decided whether the Board will be notified of the violation.

If OCTA's Treasurer finds that the portfolio manager has made a third investment while on probation that does not comply with the provisions of the Policy, the Treasurer shall notify the Board of the compliance violations. OCTA may terminate services for its convenience at any time by providing at least 30 days written notice.

9. FINANCIAL BENCHMARKS

In order to establish a basis for evaluating investment performance, OCTA shall use benchmarks for the portfolio or portfolio segments being evaluated, including blended benchmarks as appropriate.

The benchmarks used shall generally reflect the duration, credit quality, sector allocation, and liquidity needs of the portfolio or portfolio segment.

The Treasurer shall designate the specific benchmarks used for performance comparison and may also use supplemental benchmarks for comparative or contextual analysis. Benchmarks may change from time to time based on market conditions, cash flow requirements, or portfolio structure.

~~In order to establish a basis for evaluating investment results, OCTA uses four nationally recognized fixed-income security performance benchmarks to evaluate return on investments.~~

~~The Intercontinental Exchange (ICE)/Bank of America Merrill Lynch (BAML) 1-3-year Treasury Index, the ICE/BAML 1–3-year AAA-A U.S. Corporate and Government Index, the ICE/BAML 1-5 year Treasury Index, and the ICE/BAML 1-5 year AAA-A United States (U.S.) Corporate and Government Index benchmarks are used for OCTA's short-term portfolios.~~

10. SAFEKEEPING AND CUSTODY

To protect against potential losses by collapse of individual securities dealers, all deliverable securities owned by OCTA, including collateral on repurchase agreements, shall be held in safekeeping by a third-party bank trust department acting as agent for OCTA under the terms of a custody agreement executed by the bank and by OCTA. All deliverable securities will be received and delivered using standard delivery-versus-payment procedures.

11. PERMITTED INVESTMENTS

Maturity and Term

All investments, unless otherwise specified, are subject to a maximum stated term of five years. Maturity shall mean the stated final maturity or the mandatory redemption date of the security, or the unconditional put option date if the security contains such a provision. Term or tenure shall mean the remaining time to maturity from the settlement date.

The Board must grant express written authority to make an investment or to establish an investment program of a longer term no less than three months prior to the investment.

Eligible Instruments and Quality

OCTA policy is to invest only in high quality instruments as permitted by the Code, subject to the limitations of this Policy. If a security held in OCTA's portfolio is subsequently placed on "Negative Credit Watch" (Credit Watch) by any of the three primary Nationally Recognized Statistical Rating Organizations (NRSROs), S&P Global Ratings, Moody's Investors Service, Inc., or Fitch Ratings, Inc, or if a security on Credit Watch is purchased in accordance with this Policy, it shall be addressed under the provisions outlined in the Credit Rating Actions section. Percentage holding limits and credit quality minimums in this section apply at the time of purchase.

11-1. OCTA NOTES AND BONDS

Notes and bonds issued by OCTA, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency, or authority of OCTA, which may bear interest at a fixed or floating rate.

11-2. U.S. TREASURY OBLIGATIONS

U.S. Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

11-3. FEDERAL AGENCY OR U.S. GOVERNMENT SPONSORED ENTERPRISES

Federal agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or the U.S. government sponsored enterprises.

11-4. MUNICIPAL DEBT

Such instruments defined as being issued by a local or state agency, including:

A. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

B. Bonds, notes, warrants, or other evidence of indebtedness of a local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or local agency or by a department, board, agency, or authority of the local agency.

C. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

D. Defeased state and local obligations (as defined in A, B, or C above) as long as the obligations have been legally defeased with State and Local Government Series (SLGS), U.S. Treasury, and U.S. Agency securities and such obligations mature or otherwise terminate within five years of the date of purchase.

11-5. BANKERS ACCEPTANCES

Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

11-6. COMMERCIAL PAPER

The entity that issues commercial paper shall meet all of the following conditions in paragraph A or B:

A. Is organized and operating in the U.S. as a general corporation; has total assets in excess of five hundred million dollars ($500,000,000); has debt other than commercial paper, if any, that is rated in the ratings category of A or its equivalent or higher by two NRSROs.

B. Is organized within the U.S. as a special purpose corporation, trust, or LLC; has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; has commercial paper that is rated “A-1” or higher, or the equivalent, by two NRSRO’s.

11-7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

11-8. REPURCHASE AGREEMENTS

Repurchase agreements collateralized by U.S. Treasuries or Agency securities as defined in the Policy with any registered broker-dealer subject to the Securities Investors Protection Act or any commercial banks insured by the Federal Deposit Insurance Corporation (FDIC) provided:

A. A Securities Industry and Financial Markets Association (SIFMA) master repurchase agreement and a tri-party agreement, if applicable, representing a custodial undertaking in connection with a master repurchase agreement, which governs the transaction and has been signed by OCTA; and

B. the securities are held free and clear of any lien by OCTA's custodian or trustee or an independent third party acting as agent "Agent" for the custodian or trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits of not less than $50 million and the custodian or trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for OCTA's custodian or trustee; and

C. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of OCTA's custodian or trustee and OCTA; and

D. the Agent provides OCTA's custodian or trustee and OCTA with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required 102 percent collateral percentage is not restored within two business days of such valuation.

11-9. MEDIUM-TERM NOTES

Medium-term notes are defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S.

11-10. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are mutual funds or money market mutual funds, registered with the Securities and Exchange Commission under the Investment Company Act of 1940, are permitted investments under this Policy, provided that:

A. The fund has attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

B. The purchase price of shares does not include any commission or sales charge.

C. The total investment in mutual funds and money market mutual funds combined shall not exceed 20 percent of the agency's total portfolio. However, no more than 10 percent of the agency's total portfolio may be invested in any one mutual fund. This limitation does not apply to money market mutual funds

11-11. MORTGAGE OR ASSET-BACKED SECURITIES (NON-AGENCY)

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass- through certificate, or consumer receivable-backed bond.

Mortgage and asset-backed securities issued or guaranteed by the U.S., its federal agencies and/or government-sponsored enterprises are exempt when calculating the 20% maximum portfolio exposure to mortgage and asset-backed securities.

11-12. SUPRANATIONALS

U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

11-13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is a pooled fund managed by the State Treasurer referred to in Section 16429.1 of the Code. All securities are purchased under the authority of the Code Section 16430 and 16480.4.

11-14. ORANGE COUNTY TREASURY INVESTMENT POOL (OCIP)

The OCIP is a pooled fund managed by the Orange County Treasurer and is comprised of two funds, the Money Market Fund and Extended Fund. The Money Market Fund is invested in cash equivalent securities. The Extended Fund is for cash requirements past one year and is based on the Code Sections 53601 and 53635. These pools are based on the investment requirements detailed in Code Sections 53600 et seq. and 53630 et seq.

11-15. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Code Section 6509.7 that invests in the securities and obligations as authorized under the pools investment policy and that comply with the investment restrictions of Code Sections 53600 through 53610 and Section 53630.

11-16. VARIABLE AND FLOATING RATE SECURITIES

Variable and floating rate securities are restricted to investments in securities with a final maturity of not to exceed five years as described above, must utilize traditional money market reset indices such as U. S. Treasury bills, Federal Funds, commercial paper or SOFR (Secured Overnight Financing Rate), and must meet all minimum credit requirements previously detailed in the Policy. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes.

11-17. BANK DEPOSITS

Bank deposits in California banks which have a minimum short-term rating of A-1, or its equivalent or higher, by a NRSRO. Bank deposits are required to be collateralized as specified under Code Section 53630. The Treasurer shall draft and execute a contract describing provisions for bank deposits, as specified under Code Section 53649.

11-18. DERIVATIVES

Derivatives are to be used as a tool for bonafide hedging investments only where deemed appropriate. Derivatives shall not be used for the purpose of interest rate speculation. Derivative products in any of the eligible investment categories listed above may be permitted. The Treasurer has the sole responsibility for determining which prospective investments are derivatives. Each prospective investment in a derivative product must be documented by the Treasurer as to the purpose and specific financial risk being hedged. Each such investment must be approved by the F&A Committee prior to entering into such investment.

Credit Rating Actions

Rating criteria will apply at the time of purchase of a security and monitored for changes while retained within OCTA's portfolio. A security whose credit rating is on Credit Watch at the time of purchase, has been placed on Credit Watch, or whose credit rating has been downgraded (including downgrades resulting in the rating falling below the minimum credit rating requirements) subsequent to the time of purchase, is not a violation of OCTA's Policy.

For any security, whose credit rating falls below the minimum required rating as per the California Code and the Policy or placed on Negative Credit Watch for imminent downgrade to below the minimum required ratings, the Treasurer will make the decision whether to continue to retain or sell the security. For all other security rating downgrades, and for securities placed on Negative Credit Watch, the decision to retain or sell the security will be left to the investment manager, and OCTA will be notified immediately of the decision along with rationale regarding the decision to retain or sell.

OCTA will notify the Board through its monthly reporting practices of all securities on Credit Watch at the time of purchase, placed on Credit Watch or downgraded during the reporting period. Securities whose credit rating falls below the minimum requirements will be noticed in the monthly debt and investment reports until the security is sold or meets the minimum credit rating requirements.

Diversification and Maturity Restrictions

Diversification and maturity restrictions ensure the portfolio is not unduly concentrated in the securities of one type, industry, entity, or specific maturity thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

Outside portfolio managers must review the portfolios they manage to ensure compliance with OCTA's diversification guidelines on an ongoing basis.

AUTHORIZED INVESTMENTS, ISSUER CONCENTRATION & MATURITY RESTRICTIONS

Authorized Investments, Issuer Concentration and Maturity Restrictions					
Type of Investment	**CA Code Maximum Maturity**	**CA Code Maximum % of Portfolio**	**CA Code Minimum Quality Requirements**	**OCTA Maximum % of Portfolio***	**OCTA Code Minimum Quality Requirements**
OCTA Notes and Bonds	5 Years	100%	None	25%	Same as CA Code
U.S. Treasury Obligations	5 Years	100%	None	Same as CA Code	Same as CA Code
Federal Agencies or U.S. Government Sponsored Enterprises	5 Years	100%	None	Same as CA Code	Same as CA Code
Municipal Debt	5 Years	100%	None	30% total, no more than 5% by any one issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by an NRSRO
Bankers Acceptances	180 Days	40%, 30% of a single issuer	None	30%, no more than 5% any single issuer	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Commercial Paper	~~270~~ 397 Days	40% **	"A-1" rated, or its equivalent or higher by an NRSRO	40%**	"A-1" rated, or its equivalent or higher, by 2 NRSROs
Negotiable Certificates of Deposit	5 Years	30%	None	30%, no more than 5% in any single issuer	"A" rating category or "A-1" rated, or its equivalent or higher, by 2 NRSROs

Repurchase Agreements	1 Year	100%	None	25%	"A" rating category or "A-1"rated, or its equivalent, by 2 NRSROs
Medium-Term Notes**	5 Years	30%**	"A" rating category, or its equivalent or higher, by an NRSRO	30%**	Same as CA Code
Mutual Funds and Money Market Mutual Funds	N/A	20%, 10% of any one mutual fund	"AAA" rated, or its equivalent, by 2 NRSROs	20%, 10% of any one mutual fund	Same as CA Code
Mortgage Pass-Through and Asset-backed Securities (Non-Agency)***	5 Years	20%	"AA" rating category, or its equivalent or higher, by an NRSRO	Same as CA Code	Same as CA Code
Supranationals	5 Years	30%	"AA" rating category, or its equivalent or higher, by an NRSRO	20%, no more than 10% in any single issuer	Same as CA Code
Local Agency Investment Fund (LAIF)****	N/A	$75 million per account	None	$75 million per account	Same as CA Code
Orange County Investment Pool (OCIP)	N/A	100%	None	10%	Same as CA Code
Joint Powers Authority (JPA) Investment Pools	N/A	100%	None	10%	Same as CA Code

* Additional portfolio restrictions include a 5 percent limit on bank deposits and a 30 percent limit on variable and floating rate securities.
** A Combined 10 percent per issuer limit applies to commercial paper and medium-term notes pursuant to the Code. A separate 5 percent per issuer limit applies under this Policy. See the section titled Issuer/Counterparty Diversification Guidelines for all Securities Except U.S. Treasuries and U.S. Government Agency Securities for details.
*** The credit and holding limits under this section do not apply to mortgage-backed or asset backed securities that are issued or guaranteed by federal agencies or government-sponsored enterprises (GSEs).
**** The current deposit limits for the LAIF regular account are set by the California State Treasurer.

Issuer/Counterparty Diversification Guidelines for All Securities Except U.S. Treasuries and U.S. Government Agency Securities

Unless otherwise specified in this policy, any one corporation, bank, local agency, special purpose vehicle or other corporate issuer name for one or more series of securities shall not exceed five percent of the portfolio.

Issuer/Counterparty Diversification Guidelines for OCTA's Debt

OCTA can purchase all or a portion of the OCTA's debt, including notes and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by OCTA or by a department, board, agency or authority of OCTA which may bear interest at a fixed or floating rate, providing the purchase does not exceed 25 percent of the maximum portfolio.

12. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Except securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted, under a provision sunsetting on January 1, ~~2026~~2031.~~,~~
- Step-up notes and dual-index notes are prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending, or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.
- The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

13. SECURITIES SAFE KEEPING

All deliverable security transactions, including collateral for repurchase agreements, entered into by OCTA shall be conducted on a delivery-versus-payment basis. Deliverable securities shall be held by a third-party custodian designated by the Treasurer, evidenced by safekeeping receipts and in compliance with Code Section 53608.

14. BROKER DEALERS

The Treasurer, and investment professionals authorized by the Treasurer, may buy securities from a list of broker dealers and financial institutions that will be periodically reviewed.

Outside portfolio managers must certify, at the outset of their engagement, that they will purchase securities from broker/dealers (other than themselves) or financial institutions in compliance with this Policy.

15. INVESTMENT POLICY REVIEW

This Policy shall be reviewed annually by the F&A Committee of the OCTA Board to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification, and its relevance to current law and economic trends.

16. DEFINITION OF TERMS

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

AGENCY SECURITIES: (See U.S. Government Agency Securities)

ASK PRICE: (Offer Price) The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): Securities collateralized or backed by receivables such as automobile loans and credit card receivables. The assets are transferred or sold by the company to a Special Purpose Vehicle (SPV) and held in trust. The SPV or trust will issue debt collateralized by the receivables.

BANKERS ACCEPTANCES (BAs): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount and are obligations of the drawer (the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BASIS POINT: When a yield is expressed as X.YZ percent, the YZ digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains an electronic record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). These securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment.

CALLABLE BONDS: A bond issue which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a security.

CERTIFICATES OF DEPOSIT (NEGOTIABLE CDs): A negotiable (marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time

and interest rate.

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits in an investment agreement.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities usually at a discount. Commercial paper is negotiable, although it is typically held to maturity.

COUPON: The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as “interest rate.”

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of assets in the name of the depositor.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE SECURITY: Financial instrument created from, or whose value depends upon, one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers’ acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principal designed to spread the risk in a portfolio by dividing investments by sector, maturity and quality rating.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the "average maturity" of an investment portfolio using each investment's maturity weighted by the size or book-value of that investment.

DURATION: A measure of the timing of cash flows, such as the interest payments and principal repayment, to be received from a given fixed-income security.

FEDERAL FUNDS RATE: Interest rate at which banks lend federal funds to each other.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee within the Federal Reserve System that determines the direction of monetary policy. The committee decides either to sell

securities to reduce the money supply, or to buy government securities to increase the money supply. Decisions made at FOMC meetings will cause interest rates to either rise or fall.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system which has supervisory powers over the two Federal Reserve banks and about 3,000-member banks.

FITCH Ratings referred to as Fitch: (See Nationally Recognized Statistical Rating Organizations)

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates, which causes the market price of a fixed-income security to increase or decrease in value.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

MARK-TO-MARKET: The process by where the value of a security is adjusted to reflect current market conditions.

MARKET RISK: The risk that the value of a security will rise or decline as a result in changes in market conditions.

MARKET VALUE: The current market price of a security.

MATURITY: The date that the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM MATURITY CORPORATE SECURITIES: Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers' acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invests in a variety of short-term money market instruments.

MOODY'S INVESTORS SERVICE, INC. referred to as Moody's: (See Nationally Recognized Statistical Rating Organizations)

MORTGAGE-BACKED SECURITY: A debt instrument with a pool of real estate loans as the underlying collateral. The mortgage payments of the individual real estate assets are used to pay interest and principal on the bonds.

MUNICIPAL DEBT: Issued by public entities to meet capital needs.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATIONS (NRSROs): Firms designated by the U.S. Securities and Exchange Commission (SEC) to evaluate the creditworthiness of debt issuers and express their opinions in the form of standardized letter ratings (e.g. AAA, AA, A, BBB, etc.). The three primary NRSROs referenced by OCTA are Standard & Poor's Global Ratings, Moody's Investors Services, Inc., and Fitch Ratings, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling the fund's assets, which includes securities, cash, and accrued earnings, then subtracting this from the fund's liabilities and dividing by the total number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

NON-CALLABLE: Bond that is exempt from any kind of redemption for a stated time period.

OCTA BONDS: Bonds, notes, warrants, or other evidences of indebtedness.

OFFER PRICE: An indicated price at which market participants are willing to sell a security.

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in $1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a certificate and/or supporting documents evidencing the investment (as opposed to "book entry" delivery).

PORTFOLIO: A group of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PURCHASE DATE: See (Trade Date)

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

REPURCHASE AGREEMENTS (REPOS): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, with the difference between the purchase price and sales price determining the earnings.

SAFEKEEPING: Holding of assets (e.g. securities) by a financial institution.

SECURITES & EXCHANCE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SETTLEMENT DATE: The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

SPECIAL PURPOSE VEHICLE (SPV): A trust or similar structure created specifically to purchase securities and reprofile cash flows and/or credit risk. Mortgage or Asset-backed securities may be issued out of the SPV and secured by the collateral transferred from the corporation.

STANDARD & POOR'S GLOBAL RATINGS referred to as Standard and Poor's or S & P: (See Nationally Recognized Statistical Rating Organizations)

SUPRANATIONAL: A supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in member countries.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U.S. GOVERNMENT AGENCY SECURITIES or FEDERAL AGENCIES: U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture).

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities of the U.S. Treasury with maturities under one year.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from the date of issue.

Treasury bond: interest-bearing obligations issued by the U.S. Treasury with maturities ranging from 10 to 30 years from the date of issue.

Treasury STRIPS: U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book entry record-keeping system.

Treasury TIPS: U.S. Treasury securities whose principal increases at the same rate as the Consumer Price Index. The interest payment is then calculated from the inflated principal and repaid at maturity.

VARIABLE AND FLOATING RATE SECURITIES: Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities.

VOLATILITY: The degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

ZERO COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: 91 Express Lanes Back-Office System and Customer Service Center Consolidation with the 15 Express Lanes

Overview

In October 2019, the Orange County Transportation Authority Board of Directors awarded an agreement to Cofiroute USA, LLC, for the back-office system and customer service center operations for the 91 Express Lanes in Orange and Riverside counties. The initial term of the agreement ends in January 2027. In August 2025, staff received direction from the Finance and Administration Committee to explore an option which would consolidate the 15 and 91 Express Lanes operations. Staff has evaluated potential options for the post-2027 environment. Benefits, estimated costs, and recommendations are provided for Board of Directors' review and consideration.

Recommendations

A. Authorize the consolidation of the 15 and 91 Express Lanes back-office system and customer service center operations with Kapsch TrafficCom USA, Inc., the vendor currently providing back-office system and customer service center operations for the Riverside County Transportation Commission.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C255087 with the Riverside County Transportation Commission and Kapsch TrafficCom USA, Inc., a three-party agreement, in a not-to-exceed amount of $126,372,484, to provide back-office system and customer service center operations for the 15 and 91 Express Lanes.

C. Authorize the Chief Executive Officer to negotiate and execute the Amended and Restated Cooperative Agreement No. C-1-3190 for express lanes between the Riverside County Transportation Commission and the Orange County Transportation Authority.

Background

The Orange County Transportation Authority (OCTA) and the Riverside County Transportation Commission (RCTC), collectively referred to as the Agencies, entered into a cooperative agreement in December 2011, setting forth the parties' commitment to jointly operate the 91 Express Lanes (91 EL). The Agencies set forth responsibilities for cooperation and coordination based on assumptions regarding joint operations. One of the key tenants of the agreement is a commitment to maintain a joint operator for the 91 EL. To facilitate the use of a joint operator at the time, RCTC was added to OCTA's agreement with Cofiroute USA, LLC (CUSA).

On April 22, 2018, the Agencies issued a joint request for proposals (RFP) to replace the expiring contract with CUSA. Following a competitive procurement process, the evaluation committee recommended awarding a new contract to CUSA, which was approved by the OCTA Board of Directors (Board) on October 23, 2019, and by RCTC on November 13, 2019. The initial seven-year term of the agreement ends on January 31, 2027. The agreement term includes two option terms, each up to three years. As part of this agreement, the Agencies worked with CUSA to develop and deploy the back-office system (BOS), which went live in March 2022.

The initial deployment was delayed due to CUSA needing additional time for development and external delays; however, it went live in March 2022 without all required BOS functionality in place, leading to ongoing post-launch efforts to fix deficiencies and deliver missing components. While the system was not fully completed, the Agencies approved go-live as the major components were completed and the prior agreement with additional extensions was expiring. These challenges significantly extended operational acceptance testing which took over three years instead of the planned six months, and final acceptance still pending more than four years after go-live.

During the current operations and maintenance (O&M) phase, continued system and customer service center (CSC) issues have persisted over the last four years and resulted in the assessment of liquidated damage, which the Agencies have been sharing equally. The Agencies, along with HNTB Corporation consultants, have and continue to devote a significant deal of time and effort to managing the 91 EL BOS and CSC. While CUSA continues to make improvements, performance has not consistently met all key performance indicators required by the agreement.

RCTC also operates a separate BOS, provided by Kapsch TrafficCom USA, Inc. (Kapsch) for the 15 Express Lanes (15 EL). Due to the proximity of the 91 EL to the 15 EL and the direct connectivity between the two facilities in Riverside

County, the 91 EL and 15 EL customer service centers spend approximately 35 percent of their time assisting customers who require assistance from both CSCs. Given the proximity and complementary nature of the systems, RCTC proposed that OCTA consider combining the 91 EL BOS with the 15 EL by incorporating the 91 EL into the existing 15 EL BOS and CSC. This would result in a single BOS and CSC servicing 91 EL and 15 EL customers. This combined effort would eliminate duplicated services, reduce costs for the Agencies, and enhance customer experience.

Kapsch subcontracted with BRiC-TPS, LLC (BRiC) as the BOS provider for the 15 EL. BRiC brings more than 20 years of experience in the tolling industry, supporting customers such as the Transportation Corridor Agencies, the San Bernardino Express Lanes, and will soon expand to include the San Diego Association of Governments in the coming year. In addition, the Los Angeles County Metropolitan Transportation Authority will be moving its BOS from Transcore to BRiC in the coming years. RCTC has been satisfied with the performance of the BRiC BOS on the 15 EL since its go-live in 2021.

The procurement and deployment of a new BOS can take longer than four years. With the initial term of the current agreement with CUSA ending in January 2027, the Agencies have evaluated the options for the 91 EL BOS, as presented in the discussion below.

Discussion

Staff presented the possibility of consolidating the 91 EL BOS and CSC with the 15 EL BOS and CSC (15-91 EL BOS) to the Finance and Administration Committee (Committee) on August 27, 2025, along with other viable options for the future 91 EL BOS. Staff was directed to explore the feasibility and cost of the 15-91 EL BOS and return to the Committee and the Board with an updated proposal and recommendation. Since that time, staff has met with RCTC and Kapsch to further explore the consolidation. After further discussing the consolidation, Kapsch provided a proposal for the services to the Agencies. The Agencies have negotiated the terms and pricing of the proposal and received a proposal that would provide significant savings to the Agencies. Staff is recommending proceeding with the 15-91 EL BOS, two options are being presented for review:

Option 1 Combine the 15-91 EL with a three-party agreement between OCTA, RCTC, and Kapsch through 2041 and exercise Option Term 1 to extend the existing CUSA agreement through the implementation phase.

Option 2 Exercise the Option Terms of the CUSA agreement, extending the expiration date up to January 2033, and issue an RFP for a new BOS and CSC contractor.

Option 1

The first option would be for OCTA to enter into a three-party agreement with Kapsch and RCTC to combine the 15-91 EL BOS, whereby Kapsch becomes the provider of the services. This option reduces costs, implementation time, and risk compared to Option 2. Due to their close proximity and direct connection, approximately 35 percent of customers use both ELs. Therefore, combining the 15-91 EL BOS will reduce redundancy and provide superior customer service by allowing the joint CSC to assist customers with matters on both ELs.

Staff reviewed the business rules and operating procedures of the 15-91 EL and identified minor differences in procedures and in the BOS. Given these minor differences and Kapsch and BRiC's prior experience implementation is expected to take 12 months. The Kapsch proposal identifies a go-live date of July 1, 2027, following a notice to proceed in June 2026. This approach would be implemented approximately three years faster than the RFP option, as illustrated in Option 2, below. Kapsch can achieve operational efficiency because they are already on site performing similar work in the office in the City of Corona for the 15 EL. Kapsch would also be able to quickly hire and train staff, implement updates to the BOS, phone system, website, and update customer materials.

Furthermore, the BRiC BOS is already configured with business rules that are very similar to the 91 EL. The minor modifications needed would be released in several sprints prior to go-live and verified to be working with the 15 EL data and transactions. These verifications and update methods allow for a quick implementation phase and reduce risk to the 91 EL. The BRiC system and team have demonstrated an understanding of the complexity of tolling through their performance on the 15 EL and various other Southern California tolling agencies. The use of the proven BRiC system, with minor modifications to include the 91 EL, is a low-risk effort compared to procuring a new BOS.

The 15-91 EL BOS consolidation would also result in reduced costs for the Agencies. The reduction in costs is due to the removal of redundant services and to economies of scale. The Kapsch proposal to develop the new BOS is $9.8 million. Fixed and variable O&M costs are estimated to be $168 million. Pass-through costs for the O&M period are anticipated to be $64.3 million and include credit card fees, postage, collection costs, and telephone fees that the Agencies will pay through the vendor. This would amount to a total cost of $242 million for the implementation, O&M, and pass-through costs through 2041. This cost would be split with RCTC, resulting in an OCTA commitment of

$123.2 million. Staff utilized the end date of 2041, as that is the current expiration of the Kapsch agreement with RCTC. This extended timeframe also provides pricing certainty for a longer period.

If Option 1 is selected, the Agencies would need to execute the first option term with CUSA to ensure continued operations while Kapsch completes the implementation phase for approximately five months. Should the Board approve the recommendation, staff will return to the Board to execute the option term. Staff estimates that Kapsch can deliver the BOS and complete the transition from CUSA to BRiC by July 1, 2027.

Additionally, staff has drafted amendments to the agreement to reflect relevant changes. The draft amended and restated agreement is attached as Attachment B for consideration. The amendment removes outdated verbiage and assumptions, removes provisions that are no longer applicable, updates terms to include the 15 EL in the partnership, and extends the partnership timeframe until at least 2041.

Option 2

The second option is to issue a joint RFP with RCTC to procure a new BOS and CSC provider for the 91 EL. This option would require exercising the first option with CUSA, due to the time required to issue a new RFP, and hire a new provider. Based on prior similar RFPs, staff estimates it would take at least six months to develop an updated scope of work and the necessary RFP documents for a project of this size. Once the RFP is ready, it will take an additional six months for the RFP process to be completed and for staff to return to the Board with a recommendation. After the award of a new agreement, staff will work with the selected firm to design and deploy the new BOS for approximately 36 months. This Option 2 is estimated to take at least four years to complete.

This option may result in disruptions to customer service and a greater data migration risk during the transition. Customer service can be disrupted, as through an RFP, the new contractor will not have the flexibility of working in the building next door during the implementation phase. Furthermore, the data migration risk is greater as the new contractor through the RFP will have less experience with the current data structure. BRiC has already completed preliminary discovery work on the data migration efforts to develop the proposal presented to the Agencies. Historically, similar RFPs issued by the Agencies have identified only a limited number of potential vendors, and the cost of the new BOS is anticipated to be significantly higher than that of Option 1.

The cost projection for this option is based on the competitively bid 91 EL procurement awarded in 2019, with a two percent increase per year through 2031 to account for inflation. The estimated cost to develop the new BOS is $21 million. O&M costs for the current CUSA agreement and the projected new agreement through 2041 are estimated at $185.6 million. Pass-through costs for the O&M period are anticipated to be $68.5 million. This would amount to a total cost of $275.1 million for the implementation of O&M and pass-through costs through 2041. This cost would be split with RCTC, resulting in an OCTA commitment of $137.5 million.

Summary and Recommendation

In evaluating the two options, staff considered customer service, schedule, cost, implementation, and operational risk. Based on this evaluation, staff determined that partnering with RCTC and Kapsch for the 15-91 BOS provides the most advantageous approach for OCTA by allowing for significant savings in operating costs and reducing redundancy in services provided.

Table 1 below compares the Kapsch price proposal with staff's estimate for similar services if the Agencies were to pursue an RFP. An item to note is that the Kapsch costs are already defined in the cost proposal and will be locked in once the agreement is approved, unlike the RFP costs, which are estimates. The staff estimate for the RFP option is a conservative projection based on trends, and the actual price could come in higher or lower.

Table 1: Price Comparison for both Agencies

	Kapsch Proposal	RFP Option	Variance
Implementation	$9,761,410	$21,000,000	$11,238,590
14 years of O&M	$167,966,270	$185,563,213	$17,596,943
14 Years of Pass-through Costs	$64,308,733	$68,492,238	$4,183,505
Total for RCTC and OCTA	$242,036,413	$275,055,451	$33,019,038

Table 2 below compares the Kapsch proposal and RFP options solely based on OCTA’s share.

Table 2: Price Comparison for OCTA

	Kapsch Proposal	RFP Option	Variance
Implementation	$4,880,705	$10,500,000	$5,619,295
14 years of O&M	$91,486,973	$92,781,607	$1,294,634
14 Years of Pass-through Costs	$26,789,559	$34,246,119	$7,456,560
Total	$123,157,237	$137,527,726	$14,370,489

In addition to the price proposed by Kapsch, staff is requesting a 2.6 percent contingency for the agreement, in the amount of $3,215,247, bringing the total agreement amount to $126,372,484. The contingency will cover future changes and upgrades to the BOS, potential increased costs for BOS hardware components, and website updates. Even with the contingency, staff estimates that pursuing the 15-91 EL BOS with Kapsch will save OCTA $11.2 million.

Further savings could also be realized with BOS changes to optimize mailings and reduce variable costs. Staff will explore these possible savings if the option is selected. These savings will benefit OCTA, the 91 EL, and, more importantly, the public, as all savings realized by the project and the 91 EL are translated into lower operating costs and higher excess revenues. All excess revenues are reinvested in the corridor for the public benefit. This benefit extends beyond the 91 EL as it supports transit and general-purpose initiatives. RCTC has presented the option to consolidate the 15-91 BOS to their Toll Policy and Operations Committee (TPOC) on April 28, 2026. RCTC received approval for the consolidation from the TPOC and will present the item to the full Commission on May 13, 2026.

Fiscal Impact

Funding for the implementation of the 15-91 BOS is included in OCTA's Fiscal Year 2026-27 proposed budget, Express Lanes Division, Account No. 0036-9028-B0001-1GO, and will utilize local funds. Future implementation and O&M costs will be budgeted in subsequent years under the Express Lanes Division, accounts nos. 0036-9028-B0001-1GO, 0036-7350-B0100-A5H, 0036-7661-B0001-ECB, 0036-7641-B0001-N25, 0036-7520-B0001-AC2, and 0036-7522-B0001-A2D.

Summary

Staff recommends consolidating the 15 and 91 Express Lanes back-office system and customer service center operations with Kapsch TrafficCom USA, Inc., the vendor currently providing these services to Riverside County Transportation Commission. In order to affect this recommendation, a three-party agreement with the Riverside County Transportation Commission and Kapsch TrafficCom USA, Inc. is necessary. The agreement will include the 15 and 91 Express Lanes back-office system and customer service center operations in an amount not-to-exceed $126,372,484.

Attachments

A. Draft Amended and Restated Toll Services Contract for the Riverside I-15 Express Lanes Project and 91 Express Lanes Project
B. Draft Amended and Restated Cooperative Agreement, Express Lanes Operations, Between the Riverside County Transportation Commission and the Orange County Transportation Authority

Prepared by:

Anthony Rodriguez
Project Manager III
Express Lanes
(714) 560-5752

Approved by:

Kirk Avila
General Manager,
Express Lanes Programs
(714) 560-5674

Pia Veesapen
Director, Contracts Administration and
Materials Management
(714) 560-5619

ATTACHMENT A

AMENDED AND RESTATED TOLL SERVICES CONTRACT

FOR

THE RIVERSIDE I-15 EXPRESS LANES PROJECT

AND

91 EXPRESS LANES PROJECT

DRAFT

TABLE OF CONTENTS

Page

SECTION 1 CONTRACT COMPONENTS; INTERPRETATION OF CONTRACT 2

1.1 Definitions 2

1.2 Order of Precedence 2

1.3 Reference Documents 4

1.4 No Liability Arising From Agencies' Actions 4

1.5 Interpretation of Contract 5

1.6 Referenced Standards and Specifications 7

1.7 Standard for Approvals 8

1.8 Federal Requirements 8

SECTION 2 REPRESENTATIONS, WARRANTIES AND COVENANTS 8

2.1 TSP Representations, Warranties and Covenants 8

2.2 Agency Representations, Warranties and Covenants 12

SECTION 3 TERM 12

3.1 Term of this Contract 12

3.2 General Provisions Applicable to Contract Term. : 12

3.3 Option to Require Software Maintenance After Termination 13

SECTION 4 GENERAL PROVISIONS APPLYING TO THE TOLL SERVICES 13

4.1 General Obligations for Toll Services 13

4.2 Coordination and Cooperation. 15

SECTION 5 ACCESS TO SITE; UTILITIES; ENVIRONMENTAL COMPLIANCE, GOVERNMENTAL APPROVALS AND EMERGENCIES 16

5.1 Access to Site prior to each Package Turnover 16

5.2 Utilities 17

5.3 Hazardous Materials Management 18

5.4 Approvals and Government Entities 20

5.5 Assistance with Governmental Entities and Administrative Hearings and Lawsuits 21

5.6 Emergencies 21

SECTION 6 NOTICES TO PROCEED 22

6.1 Commencement of NTP1 Work 22

6.2 NTP1 – The following provisions were applicable to NTP1 under the Original Contract, and were satisfied 22

6.3 Commencement of NTP2 Work 22

DRAFT

6.4 NTP2 23
6.5 Provisions from Original Contract....23
6.6 NTP for 91 Express Lanes Consolidated Back Office Transition (NTP3)....23
SECTION 7 D&D WORK....24
7.1 Time of Essence and General Scope of D&D Work 24
7.2 Monthly Progress Report. 24
7.3 Coordination of D&D Work....24
7.4 RCTC Review of D&D Work. 24
7.5 Colocation....24
7.6 Contractor Licenses for D&D Work. 24
7.7 Procurement of Equipment. 25
7.8 Spare Parts....25
7.9 Integration with DB Work 26
7.10 Prevailing Wage....26
7.11 Labor Code Requirements....27
7.12 Notice of Labor Dispute....28
7.13 Lobbying 29
7.14 Federal On-the-Job Training Participation Goal 29
7.15 Payment to Subcontractors....29
7.16 Suspension and Debarment....29
7.17 Cleaning Up. 30
7.18 Safety and Security....30
7.19 Title....30
7.20 Maintenance During Performance of D&D Work 31
SECTION 8 D&D WORK SCHEDULE, COMPLETION AND ACCEPTANCE....31
8.1 Completion Deadlines....31
8.2 Project Schedule....31
8.3 Baseline Schedule and Project Schedule....31
8.4 Float....32
8.5 Extensions of Time 32
8.6 Progress Reports and Notices 32
8.7 Ready for Construction Plans....33
8.8 Coordination of Work in Turnover Areas with DB Contractor....33
8.9 Notice and Inspection of Package Turnover....34
8.10 MOT and Access 35

DRAFT

8.11 CSC Commencement 35
8.12 Testing Prior to Revenue Service Commencement 36
8.13 Revenue Service Commencement 36
8.14 TCS Acceptance 37
8.15 91 EL Transition Testing and Go Live; 91 EL Work Punch List and Acceptance 38
8.16 Annual Renewal Test 38
SECTION 9 MAINTENANCE WORK 38
9.1 Maintenance Work 38
9.2 Contract Requirements for TCS Performance 39
9.3 Transfer of O&M to Agencies at End of O&M Term 39
SECTION 10 TOLL OPERATIONS 40
10.1 General. 40
10.2 Business Rules 40
10.3 Deposit and Transmittal. 41
10.4 Violation Processing. 41
10.5 Motorist Privacy. 42
10.6 Customer Communications 43
10.7 ROC/CSC 43
10.8 Supplies and Materials for O&M Work 43
10.9 Noncompliance O&M Events and KPIs 44
10.10 Extension of Response Time or Repair Time 44
SECTION 11 LIQUIDATED DAMAGES 44
11.1 Lane Closures on State Route 91 and Interstate 15 44
11.2 Calculation of Stipulated Damages 46
11.3 Liquidated Damages for Late Cancelled Lane Closure 46
11.4 Delay Liquidated Damages for Failure to Achieve Completion Deadlines 47
11.5 Performance Liquidated Damages and Performance Stipulated Damages 48
11.6 Calculation of Performance Stipulated Damages. 49
11.7 Performance Liquidated Damages and Performance Stipulated Damages as Sole Monetary Remedy 49
11.8 Intent Regarding Liquidated Damages 50
SECTION 12 NONCONFORMANCES, CORRECTION OF WORK AND WARRANTIES 50
12.1 Notice of Nonconformance 50
12.2 Remedy of Nonconformances 50

DRAFT

12.3 Failure to Remedy a Nonconformance. 51
12.4 Damages for Breach of Warranty 51
SECTION 13 END OF O&M TERM ACCEPTANCE 51
13.1 Requirements 51
13.2 Certificate of End of O&M Term Acceptance 52
SECTION 14 FLOW OF FUNDS REQUIREMENTS 52
14.1 Accounts 52
14.2 No Commingling of Funds 53
14.3 Authorized Personnel 53
14.4 Daily Transfer and Reconciliation 53
14.5 Responsibility for Chargebacks and Refunds 53
14.6 Agencies Revenue Control and Management 53
SECTION 15 PARTIES REPRESENTATIVES; CIVIL RIGHTS; SUBCONTRACTORS; KEY PERSONNEL 53
15.1 Designation of Representatives; Cooperation with Representatives 53
15.2 Civil Rights; Equal Employment Opportunity 54
15.3 General 54
15.4 Subcontract Requirements 55
15.5 Subcontracts with Affiliates 58
15.6 Key Personnel; Qualifications of Employees 58
15.7 Key Personnel Liquidated Damages 59
15.8 Disadvantaged Business Enterprise (DBE) Program 60
SECTION 16 PERFORMANCE AND PAYMENT BONDS; GUARANTY; FINANCIAL INFORMATION 61
16.1 Provision of Bonds 61
16.2 No Relief of Liability 63
16.3 Guaranty 64
16.4 Periodic Updated Financial Information 64
SECTION 17 INSURANCE 65
17.1 General 65
17.2 TSP Provided Insurance 65
17.3 General Insurance Requirements 70
17.4 Prosecution of Claims 73
17.5 Commencement of Work 73
17.6 Agencies' Right to Remedy Breach by TSP 73

DRAFT

17.7 Disclaimer 73
SECTION 18 PAYMENT FOR TOLL SERVICES 74
18.1 Toll Services Compensation Under Original Contract 74
18.2 Payment for NTP1 Work 74
18.3 Total Capital Cost 74
18.4 Invoices and Payment after NTP2 75
18.5 Updated Invoice after Progress Meeting 76
18.6 Final Payment for Total Capital Cost 77
18.7 Total 91 Express Lanes Integration Costs and Total O&M Cost 78
18.8 Monthly Invoice for O&M Work 79
18.9 Updated Invoice after Progress Meeting, ... 80
18.10 Final Payment of Total O&M Cost 81
18.11 Payment following NTP2 82
18.12 Withholding of Payment. 82
18.13 Interest 83
18.14 Waiver of Claims 83
18.15 Payment for Subsequent Claims 84
18.16 Payments Not Acceptance of Work 84
18.17 Budgets 84
18.18 Cost Principles 85
18.19 Disputes 85
18.20 Payment of "Claims" under Pub. Cont. Code § 9204 85
SECTION 19 GENERAL PROVISIONS APPLYING TO CHANGES IN TOLL SERVICES 86
19.1 Mitigation 86
19.2 Deductions for Relevant Events 86
19.3 Sole Entitlement 87
19.4 Notifications, Delay in Notification 87
SECTION 20 CHANGES IN THE TOLL SERVICES 88
20.1 Change Orders and Directive Letters 88
20.2 Right of Agencies to Issue Change Orders and Directive Letters 88
20.3 Issuance of Directive Letter 88
20.4 Agency-Initiated Change Orders 89
20.5 Change Order Determination 91
20.6 TSP Change Request 92

DRAFT

20.7 Incomplete TSP Change Request 92
20.8 Review of Subcontractor Claims 93
20.9 Force Majeure and Package Turnover Delay Change Order Entitlement 93
20.10 Excusable Delay Change Order Entitlement 93
20.11 Concurrent Delays 94
20.12 General Change Order Entitlement for Contract Price Adjustments 94
20.13 Pricing for Changes in the Scope of the D&D Work 95
20.14 Pricing for Changes in the Scope of the O&M Work 97
20.15 General Pricing Provisions 98
20.16 Change Order Data 98
20.17 Daily Toll Services Reports and Data Collection 99
20.18 Supplier's Invoices 100
20.19 Execution of Reports 100
20.20 Adjustment 100
20.21 Disputes 100
20.22 Toll Services Performed Without Direction 101
20.23 Changes Not Requiring Change Order 101
20.24 No Release or Waiver 101
SECTION 21 SUSPENSION 102
21.1 Suspension for Convenience 102
21.2 Suspensions for Cause 102
21.3 Department Suspensions 103
21.4 Responsibilities of TSP During Suspension Periods 103
SECTION 22 TERMINATION FOR CONVENIENCE 104
22.1 Termination for Convenience Notice 104
22.2 Transition Plan 104
22.3 Acceptance 104
22.4 Payment for Termination for Convenience 105
22.5 Settlement Proposal 106
22.6 Amount of Negotiated Termination Settlement 106
22.7 No Agreement as to Amount of Termination Settlement for Toll Services 106
22.8 Conditions to Payment; Reduction in Amount of Claim 106
22.9 Payment upon Termination 107
22.10 Termination Based on Delay in or Failure to Issue NTP2 107
22.11 No Waiver; Release 107

DRAFT

22.12 Dispute Resolution....108
22.13 Allowability of Costs....108
SECTION 23 TERMINATION FOR DEFAULT....108
23.1 Default of TSP....108
23.2 Notice and Opportunity to Cure....110
23.3 Remedies....110
23.4 Failure to Comply Caused by Delay Event....114
23.5 Right to Stop Work for Failure by Agencies to Make Undisputed Payment....114
23.6 Anticipatory Breach....114
SECTION 24 OBLIGATIONS UPON TERMINATION....116
24.1 TSP's Responsibilities After Receipt of Termination Notice during D&D Phase....116
24.2 Responsibility for Equipment, Hardware and Software After Termination Notice....117
24.3 TSP's Responsibilities Upon Expiry Date or After Receipt of Termination....117
SECTION 25 LIMITATION OF TSP'S LIABILITY....119
25.1 Limitation of TSP's Liability....120
25.2 Potential Increase in Limitation of TSP's Liability....121
SECTION 26 INDEMNIFICATION....121
26.1 Indemnifications by TSP. Reference to "Agencies" in this section shall refer to both the Agencies, collectively, and to each individual Agency.....121
26.2 Defense and Indemnification Procedures....123
26.3 Indemnification by Agencies....125
26.4 No Effect on Other Rights....126
26.5 CERCLA Agreement....126
26.6 Intent of Indemnity for Breach of Agreement....126
26.7 Design Professionals Indemnity Obligation....126
SECTION 27 DISPUTES....126
27.1 Provisional Remedies....128
27.2 Continuing Performance....128
27.3 Participation in Proceedings; Joinder....128
27.4 Effect on Surety and Guarantor....129
27.5 Emergency Dispute Resolution....129
27.6 Time Limitation....129
27.7 Timely Payment of Undisputed Amounts of Any Claim....129
SECTION 28 RELATIONSHIP WITH Agencies....130

DRAFT

28.1 Performance as Directed 130
SECTION 29 DOCUMENTS AND RECORDS, INSPECTION AND TESTING 130
29.1 Reporting Requirements 130
29.2 Maintenance of, Access to and Audit of Books and Records 131
29.3 Retention of Records 134
29.4 Inspection and Testing of Toll Services and Site 134
29.5 Public Records Act 135
29.6 Developed Intellectual Property 135
29.7 Pre-Existing Software 137
29.8 Third Party Intellectual Property 137
29.9 Commercial Off-the-Shelf Software 138
29.10 Payments Inclusive 138
29.11 Source Code Escrow 138
29.12 TCS Software 139
29.13 Infringement 139
SECTION 30 AGENCY SUBMITTAL PROCESS 140
30.1 Submittal Process 140
30.2 Role of FHWA and Department 141
30.3 Role of PCM 141
30.4 DB Contractor 142
SECTION 31 MISCELLANEOUS PROVISIONS 142
31.1 Amendments 142
31.2 Taxes 142
31.3 Waiver 142
31.4 Independent Contractor 143
31.5 Successors and Assigns 144
31.6 Gratuities and Conflicts of Interest 144
31.7 Survival 145
31.8 Limitation on Third Party Beneficiaries 145
31.9 Tort Liability; Personal Liability of Agency Employees 145
31.10 Governing Law 146
31.11 Notices and Communications 146
31.12 Further Assurances 147
31.13 Severability 147
31.14 Table of Contents and Headings 147

DRAFT

31.15 Entire Agreement 148
31.16 Counterparts; Electronic Signatures 148
31.17 Costs 148
SECTION 32 SIGNATURE WARRANTY 148
32.1 Signature Warranty 148

DRAFT

AMENDED AND RESTATED TOLL SERVICES CONTRACT

This Amended and Restated Toll Services Contract (Contract) is entered into by and amongst Riverside County Transportation Commission, a public entity of the State of California (RCTC), Orange County Transportation Authority, a public entity of the State of California (OCTA), and Kapsch TrafficCom Transportation NA, Inc., a Michigan corporation (Toll Services Provider or TSP), executed as of _____, 2026 with reference to the definitions contained in Exhibit 1 and the following facts. RCTC and OCTA are sometimes referred to herein, individually, as "Agency" or collectively, as "Agencies".

A. RCTC, in cooperation with the California Department of Transportation (Department) constructed two tolled express lanes in each direction generally between the 1-15 Cajalco Road interchange and the 1-15 / State Route 60 interchange through the cities of Corona, Norco, Eastvale, Jurupa Valley, and portions of unincorporated Riverside County, otherwise known as the 1-15 Express Lanes Project (the I-15 Express Lanes Project) using a Design-Build Contract.

B. The I-15 Express Lanes Project was authorized in accordance with authority to use state right-of-way granted by the State of California, acting by and through the Department, in a Cooperative Agreement (District Agreement No. OB-1526 dated May 31, 2016) (as amended, the Department Cooperative Agreement) and a Toll Facilities Agreement (RCTC Agreement No. 1731-002-00 to be executed in fall, 2016 (as amended, the Toll Facilities Agreement).

C. Pursuant to a request for proposals (as subsequently amended by addenda, the RFP) TSP was selected, on November 21, 2016, to design, implement, operate and maintain the I-15 Express Lanes Project toll collection system as detailed in this Contract (the I-15 Toll Services).

D. The I-15 Toll Services, as more particularly described in the Technical Provisions, included completing the D&D Work by the Completion Deadlines, completing the CSC Commencement Period Toll Services and currently include performance of all O&M Work, for the original Contract Price, subject only to certain specified limited exceptions and Pass-Through Cost Items set out in this Contract.

E. Tolling on the I-15 Express Lanes commenced on April 10, 2021.

F. The TCS's accuracy and reliability is of paramount importance to Agencies' ability to finance and build highways in order to meet their infrastructure needs. Agencies will suffer substantial losses and damages if the O&M Work does not meet the Contract requirements, including the KPIs. This Contract provides that TSP shall pay Agencies substantial Performance Liquidated Damages and Performance Stipulated Damages if the Toll Services do not meet the KPIs.

G. The Executive Director of RCTC, pursuant to Commission authorization, executed the original Contract with TSP with a Commission action dated January 26, 2017 ("Original Contract"). Following execution, RCTC and TSP entered into four amendments to the Original Contract for the I-15 Toll Services, including to extend the O&M Term as further described below, and to provide for the I-15 Refresh Services, as further detailed herein.

DRAFT

H. Pursuant to the amendments referred to above, RCTC exercised all five (5) original one year O&M Option Terms under the Original Contract, and added an additional ten (10) one year O&M Option Terms, for a total of fifteen (15) one year O&M Option Terms. All fifteen (15) one year O&M Option Terms were exercised by RCTC under Amendments No. 3 and 4 to the Original Contract, to extend the Original Contract through April 31, 2041.

I. RCTC and OCTA, through a joint operator contract, operate the back office system and customer services center for 91 Express Lanes in Riverside and Orange County. RCTC and OCTA now desire to include O&M Work for the 91 Express Lanes back office system and customer services center as part of the Contract with the TSP, and to amend and replace, except as otherwise provided herein, the Original Contract with this three party Amended and Restated Toll Services Contract.

J. While the Parties recognize that the D&D Work and the Commencement Period for the I-15 Express Lanes Project has been satisfactorily completed, some of the provisions from the Original Contract (as defined below) remain applicable to the I-15 Refresh Work, and may be applicable to future RCTC projects. Therefore, the original provisions related to the D&D Work and the Commencement Period including, but not limited to, provisions related to Package Turnover, Planned ROW Limits and DB Contractor have been retained in this Contract without amendment.

J. It is the intent of the Parties that the 15 Express Lanes and 91 Express Lanes back office system and customer services center will be jointly operated under this Contract by the TSP, and that the TSP will also operate the 15 Express Lanes roadside system for RCTC only under this Contract.

K. The Parties agree that decisions related to the back office system or customer services center shall require direction from both Agencies, and decisions solely related to the 15 Express Lanes roadside system shall require direction from RCTC only.

L. The Parties agree that this Agreement does not include roadside work for OCTA.

NOW, THEREFORE, in consideration of the sums to be paid to TSP by RCTC and OCTA under this Contract the Parties agree as follows:

SECTION 1 CONTRACT COMPONENTS; INTERPRETATION OF CONTRACT

1.1 Definitions

Unless the context otherwise requires, capitalized terms used in this Contract have the meanings given in Exhibit 1.

1.2 Order of Precedence

1.2.1 Subject to Sections 1.2.2 through 1.2.5, in the event of any irreconcilable conflict, ambiguity or inconsistency between or among any of the provisions of this Contract, the following order of precedence, from highest to lowest, applies:

(a) For D&D Work that is not considered a public work:

1. Change Orders and Contract amendments;

2. Section 1 through Section 32, including all Exhibits, Schedules and Attachments to this Contract (excluding Exhibit 4);

3. Technical Provisions;

4. Exhibit 4; and

5. Proposal (excluding modifications to the Proposal in Exhibit 4).

(b) For D&D Work that is considered a public work, "Toll Services Standards" shall be listed as item "5" above, and the Proposal (excluding modifications to the Proposal in Exhibit 4) shall be renumbered as Item "6".

(c) For O&M Work or CSC Commencement Period Toll Services:

1. Change Orders and Contract amendments;

2. Section 1 through Section 32, including all Exhibits, Schedules and Attachments to this Contract (excluding Exhibit 4);

3. KPI Table;

4. Technical Provisions (including Agencies-approved Business Rules which, upon approval by Agencies, shall be incorporated into and become a part of the Technical Provisions) excluding the KPI Table;

5. Exhibit 4; and

6. Proposal (excluding modifications to the Proposal in Exhibit 4), including the 91 EL Transition Work Proposal included as Exhibit 25.

1.2.2 Except as directed by Agencies, in their sole discretion, any provisions of the Contract that establish a higher standard, quality, quantum or method of performance shall take precedence over provisions establishing a lower standard, quality, quantum or method of performance regardless of the order of precedence set out in Section 1.2.1(a), 1.2.1(b), or 1.2.1(c), as applicable.

1.2.3 Except as otherwise expressly provided in this Contract, where this Contract cites any Reference Document to define requirements of this Contract, the cited portion of the applicable Reference Document shall (a) be deemed incorporated into this Contract to the extent it is so cited, and (b) have the same order of priority as the part of the Contract where the citation occurs.

1.2.4 Incorporation of any part of the Proposal (including Exhibit 4, or the 91 EL Transition Work Proposal) into this Contract shall not (a) limit, modify, or alter Agencies' right to review and approve any Deliverables included in the Proposal (including the Preliminary Baseline Schedule) or (b) be deemed as acceptance or approval of any aspects of TSP's Proposal by the Agencies.

1.2.5 TSP shall not take advantage of or benefit from any apparent or actual Error, conflict, ambiguity or inconsistency in this Contract. If TSP becomes aware that the Toll Services to be performed or any matters with respect to the Toll Services are not sufficiently detailed, described or explained in this Contract or TSP becomes aware of any Error, conflict, ambiguity or inconsistency between or among the documents forming this Contract it shall promptly provide Notice to Agencies, including the item it considers should apply based on the applicable rules in Section 1.2. If (a) the conflict, ambiguity, inconsistency or Error cannot be reconciled by applying the applicable rules or (b) the Parties disagree about (i) which rule applies and/or (ii) the results of the application of such applicable rule(s), then Agencies will determine, in their good faith discretion, which of the conflicting items is to apply and provide Notice to TSP before TSP proceeds with the applicable aspect of the Toll Services.

1.3 Reference Documents

1.3.1 Subject to TSP's express rights under Section 20 or as set out in Section 1.2.3, TSP acknowledges and agrees that:

(a) The Reference Documents are not mandatory or binding on TSP and are provided without any representation or warranty by, or recourse to, Agencies;

(b) TSP may not rely on the Reference Documents as presenting a feasible, complete, accurate, viable or desirable technical, design, engineering, construction, system, deployment, integration, operations or maintenance solution, means or methods for complying with this Contract;

(c) Agencies are not liable for any Claim or Loss suffered by any TSP-Related Entity in connection with any information contained in the Reference Documents;

(d) To the extent TSP or anyone on TSP's behalf uses Reference Documents, any use is made on the basis that TSP, not Agencies, has approved and is liable for the Reference Documents;

(e) TSP is capable of conducting and obligated under this Contract to conduct any and all studies, analyses and investigations as it deems advisable to verify or supplement the Reference Documents; and

(f) Use of Reference Documents is entirely at TSP's own risk and at its own discretion.

1.4 No Liability Arising From Agencies' Actions

1.4.1 TSP acknowledges and agrees that Agencies'' rights under this Contract to review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act of Agencies in connection with any Deliverable or the Toll Services exist solely for the benefit and protection of Agencies or the Department (as applicable).

1.4.2 Agencies owe no obligation or duty of care to TSP to:

(a) Review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act or omission of Agencies in connection with any Deliverable or the Toll Services; or

(b) Inspect or review the Work for Nonconformances.

1.4.3 Failure of Agencies to review, comment on, approve, disapprove, monitor, inspect, test, accept or carry out any other act or omission of Agencies in connection with any Deliverable submitted by TSP or the Toll Services or inspect or review the Work for Nonconformances shall not:

(a) Relieve TSP from, or alter or affect, its liabilities, obligations or responsibilities under this Contract or otherwise at law;

(b) Prejudice Agencies' rights against TSP under this Contract or Governmental Rules;

(c) Be deemed or construed as any kind of representation or warranty, express or implied, by Agencies or be relied upon by TSP in determining whether TSP has satisfied the requirements of this Contract; or

(d) Be asserted against Agencies by TSP as a defense, legal or equitable, to TSP's obligation to satisfy the requirements of this Contract.

1.4.4 Notwithstanding the provisions of Section 1.4.1 through Section 1.4.3, (a) TSP may rely on specific written directions Agencies give under this Contract, (b) neither Agency is relieved from any liability in connection with a material misrepresentation under any written statement that Agency C knowingly and intentionally delivers, and (c) Agencies are not relieved from their obligations under this Contract.

1.5 Interpretation of Contract

1.5.1 Unless the context otherwise requires, in this Contract:

(a) Words in the singular include the plural and vice versa;

(b) A reference to a Section is a reference to the Section in the body of the Contract, Exhibit, Schedule or Attachment in which the reference appears;

(c) Words denoting any gender include all genders;

(d) The terms "hereby," "hereof," "herein," and any similar terms refer to this Contract;

(e) References to days are references to calendar days, except that if the date to perform falls on a non-Business Day, such act or notice may be performed on the next Business Day. Notwithstanding the foregoing, requirements in this Contract relating to actions to be taken in the event of an emergency and other requirements for which it is clear that performance is intended to occur on a non-Business Day, shall be required to be performed as specified, even though the date in question may fall on a non-Business Day;

(f) A reference to time is a reference to Pacific Time;

(g) The words "include", "includes" and including" will be read as if followed by the words "without limitation";

(h) The meaning of "or" will be that of the inclusive "or", that is meaning one, some, or all of a number of possibilities;

(i) A reference to any legislation (including any orders, regulations, by-laws, ordinances, orders, codes of practice or instruments made under the relevant legislation) or a provision within it includes any legislation or provision which amends, extends, consolidates or replaces such legislation or provision;

(j) References to Codes are to the codified laws of the State;

(k) A reference to any Governmental Entity includes a reference to any successor to such Governmental Entity or any organization or entity or organizations or entities which has or have taken over the functions or responsibilities of such Governmental Entity;

(l) A reference to any party or Person includes each of their legal representatives, trustees, executors, administrators, successors and permitted substitutes and assigns, including any person taking part by way of novation;

(m) A reference to a right includes any benefit, remedy, discretion, authority or power;

(n) A reference to an agreement, document, standard, principle or other instrument includes a reference to that agreement, document, standard, principle or instrument as amended, supplemented, substituted, novated or assigned;

(o) A reference to "$" is to United States Dollars;

(p) On plans, working drawings, and standard plans, calculated dimensions take precedence over scaled dimensions;

(q) The use of the word "remedy" or any form of it in this Contract means that the event to be remedied must be cured or its effects overcome;

(r) No rule of construction applies to the disadvantage of a party on the basis that the Party put forward or drafted this Contract or any part;

(s) Except as set forth in Section 1.7 or as otherwise expressly provided in this Contract, the term may, when used in the context of a power or right exercisable by RCTC, RCTC's Representative, OCTA or OCTA's Representative means that, as applicable, RCTC, RCTC's Representative, OCTA or OCTA's Representative can exercise that right or power in its sole and unfettered discretion and, as applicable, RCTC, RCTC's Representative, OCTA or OCTA's Representative has no obligation to TSP to do so;

(t) When a provision of this Contract relates to the 15 Express Lanes roadside system only, or to the D&D work for the 15 Express Lanes Southern Extension Project, if such work is awarded to TSP, reference in this Contract to "Agencies" or "Agency" shall be interpreted to refer to RCTC.

(u) When a provision of this Contract relates only to a separate OCTA or RCTC scope of work that may be included under this Contract, or any future amendments to this Contract,

reference in this Contract to “Agencies” or “Agency” shall be interpreted to refer to the applicable Agency.

(v) Except as set forth above: (i) when this Contract uses the term "Agencies", it refers to OCTA and RCTC, collectively, unless the context clearly indicates that it is referring to either the OCTA or RCTC, individually; and (ii) when this Contract uses the term "Agency", it refers to either OCTA or RCTC, unless the context clearly indicates that it refers to both Agencies.

(w) If this Contract requires calculation of an amount payable to a Party, there must be no double counting in calculating that amount; and

(x) RCTC’s interim or final answers to the questions posed during the Proposal process for the Original Contract do not form part of this Contract and shall not be relevant in interpreting this Contract except to the extent that RCTC believes that the Contract is ambiguous, in which case the interim or final answers may be used to clarify provisions otherwise considered ambiguous.

1.6 Referenced Standards and Specifications

1.6.1 Except as otherwise specified in this Contract or directed by Agencies, material and workmanship specified by the number, symbol or title of any standard established by reference to a described publication affecting any portion of the Toll Services shall comply with the latest edition or revision and amendments and supplements in effect on the Setting Date.

1.6.2 Where a change occurs to a Referenced Standard after the Setting Date, TSP shall give Notice to Agencies of such change within 20 Business Days of the change.

1.6.3 If, after such Notice, Agencies direct TSP to comply with the changed Referenced Standard (rather than with the Referenced Standard applicable at the Setting Date), then TSP shall comply with the Referenced Standard as changed. To the extent such compliance directly and materially impacts the Toll Services and would not have otherwise been taken into account by compliance with Good Industry Practice, TSP shall be entitled to a Change Order, subject to Section 19 and Section 20.

1.6.4 If Agencies direct TSP not to comply with the changed Referenced Standard (which direction may only be given where TSP is not otherwise legally obliged to comply with the changed Referenced Standard), then TSP shall continue to comply with the Referenced Standard applicable at the Setting Date.

1.6.5 Sections 1.6.2 through 1.6.4 shall not apply to Changes in Law.

1.6.6 In interpreting Referenced Standards, the following apply:

(a) References to the project owner shall mean RCTC as relates to the I-15 Express Lanes and the 91 Express Lanes in Riverside County, and OCTA as relates to the 91 Express Lanes in Orange County;

DRAFT

(b) References to an "engineer" or "Engineer" in which the engineer or Engineer determines compliance with the Referenced Standard(s) may mean TSP's D&D Quality Manager or O&M Quality Manager (as applicable) or similar representative or it may mean an Agency or Department representative, depending on the context, as determined by Agencies in their good faith discretion; and

(c) References to "plan(s)" shall mean all relevant parts of the Plans that TSP is required to deliver in accordance with TP Section 3 or otherwise in accordance in this Contract.

1.7 Standard for Approvals

If Agencies, or either of them, or TSP is required to provide an approval, consent or other determination under this Contract, such approvals, consents or determinations shall not be withheld unreasonably except in cases where a different standard (such as sole discretion) is specified. In cases where sole discretion is specified, the decision shall not be subject to dispute resolution under this Contract.

1.8 Federal Requirements

The D&D portion of the Toll Services for the I-15 Express Lanes were subject to federal statutes, rules and regulations applicable to work financed with federal funds. The O&M Work and the Refresh Work are not subject to federal funding requirements. In the event of any conflict, ambiguity or inconsistency between any applicable federal requirements and this Contract, if the federal funding requirements apply, the federal requirements shall prevail to the extent of the conflict, ambiguity or inconsistency.

SECTION 2 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 TSP Representations, Warranties and Covenants

TSP represents, warrants and covenants that:

2.1.1 TSP and its Subcontractor(s) have, and throughout the Term shall maintain, all required professional ability, skills and capacity to perform the Toll Services in accordance with this Contract;

2.1.2 TSP will perform the Toll Services in accordance with this Contract;

2.1.3 TSP has evaluated the procedures under this Contract with respect to determining the Contract Price, Completion Deadlines, KPIs and Liquidated Damages and reasonably believes that (a) TSP can complete the D&D Work and the CSC Commencement Period Toll Services for the Total Capital Cost, (b) TSP can complete the O&M Work for the Total O&M Cost plus Pass Through Cost Items, (c) TSP can achieve the Completion Milestones by the applicable Completion Deadline(s) including furnishing such employees, materials, facilities and equipment and working such hours, extra shifts, overtime operations, Sundays and holidays as are permitted by this Contract and which may be necessary to achieve such goal, and (d) the Liquidated Damages provided for in this Contract are reasonable and do not constitute a penalty.

2.1.4 TSP has, in accordance with Good Industry Practice and prior to establishing the Contract Price, (i) reviewed any Toll Services-related information provided by Agencies, (ii) taken

appropriate steps to verify any such Toll Services-related information provided by Agencies, and (iii) familiarized itself with the Site and surrounding locations, including undertaking a Reasonable Investigation to the extent TSP deems necessary or advisable for performing its obligations under this Contract;

2.1.5 TSP has evaluated the Planned ROW Limits and other constraints affecting performance of the Toll Services and has reasonable grounds to believe and does believe that the TCS can be designed and deployed within such constraints;

2.1.6 The TCS Documentation and As-Built Technical Drawings accurately depict all governing and adjoining dimensions for the I-15 Express Lanes Project;

2.1.7 TSP will familiarize itself with all applicable Governmental Rules and the conditions of any relevant Governmental Approvals applicable to the Toll Services and has no reason to believe that any Governmental Approval required to be obtained by TSP will not be granted in due course and, thereafter, remain in effect so as to enable the Toll Services to proceed in accordance with this Contract;

2.1.8 TSP has knowledge of and experience with the Governmental Rule, industry standards and business practices in the State that must or should be followed in performing the Toll Services and in the Business Rules, and shall perform the Toll Services in accordance with such standards and practices;

2.1.9 All information it or its agents provides in connection with Section 29.2 is complete and accurate;

2.1.10 With respect to Intellectual Property:

(a) Except as provided in Sections 29.7, 29.8 and 29.9 with respect to certain identified Pre-Existing Software, Commercial Off-the-Shelf Software and Third Party Software licensed to Agencies, or either of them, TSP and its Subcontractors are and will be the sole author of all works employed by TSP in preparing any and all Software;

(b) TSP has and will have sufficient right to assign or grant the rights and/or licenses granted in the Intellectual Property in accordance with this Contract and acknowledges that all Intellectual Property that is used or developed in whole or in part for performance of the Toll Services shall be covered by the ownership and licensing requirements of Sections 29.7, 29.8 and 29.9;

(c) All Software, except any Pre-Existing Software and Commercial Off-the-Shelf Software, has not been and will not be used or published by or through any TSP-Related Entity under circumstances which have caused or will cause a loss of copyright, patent rights, trademark or other intellectual property right; and

(d) All Intellectual Property, including all Pre-Existing Software, does not and will not infringe any patents, copyrights, trademarks or other intellectual property rights (including trade secrets), privacy or similar rights of any third party, nor is or has any Claim (whether or not embodied in an action, past or present) of such infringement pending, been asserted or, to the

best of TSP's knowledge, been threatened against TSP (or, insofar as TSP is aware, any entity from which TSP has obtained such rights);

2.1.11 TSP is a corporation duly organized and validly existing under the laws of the State of Michigan, with all requisite power to own its properties and assets and carry on its business as now conducted or proposed to be conducted;

2.1.12 TSP is composed of Kapsch TrafficCom Transportation NA, Inc. TSP and each member of TSP are duly qualified to do business, and are in good standing, in the State, and will remain in good standing throughout the Term and for as long thereafter as any obligations remain outstanding under this Contract.

2.1.13 As of the Effective Date, TSP has full power, right and authority to execute, deliver and perform this Contract to which TSP is (or will be) a party and to perform each and all of the obligations of TSP provided for under this Contract;

2.1.14 Each person executing this Contract on behalf of TSP has been (or at the time of execution will be) duly authorized to execute and deliver each document to be executed on behalf of TSP; and this Contract and each document to which TSP is (or will be) a party have been (or will be) duly executed and delivered by TSP;

2.1.15 All required Governmental Approvals have been obtained with respect to the execution, delivery and performance of the Toll Services;

2.1.16 Performance of the Toll Services will not result in a breach of or a default under TSP's articles of incorporation, bylaws, or any indenture or loan or credit agreement or other material agreement, instrument, judgment or decree to which TSP is a party or by which its properties and assets may be bound or affected;

2.1.17 The award of this Contract by Agencies to TSP was based, in material part, on the qualifications and experience of the TSP personnel identified in Exhibit 2 and TSP's commitment that such individuals would be available to undertake and perform the Work and that and that all Key Personnel are available for and will fulfill the roles identified for them in connection with the Toll Services;

2.1.18 This Contract constitutes the legal, valid and binding obligation of TSP, enforceable against TSP in accordance with its terms;

2.1.19 There is no action, suit, proceeding, investigation or litigation pending and served on TSP which challenges: (i) TSP's authority to execute, deliver or perform, or the validity or enforceability of this Contract; (ii) TSP's assets, properties, or operations as they relate to the Toll Services; or (iii) the authority of TSP's official executing this Contract; and TSP has disclosed to Agencies any pending and un-served or threatened action, suit, proceeding, investigation or litigation with respect to such matters which TSP is aware of or should be aware of after reasonable inquiry and investigation;

2.1.20 Neither the execution and delivery by TSP of this Contract, nor the consummation of the transactions contemplated by this Contract, is (or at the time of execution will be) in conflict with

or has resulted or will result in a default under any agreement, judgment or decree to which TSP is a party or is bound;

2.1.21 The execution and delivery by TSP of this Contract, and the performance by TSP of its obligations under this Contract, will not conflict with any Governmental Rules applicable to TSP that are valid and in effect on the date of execution and delivery;

2.1.22 TSP is not in breach of any applicable Governmental Rule that would have a material adverse effect on the performance of any of its obligations under this Contract;

2.1.23 No consent of any party and no Governmental Approval is required to be made in connection with the execution, delivery and performance of this Contract, which has not already been obtained;

2.1.24 TSP acknowledges that tax-exempt bonds have been issued to finance a portion of the costs of the Toll Services and that Agencies have covenanted not to take or cause to be taken, or to omit to take or to cause not to be taken, any action the performance or omission of which would cause the interest on such bonds to be includable in gross income for federal income tax purposes;

2.1.25 TSP has not, in the past three (3) years, been convicted of or had a civil judgment rendered against it for (a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (e.g. federal, state or local) transaction or public contract; (b) violation of federal or state antitrust statutes or (c) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

2.1.26 TSP is not presently indicted for or otherwise criminally or civilly charged by a Governmental Entity with commission of any of the offenses enumerated in Section 2.1.25;

2.1.27 TSP has not, in the past three (3) years, had one or more public transactions (federal, state or local) terminated for cause or default;

2.1.28 TSP has not received any communication or notice (written or oral), whether from a governmental authority, employee, citizens group, or any other Person, that alleges that TSP is not in full compliance with all Governmental Rules and Governmental Approvals in connection with the Toll Services and, to the knowledge of DB Contractor, there are no circumstances that may prevent or interfere with full compliance in the future; and

2.1.29 TSP (i) is not in violation of (A) any applicable United States anti-money laundering laws, including those contained in the United States Bank Secrecy Act and the regulations promulgated thereunder; (B) any applicable economic sanction laws administered by Office of Foreign Assets Control of the United States Department of the Treasury (OFAC) or by the United States Department of State; or (C) any applicable United States anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; and (ii) is not a Person (1A) that is charged with, or has reason to believe that he, she or it is under investigation for, any violation of any such laws; (2B) that has been convicted of any violation of, has been subject to civil penalties pursuant to, or had any of its property seized or forfeited under any such laws; (3C) that is named on the list of "Special Designated Nationals or Blocked Persons" maintained by OFAC (or any successor

United States government office or list), or any similar list maintained by the United States Department of State (or any successor United States government office or list); (4D) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by the TIFIA loan agreement and the other related documents under any other applicable Governmental Rule; (5E) that is owned, controlled by, or affiliated with any Person identified in clause (1A), (2B), (3C) or (4D) of this clause (ii); or (6F) that is in violation of any obligation to maintain appropriate internal controls as required by the Governmental Rules of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, laundering and anti-corruption laws of the United States and the jurisdiction where the Person resides, is domiciled or has its principal place of business.

2.2 Agency Representations, Warranties and Covenants

Each Agency represents, warrants and covenants, on its own behalf, that:

2.2.1 As of the Effective Date, Agency has full power, right and authority to execute, deliver and perform this Contract to which Agency is (or will be) a Party and to perform all of Agency's respective obligations under this Contract; and

2.2.2 Each person executing this Contract on behalf of each respective Agency has been (or at the time of execution will be) duly authorized to execute and deliver this Contract on behalf of that Agency; and

2.2.3 This Contract to which Agencies are (or will be) a Party have been (or will be) duly executed and delivered by each respective Agency. .

SECTION 3 TERM

3.1 Term of this Contract

Term of Contract. The term of this Contract amongst Agencies and TSP shall commence on the Effective Date of this Contract, and shall continue in effect through April 31, 2041.

3.2 General Provisions Applicable to Contract Term. :

(a) The End of Contract Transition Plan shall apply to the end of the Contract term specified in Section 3.1.

(b) The compensation payable to TSP by Agencies will be determined annually for each year (or partial year) by escalating the then-current monthly fixed and variable components of the O&M compensation specified in Exhibit 26 for the current year by an amount equal to the lesser of three percent (3%) through 2031, and five percent (5%) from 2031-2041. or the increase in the Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers for Riverside-San Bernardino-Ontario County (All Items) for the then most recent full calendar year (January – December) rounded to the nearest whole cent (the Escalation Factor).

3.3 Option to Require Software Maintenance After Termination

3.3.1 Agencies may exercise the Software Maintenance Option, to require TSP to carry out the Software Maintenance for all, or any one or combination, of the CSC Software, the TMS Software and the ETC Software, on the terms and conditions set out in this Contract for the Software Maintenance Option Period.

3.3.2 Agencies may exercise the Software Maintenance Option by delivery of Notice to TSP up to 15 Business Days after the Expiry Date which Notice shall identify the proposed term for the Software Maintenance Option, not to exceed 5 years.

3.3.3 Except for the changes described in this Section 3.3 and as described in Section 16.1.7, if Agencies exercise the Software Maintenance Option, TSP shall continue to maintain the Software as required under the Contract and shall comply with all other applicable provisions of the Contract and TSP is not otherwise entitled to a Change Order or Directive Letter in relation to the exercise by RCTC or the Software Maintenance Option.

3.3.4 If Agencies exercise the Software Maintenance Option, the Parties shall in good faith attempt to agree upon the price for such services by reference to the itemized cost for elements of Work required for the relevant Software maintenance in the Price Sheets. If the Parties cannot agree, price shall be determined in accordance with the methodology for pricing Change Orders in Section 20 provided that during the pendency of such dispute, TSP shall perform the O&M Work necessary to maintain the Software.

3.3.5 If Agencies exercise the Software Maintenance Option, the provisions of this Section 3.3.4 and all provisions applicable to such Software shall survive termination of this Contract.

SECTION 4 GENERAL PROVISIONS APPLYING TO THE TOLL SERVICES

4.1 General Obligations for Toll Services

4.1.1 TSP shall perform the D&D Work and the CSC Commencement Services:

(a) In accordance with:

(i) The applicable Plans listed in TP Section 3;

(ii) The TCS Infrastructure Baseline Requirements in set forth in TP Section 19.7;

(iii) All applicable Governmental Rules (including Environmental Laws, the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), including any amendments, and the federal requirements in Exhibit 5), Governmental Approvals and Toll Services Standards;

(iv) Supplier warranties in the case of Equipment;

(v) Good Industry Practice;

(vi) All other requirements of this Contract; and

(b) So that it is free of Deviations that do not constitute RCTC approved Deviations.

4.1.2 Refresh Work

(a) TSP shall perform the Refresh Work in accordance with:

1. Exhibit 24, Refresh Scope of Work;

2. All provisions of the Contract related to D&D work, except as set forth in Exhibit 24, Refresh Scope of Work

(b) OCTA shall have input into the refresh of the CSC Host services, only, as specified in the Refresh scope of Work.

(c) RCTC shall be responsible for all costs for Refresh Work.

4.1.3 TSP shall ensure all Equipment used in the Toll Services shall be new when installed (unless TSP obtains Agencies' prior written approval of an alternative), complies with this Contract, is of good quality, free of Nonconformances and suitable for their purposes, objectives, functions, uses and requirements set out in or reasonably inferred from this Contract.

4.1.4 TSP shall, at all times from and after Revenue Service Commencement Date, ensure that the TCS, the Toll Services and the Work performed by TSP with respect to the ROC:

(a) Satisfy each of the purposes, objectives, functions, uses and requirements set out in or reasonably inferred from the Contract;

(b) Are capable of enabling TSP to perform the O&M Work in accordance with the Technical Provisions;

(c) Are free of Deviations that do not constitute Agencies' approved Deviations;

(d) Are in accordance with all applicable Governmental Rules (including Environmental Laws, the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), including any amendments, and the federal requirements in Exhibit 5) and Toll Services Standards; and

(e) Are in accordance with all other requirements of this Contract.

4.1.5 TSP shall timely submit all Deliverables required in accordance with TP Section 3, and all such Deliverables shall be accurate and complete as required under this Contract.

4.1.6 Except as otherwise expressly provided in this Contract, TSP:

(a) Accepts all risks in connection with delivering the Toll Services in accordance with this Contract; and

(b) Is not entitled to make any Claim against Agencies for any Losses in connection with the Toll Services or this Contract except as expressly provided in Section 20.

4.1.7 Whenever performance of the Toll Services creates a condition hazardous to the public, TSP shall furnish, erect and maintain such temporary railings, barricades, lights, signs, and other devices and take such other protective measures as are necessary to prevent accidents, damage or injury to the public, in accordance with applicable Toll Services Standards, and TSP's Health and Safety Plan, Transportation Management Plan, Roadside Safety Plan and Office Safety Plan, as applicable.

4.2 Coordination and Cooperation.

TSP acknowledges that:

4.2.1 Other Agencies Contractors may be working at or otherwise present on the Site during the performance of the Toll Services (Other Agencies Contractor Work);

4.2.2 The Other Agencies Contractor Work may interfere with TSP's use of certain facilities on or near the Site;

4.2.3 TSP shall cooperate with Agencies and Other Agencies Contractors in the performance of the Other Agencies Contractor Work as set out in TP Section 2.12;

4.2.4 TSP shall review and coordinate its activities under this Contract with the work schedules of Other Agencies Contractors performing the Other Agencies Contractor Work.

4.2.5 TSP shall perform the Toll Services so as not to:

(a) Enter upon, disturb or use any property of any person except with the express permission of, and in compliance with all requirements of, the owner of such property;

(b) Damage, close or obstruct any Utility installation, highway, road or other property unless and until all applicable Governmental Approvals have been obtained; or

(c) Disrupt or otherwise interfere with the operation of any telephone line, electric transmission line, improvement or structure unless otherwise specifically authorized by this Contract, applicable Governmental Rule or any Governmental Approval.

4.2.6 TSP shall cooperate and coordinate with Agencies and Agencies Parties with respect to the ongoing operation, maintenance, renewal and replacement of the I-15 Express Lanes Project and the 91-Express Lanes Project, as applicable, ,and other obligations under this Contract.

4.2.7 TSP shall cooperate with Agencies, Other Agencies Contractor's, Agencies 's consultants, and Governmental Entities with jurisdiction over the Toll Services in performing oversight and conducting inspections during the design development, installation, integration, deployment and testing, of the TCS and any other matters relating to the Toll Services. As part of this effort, TSP shall review and provide detailed and timely input on DB Contractor's Ready for Construction Plans.

4.2.8 If Agencies, Department, Local Agencies, or Utility Owners award or perform other, separate contracts or projects that affect the Work, TSP shall perform the Toll Services without interfering with or hindering the progress or completion of the work performed under such contracts or as part of such projects.

SECTION 5 ACCESS TO SITE; UTILITIES; ENVIRONMENTAL COMPLIANCE, GOVERNMENTAL APPROVALS AND EMERGENCIES

5.1 Access to Site prior to each Package Turnover

5.1.1 Access for D&D Work

(a) Where TSP requires access to any part of the Site, prior to any Package Turnover Deadline, TSP shall:

(i) Provide DB Contractor and RCTC with at least 72 hours prior written Notice of TSP's need to access the Site, and coordinate and cooperate with DB Contractor so as not to interfere with or adversely impact performance of the DB Work;

(ii) Obtain an encroachment permit rider providing TSP with access to the Site and comply with the requirements of such permit rider;

(iii) Comply with TSP's safety and security procedures;

(iv) Comply with DB Contractor's safety and security procedures and request DB Contractor's directions as to access to and occupancy of such areas; and

(v) Leave the Site in the same or better condition than exists at the time of accessing such area.

(b) Access to any part of the I-15 Corridor in connection with Package Turnover is addressed in Sections 8.8 and 8.9 and TP Section 4.6.4.

5.1.2 ROC Turnover

(a) RCTC shall provide TSP with access to the ROC at least 365 days prior to the Revenue Service Commencement Deadline indicated on the Baseline Schedule approved by RCTC following NTP2 in accordance with TP Section 2.6.4.2.

(b) RCTC shall give TSP at least 10 Business Days' prior Notice of the date on which RCTC's ROC Responsibilities will be achieved.

(c) RCTC shall give TSP further Notice when RCTC's ROC Responsibilities have been achieved.

(d) Upon delivery of RCTC's Notice under Section 5.1.2(b), TSP shall be entitled to up to 10 Business Days to conduct a walk-through inspection of the ROC as a result of which TSP shall identify any Punch List items remaining to be completed prior to delivery of the ROC to TSP.

(e) TSP shall provide Notice to RCTC certifying that RCTC's ROC Responsibilities have been achieved, with the exception of any Punch List Items remaining.

DRAFT

(f) TSP shall assume full responsibility for performing the Toll Services required at the ROC in accordance with this Contract, and for maintenance of the ROC as provided in TP Section 10.5 upon delivery of Notice under Section 5.1.2(f).

(g) If the Site is subject to a lease, RCTC shall provide TSP with a copy of such lease promptly after execution and TSP shall comply with all terms and provisions of such lease, except that RCTC shall pay the rent required under such lease directly to the lessor.

5.1.3 Access for O&M Work

(a) When performing O&M Work, TSP shall provide MOT and follow the requirements set forth in TP Section 16, including obtaining any encroachment permits required for such access and in the approved Maintenance Plan.

5.1.4 Risk of Obtaining Access to Additional Land.

(a) TSP is solely responsible for obtaining access to and from any areas outside of the Site to which access is required to perform the Toll Services. Agencies have no obligations or responsibilities with respect to the acquisition, maintenance or disposition of such property rights or interests, including the use of Agencies'' power of eminent domain.

(b) TSP shall comply with all applicable Governmental Rules in acquiring and maintaining or disposing of any such property rights or interests. TSP shall cause the documentation of any such property rights or interest to contain the grantor's express acknowledgment that Agencies have no liability with respect to such acquisition, maintenance or disposition.

5.1.5 No Exclusive Access

Except to the extent required in an Individual Test Plan approved by Agencies, Agencies are not required to provide TSP exclusive access to the Site and TSP shall allow Agencies, Other Agencies Contractors and Agencies Parties access to the Site.

5.2 Utilities

5.2.1 TSP shall review and verify the location of all Utilities shown on any Utility Strip Map provided by RCTC.

5.2.2 RCTC shall procure all Utilities required to perform the D&D Work as described in TP Section 2.12.1. RCTC shall bear the Cost of all Utilities incurred in order to perform such Work.

5.2.3 TSP shall work with RCTC, DB Contractor and any Contractors engaged by RCTC in connection with the ROC to ensure that all necessary Utilities enter the ROW at the junction box as described in TP Section 2.12.1.

5.2.4 Provided that RCTC has complied with its obligation to provide the electric services described as RCTC's responsibility in TP Section 2.12.1, TSP shall arrange for all Utility installations, hook-ups and service extensions that are required to perform the O&M Work, and

for coordination with Utility owners in accordance with the Demarcation Matrix and otherwise perform its obligations with respect to Utilities in the Contract.

5.2.5 Without limiting Section 19.1, TSP shall use its best efforts to minimize costs for which TSP is entitled to compensation relating to Utilities, including avoidance of an unidentified Utility where feasible rather than its removal and/or reinstallation in a new location.

5.2.6 Utilities required to operate the ETC and TMS System on the roadside will be in RCTC's name and paid directly by RCTC.

5.2.7 RCTC shall be responsible for payment of items contained in the commercial lease agreement for the ROC and for the toll-free and local CSC customer phone lines, and electricity, water, gas, and sewer accounts established in RCTC's name to serve the ROC, as set out in TP Sections 8.2.2 and 10.4.

5.2.8 TSP shall be responsible for obtaining and paying the cost of any other utility services that TSP may require for performance of the O&M Work.

5.2.9 OCTA shall be responsible for payment of items contained in the commercial lease agreement for the Anaheim Facility and for electricity, water, gas, and sewer accounts established in OCTA's name to serve the Anaheim Facilit

5.3 Hazardous Materials Management

5.3.1 Procedures for Hazardous Materials Management

(a) Except for Hazardous Materials Management undertaken by Department under Section 5.3.6, TSP shall manage, treat, handle, store, remediate, remove, transport (where applicable), document and dispose of all Hazardous Materials, including Contaminated Groundwater required under this Contract, in accordance with Governmental Rules, Governmental Approvals, TP and this Contract.

(b) If, in performing the Toll Services, TSP encounters material quantities of Hazardous Materials in connection with the Site or the Toll Services, TSP shall immediately:

(i) Notify Agencies by telephone or in person, to be followed immediately by Notice, with a copy of the Notice provided directly to Department; and

(ii) Except where TSP is required to take immediate action under this Contract or applicable Governmental Rules, stop Work in and secure the area.

(c) TSP's Notice under Section 5.3.1(a) shall:

(i) Specify the nature of the discovery, including, if possible, whether the potential Hazardous Material is HM-1 or HM-2;

(ii) Specify whether the Hazardous Material is located within Existing Department ROW; and

(iii) Advise Agencies of any obligation to notify any Governmental Entities under applicable Governmental Rules and Governmental Approvals.

(d) Except where TSP is required to take immediate action under this Contract or applicable Governmental Rules, TSP shall provide Agencies and Department with three (3) Business Days after Agencies receive Notice to inspect the area and consult with TSP about the recommended approach before any other action is taken that would inhibit Agencies' or Department's ability to ascertain the nature and extent of the discovery.

5.3.2 Agencies Response

(a) Upon receipt of Notice under Section 5.3.1(b) Agencies will:

(i) View the location and conduct such further investigation as Agencies, or either of them, deems appropriate; and

(ii) Use reasonable efforts to provide Notice to TSP within three (3) Business Days of receiving Notice under Section 5.3.1(b), as to whether Work should be resumed, whether further investigation is required, whether additional action is required to be undertaken by the TSP, or whether in Agencies' opinion the situation falls within the scope of Section 5.3.6.

(iii) If Hazardous Materials or Contaminated Groundwater is involved, Agencies' Notice under Section 5.3.1(b) shall describe the type of remediation measures, if any, that TSP is to undertake with respect to such Hazardous Materials or Contaminated Groundwater.

5.3.3 Notification to Agencies

(i) If any Governmental Approval or this Contract specifies a procedure to be followed that differs from the procedure in this Contract, TSP shall follow the procedure set forth in the Governmental Approval or this Contract in lieu of the procedure in this Section 5.3.

(ii) Agencies may require TSP to recommence Work in the area at any time, even though an investigation may still be ongoing. TSP shall promptly recommence Work in the area upon Notice from Agencies to do so. Upon recommencing Work, TSP shall follow all applicable procedures contained in this Contract and all other Governmental Rules with respect to such Work, consistent with Agencies' determination or preliminary determination regarding the nature of the material or condition and the basis upon which TSP may recommence Work.

5.3.4 TSP Action

(i) TSP shall take reasonable steps, including design modifications, installation and integration and O&M Work techniques, to avoid excavation or dewatering in areas with Hazardous Materials

(b) Where excavation or dewatering is unavoidable, TSP shall use appropriately trained personnel and shall select the most cost-effective approach to Hazardous Materials Management, unless otherwise directed by Agencies or Department. Wherever feasible and consistent with applicable Governmental Rules, contaminated soil and groundwater shall not be disposed off-site. All Hazardous Materials shall be managed in accordance with applicable

Governmental Rules, Governmental Approvals, the approved Plans required to be provided under TP Section 3, the Health and Safety Plan, Roadside Safety Plan, Office Safety Plan, the Installation Plan, and the Emergency Action Plan.

(c) For purposes of this Section 5.3, the term "material quantities" means quantities that trigger any reporting, investigation or remediation requirements under any Environmental Law.

(d) Each Subcontractor performing environmental remediation work shall have all necessary licenses including a Hazardous Substance Removal Certification from the State of California Contractors State License Board.

5.3.5 Hazardous Materials Generator

5.3.5.1 Subject to Sections 5.3.5.2 and 5.3.5.3, as between TSP and Agencies, and except as otherwise specified herein, RCTC shall be considered the generator of Hazardous Materials on the ROW in Riverside County and OCTA shall be considered the generator of Hazardous Materials on the ROW in Orange County as of the Effective Date.

5.3.5.2 Section 5.3.5.1 does not preclude or limit any rights that Agencies may have against third parties and/or prior owners, lessees, licensees and occupants of the ROW.

5.3.5.3 TSP shall be considered the generator of any Hazardous Materials on the ROW and shall be responsible for all Hazardous Materials Management Costs as a result of a TSP Release of Hazardous Materials.

5.3.6 HM-1 in Existing Department ROW

5.3.6.1 Pursuant to the terms of the Department Cooperative Agreement, to the extent such agreement is applicable, Department is responsible for Hazardous Materials Management of HM-1 discovered within the Existing Department ROW excluding any costs of testing to determine or such material is HM-1 which shall be borne by the TSP under this Contract. If HM-1 is discovered within the Existing Department ROW, Department may either (i) undertake the Hazardous Materials Management with Department forces or contractors or (ii) delegate the Hazardous Materials Management investigation work to Agencies.

5.3.6.2 Upon receipt of the Notice under Section 5.3.1(b), Department or its representative has three (3) Business Days to investigate and commence Hazardous Materials Management of any HM-1 located within the Existing Department ROW. Upon commencement of the applicable Hazardous Materials Management, Department has an additional seven (7) days to complete such Hazardous Materials Management.

5.3.6.3 During the period of Department's investigation and Hazardous Materials Management of any HM-1 discovered within the Existing Department ROW, TSP shall fully cooperate with Agencies to work around and re-sequence and redeploy around the area, including rescheduling Work so as to avoid any delay to the overall Toll Services.

5.4 Approvals and Government Entities

5.4.1 Agencies-Provided Approvals

Agencies will obtain and maintain all Agencies-Provided Approvals.

5.4.2 TSP Governmental Approval Obligations

TSP shall:

(a) Obtain and maintain all Governmental Approvals (excluding the Agencies-Provided Approvals), including all Governmental Approvals relating to Hazardous Materials Management as required under this Contract, including federal and State surface water and groundwater discharge permits and permits for recycling or reuse of Hazardous Materials required for performance of the Toll Services;

(b) Comply with all conditions imposed by all Governmental Approvals, including all environmental requirements, mitigation measures and conditions relating to the Toll Services; and

(c) Undertake all actions required by and all actions necessary to maintain in full force and effect all Governmental Approvals.

5.5 Assistance with Governmental Entities and Administrative Hearings and Lawsuits

5.5.1.1 TSP shall provide any assistance reasonably requested by Agencies: (a) to deal with Governmental Entities, (b) to prosecute and defend lawsuits, administrative hearings and other official proceedings, and (c) in any and all matters in connection with the Toll Services. In providing assistance, TSP shall provide TSP's staff and consultants to provide testimony and act as witnesses in such lawsuits and proceedings, provide information, reports, graphs, photos, plans, renderings, data, images and reports regarding the Toll Services, execute declarations and attend meetings and hearings. Agencies shall remit to TSP any amounts collected on TSP's behalf as a result of any such action or proceeding.

5.5.1.2 TSP shall contract with administrative hearing officer(s) and conduct administrative hearings, as a pass through cost, refer unpaid debt to collection agency services and flag vehicle registrations for non-renewal at the California DMV as described in TP Sections 6.9, 6.10, 8.6 and 8.7 and otherwise undertake collection and enforcement activities contemplated under applicable Governmental Rule and this Contract.

5.5.1.3 Except as expressly stated otherwise, this Section 5.5 is not intended to require TSP to provide legal services for the benefit of Agencies, except as required to escalate Violations and any assistance provided by Agencies shall not relieve TSP of its responsibility to comply with its obligations under this Contract.

5.6 Emergencies

5.6.1 If an Emergency arises, TSP shall:

(a) Immediately provide Notice to Agencies and implement the protocol for Emergencies in the Standard Operating Procedures;

(b) Subject to Section 5.6.1(c) and 5.6.1(d), act to prevent damage, injury or loss to persons, property or the TCS;

(c) Act in accordance with the applicable State emergency management plans and procedures as identified in the Reference Documents, or provided to or known to TSP for dealing with Emergencies at the 91 Express Lanes and I-15 Express Lanes Project;

(d) Comply with any Agencies direction with respect to the Emergency; and

(e) Permit Agencies or their respective nominees to remedy the Emergency in which case the Costs of remedy that relate to the Toll Services, shall, without limiting Agencies'' rights under Section 18.12, be due and payable from TSP to the applicable Agency upon demand.

5.6.2 Except as expressly provided in Section 20, any direction or action by Agencies under Section 5.6.1(d) or Section 5.6.1(e) shall not:

(a) Expose Agencies to any liability to any TSP-Related Entity or entitle TSP to any other remedy, it being acknowledged by TSP that Agencies have a paramount public interest in providing and maintaining public safety; and

(b) Limit or modify Agencies' rights to any Liquidated Damages that may arise out of such direction or action, which are in addition to the obligations to undertake and pay for such remedy.

SECTION 6 NOTICES TO PROCEED

6.1 Commencement of NTP1 Work

NTP1 was issued under the Original Contract on or about the Effective Date thereof.

6.2 NTP1 – The following provisions were applicable to NTP1 under the Original Contract, and were satisfied.

6.2.1 RCTC shall not issue NTP1 until the following requirements for the Toll Services have been satisfied:

(a) Satisfaction of all conditions to award and execution of this Contract set forth in the ITP; and

(b) TSP has provided to RCTC any other documents, things or assurances required by this Contract as a condition of NTP1.

6.2.2 TSP acknowledges and agrees that: (a) RCTC has no obligation to issue NTP1, and (b) unless and until NTP1 is issued, RCTC has no liability to TSP under this Contract.

6.3 Commencement of NTP2 Work

TSP shall not perform any NTP2 Work until issuance of NTP2. The following provisions were applicable to NTP2 under the Original Contract, and were satisfied.

6.4 NTP2

6.4.1 RCTC shall not issue NTP2 until the satisfaction of the following requirements for the Toll Services:

(a) If requested by RCTC in connection with closing on the financing required for the I-15 Express Lanes Project, TSP has submitted to RCTC any certificates, acknowledgments or collateral agreements reasonably required by RCTC or the Financing Entities;

(b) RCTC has closed all financing required for the I-15 Express Lanes Project;

(c) TSP has delivered to RCTC the Performance Bond required in accordance with Section 16.1.3;

(d) TSP has delivered to RCTC the Payment Bond required in accordance with Section 16.1.4;

(e) RCTC has approved any changes to the Key Personnel in accordance with Section 15.6.1;

(f) TSP has completed the NTP1 Work in accordance with this Contract;

(g) TSP has provided to RCTC the insurance policies, certificates of insurance, riders to its existing insurance policies or other evidence reasonably required by RCTC to confirm the existence of all the insurance coverages required for the NTP2 Work in accordance with Section 17; and

(h) TSP has provided to RCTC any other documents, things or assurances required by this Contract as a condition of NTP2.

6.4.2 TSP acknowledges and agrees that: (a) RCTC has no obligation to issue NTP2, and (b) except as set out in Section 18.2, unless and until NTP2 is issued, RCTC has no liability to TSP under this Contract, except with respect to the NTP1 Work.

6.5 Provisions from Original Contract.

As detailed in the recitals above, the Parties acknowledge and agree that provisions from the Original Contract related to the D&D Work and the Commencement Period including, but not limited to, various provisions included in Sections 4 through 8 of this Contract have been successfully completed. These provisions are being retained in this Contract, as originally drafted, as such provisions are applicable, in part, to the D&D Refresh Work, and may apply to future work, or to the enforcement of rights by RCTC or TSP related to such completed phases of the 15 Express Lanes Project.

6.6 NTP for 91 Express Lanes Consolidated Back Office Transition (NTP3)

TSP shall not perform any Work required to complete the 91 Express Lanes Consolidated Back Office Transition until issuance of the NTP for such Work. The provisions applicable to issuance of NTP3 are set forth in Exhibit 25.

SECTION 7 D&D WORK

7.1 Time of Essence and General Scope of D&D Work

7.1.1 TSP acknowledges that achieving the Completion Milestones by the relevant Completion Deadlines are of the essence of this Contract.

7.1.2 TSP shall perform the D&D Work on a turnkey basis in accordance with this Contract.

7.2 Monthly Progress Report.

TSP shall submit to RCTC for review and approval in accordance with the Submittal Process, a D&D Monthly Progress Report monthly during the D&D Phase.

7.3 Coordination of D&D Work

Without limiting TSP's obligations under this Contract, TSP shall cooperate and coordinate the D&D Work with the DB Contractor as set out in the Demarcation Matrix and otherwise in accordance with TP Section 2.12 and as may be necessary to avoid interference with the DB Work.

7.4 RCTC Review of D&D Work.

TSP shall provide RCTC with the opportunity to perform "over-the-shoulder" reviews of all aspects of the D&D Work. The over-the-shoulder reviews may be conducted in the office of TSP or its Subcontractors located in California and in the presence of TSP's relevant personnel. The over-the-shoulder reviews may be of design, progress prints, computer images, draft documents, interface documents, Software, working calculations, draft specifications or reports or other documents as determined by RCTC in connection with the D&D Work. RCTC shall reasonably coordinate with TSP in connection with such over-the-shoulder reviews in order to help TSP identify the appropriate RCTC personnel to be involved with such reviews. Section 1.4 applies to all over-the-shoulder reviews.

7.5 Colocation

7.5.1 RCTC will provide TSP with up to 3 office spaces or cubicles at the Co-located Office on or before NTP2.

7.5.2 TSP will ensure that Key Personnel are available to work at the Co-located Office as specified in TP Section 2.1.2.

7.6 Contractor Licenses for D&D Work.

7.6.1 To the extent required under applicable Governmental Rules, TSP shall:

(a) Prepare Installation Drawings for any civil construction elements of the D&D Work under the responsible charge of Registered Professional Engineers in the State, as applicable, and all such elements of the Installation Drawings shall be stamped by Registered Professional Engineers licensed in the State.

(b) Perform D&D Work at the Site with contractors licensed to perform work in the State, as appropriate; and

(c) Possess:

(i) A valid C10 (Electrical Contractor) license and possess or ensure a Subcontractor possesses a C7 (Low Voltage Systems Contractor) license or C31 (Construction Zone Traffic Control Contractor) license; or

(ii) A valid Class A California General Engineering Contractor License.

7.6.2 No Subcontractor may start any D&D Work until after RCTC receives a copy of such Subcontractor's valid State contractor license.

7.7 Procurement of Equipment.

TSP shall:

(a) Procure all Equipment required to perform the D&D Work;

(b) Perform any inspection, receipt, warehousing, expediting, quality surveillance, traffic, shipment, transportation and other services in connection with the procurement of Equipment under Section 7.7(a); and

(c) Clear Equipment through customs and take any other actions necessary to import such Equipment.

7.8 Spare Parts.

7.8.1 TSP shall procure, inventory and store all spare parts at the ROC (or secure warehouse facility provided by RCTC) in accordance with TP Section 16.15.

7.8.2 The Total D&D Cost includes all spare parts required for the initial inventory prior to Revenue Service Commencement as described in TP Section 16.15. TSP's anticipated spare parts for each year of the O&M Term are specified in Exhibit 3, but such exhibit shall not limit TSP's responsibility for providing Components as required by this Contract and to perform the Toll Services.

7.8.3 If, at any time, Agencies determine, in their sole discretion, that the rate of failure or time taken to acquire replacements of spare parts indicates that the level of inventory maintained with reference to the Maintenance Plan is insufficient to ensure the continuous operation of the TCS or performance of the Toll Services in accordance with this Contract, Agencies may direct TSP to increase the spare parts inventory level within a reasonable time, at TSP's Cost.

7.8.4 TSP shall ensure that all spare parts held in TSP's inventory are new, when installed and fully tested and maintained in good operating condition at all times during the O&M Term. TSP shall promptly return rejected or failed items under warranty to the Supplier for credit or replacement.

7.9 Integration with DB Work

7.9.1 TSP shall:

(a) Comply with its obligations to coordinate and cooperate with DB Contractor in accordance with Section 4.2, TP Section 2.12 and the Demarcation Matrix;

(b) If requested by RCTC, (i) review and comment on submissions DB Contractor makes to RCTC under the DB Contract or inspect any work RCTC is required to inspect under the DB Contract, and (ii) provide written comments to RCTC, in the form requested by RCTC, no later than two Business Days before RCTC is required to respond to the applicable submission or inspection under DB Contract, or if the DB Contract provides no applicable response time, ten Business Days after RCTC makes the request.

(c) Promptly provide DB Contractor requested information in connection with D&D Work;

(d) Participate with and assist RCTC in inspection, testing and acceptance of elements of the DB Work that interface or integrate with the D&D Work;

(e) Except as otherwise expressly provided under this Contract, prior to proceeding with that portion of the D&D Work that depends on performance of the DB Work, inspect and promptly report to RCTC any defects in such DB Work that impact proper execution of the D&D Work; and

(f) Subject to Section 7.9.3 and notwithstanding the division of responsibilities as shown in the Demarcation Matrix, be responsible for validating that all of the D&D Work integrates with the DB Work and any other work performed by others to produce a comprehensive TCS that is in accordance with this Contract, including providing the TSP Ready for Construction Certification pursuant to Section 8.7 and completion of the Civil Site Acceptance Checklist and the Communications Network Acceptance Checklist pursuant to Section 8.9.4.

7.9.2 RCTC shall reasonably coordinate with TSP in connection with any inspections required under Section 7.9.1(d) and shall reasonably attempt to have such inspections done reasonably efficiently.

7.9.3 TSP shall not have any liability with respect to the design, construction and performance of the portions of DB Work undertaken by DB Contractor provided TSP has undertaken the D&D Work in compliance with this Contract, including its obligations under this Section 7.9 and Section 4.2. and further provided that once TSP has obtained RCTC approval of the TCS Infrastructure Design Document, any changes to the TCS Infrastructure Design Document shall be subject to RCTC approval, in its sole discretion, and shall not entitle TSP to any Claim, Change or Change Order.

7.10 Prevailing Wage.

7.10.1 TSP shall comply and cause its Subcontractors performing D&D Work that is construction of public works under applicable Governmental Rules to comply with:

(a) All Governmental Rules, regarding notice and posting of intent to pay prevailing wages, of prevailing wage requirements and of prevailing wage rates;

(b) All applicable requirements of Division 2, Part 7, Chapter 1 of the Labor Code and all applicable Federal Requirements respecting prevailing wages, including those in Attachments 2 and 3 to Exhibit 5 and in Exhibit 10. If there is a difference between the minimum wage rates predetermined by the United States Secretary of Labor and the general prevailing wage rates determined by the director of the DIR for similar classifications of labor, TSP and Subcontractors shall pay not less than the higher wage rate. The DIR will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by TSP and Subcontractors, TSP and Subcontractors shall pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

(c) If it is found that a laborer or mechanic employed by TSP or a Subcontractor has been or is being paid a rate of wages less than the rate of wages required by this Contract to be paid, RCTC may declare a TSP Event of Default under Section 23.1.5.

7.11 Labor Code Requirements

7.11.1 TSP shall:

(a) Comply and cause its Subcontractors performing D&D Work that is construction of public works under applicable Governmental Rules to comply with applicable provisions of the Labor Code and implementing regulations, including requirements with respect to prevailing

wages, and employment and training of apprentices, labor nondiscrimination and applicable federal requirements as described in Exhibits 5 and 10; and

(b) Monitor and enforce prevailing wage requirements of applicable labor Governmental Rules to insure that all contractors performing the Toll Services are in compliance with State (Division 2, Part 7, Chapter 1 of the Labor Code) and Federal (Code of Federal Regulations 29) prevailing wage statutes and regulations.

7.11.2 TSP is subject to compliance monitoring and enforcement by the California Department of Industrial Relations (DIR) as set forth in Title 8, Chapter 8, Subchapter 4.5 of the California Code of Regulations, which include, among other requirements, the obligation to furnish payroll records directly to the DIR Labor Commissioner.

7.11.3 Refer to Exhibit 10 for information regarding labor compliance requirements applicable to the Contract under Labor Code Section 1776.

7.11.4 Pursuant to Labor Code section 1725.5, no Subcontractor may be listed on a bid or proposal for a public works project unless registered with the DIR with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a). No contractor or

Subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR.

7.11.5 TSP shall post a Notice at the Site containing the following language:

> "This public works project is subject to monitoring and investigative activities by the Division of Labor Standards Enforcement (DLSE) and the Department of Industrial Relations (DIR), State of California. This Notice is intended to provide information to all workers employed in the execution of the contract for public work and to all contractors and other persons having access to the job site to ensure compliance with and enforcement of prevailing wage laws on public works projects.
>
> The prevailing wage laws require that all workers be paid at least the minimum hourly wage as determined by DIR for the specific classification (or type of work) performed by workers on the Project. These rates are listed on a separate job site posting of minimum prevailing rates required to be maintained by the public entity which awarded the public works contract. Complaints concerning nonpayment of the required minimum wage rates to workers on this Project may be filed with the office of the DLSE.
>
> Complaints should be filed in writing immediately upon discovery of any violations of the prevailing wage laws due to the short period of time following the completion of the I-15 Express Lanes Project and the Toll Services that the DLSE may take legal action against those responsible.
>
> Complaints should contain details about the violations alleged (for example, wrong rate paid, not all hours paid, overtime rate not paid for hours worked in excess of 8 hours per day or 40 per week, etc.) as well as the name of the employer, the public entity which awarded the public works contract, and the location and name of the I-15 Express Lanes Project.
>
> For general information concerning the prevailing wage laws and how to file a complaint concerning any violation of these prevailing wage laws, you may contact any DLSE office. Complaint forms are also available at the Department of Industrial Relations website found at www.dir.ca.gov/dlse/PublicWorks.html"

7.11.6 By entering into this Contract, TSP makes the following certification to Agencies pursuant to Labor Code Section 1861:

> "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract."

7.12 Notice of Labor Dispute

DRAFT

Whenever TSP has knowledge that any actual or potential labor dispute may delay its performance under this Contract, TSP shall immediately notify and submit all relevant information to Agencies. TSP shall ensure that a comparable requirement is included in each Subcontract as to which a labor dispute may delay performance under this Contract, requiring each Subcontractor to give notice and information to the next higher tier Subcontractor (or to TSP, if it is a direct Subcontract).

7.13 Lobbying

The certification and disclosure of lobbying activities described in Exhibit 5 shall be included in each Subcontract (including any lower-tier Subcontracts exceeding $100,000) for the D&D Work. All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by RCTC's Procurement Manager.

7.14 Federal On-the-Job Training Participation Goal

The D&D Work is subject to Federal on-the-job training (OJT) participation provisions as set forth in the Department Local Assistance Procedures Manual, Title 23 CFR, Part 230, and FHWA Form 1273 (Exhibit 5). The Federal OJT participation goal for the Project is zero trainees.

7.15 Payment to Subcontractors.

7.15.1 Within seven (7) days of receipt of payment from Agency on account of a Subcontractor's portion of the Toll Services, TSP shall pay such Subcontractor the amount to which such Subcontractor is entitled. Each Subcontract shall require the Subcontractor to make payments to sub-subcontractors and Suppliers in a similar manner.

7.15.2 Any breach of Section 7.15.1 shall subject TSP to the penalties, sanctions and other rights specified in Section 7108.5 of the Business and Professions Code, and may result in the application of appropriate administrative sanctions, including Agencies' right to withhold two (2) percent of the invoice amount due to TSP as a penalty for every month that full payment is not made to a Subcontractor.

7.15.3 This Section 7.15 shall not limit or impair any contractual, administrative, judicial or equitable rights otherwise available to TSP or any Subcontractor against each other in the event of a dispute involving late payment or nonpayment by TSP or deficient Subcontract performance or noncompliance by a Subcontractor.

7.15.4 Agencies have no obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by applicable Governmental Rules.

7.15.5 Any delay or postponement of payments to Subcontractors from the requirements of Section 7.15.1 may occur only for good cause following written approval by Agencies, in their sole discretion.

7.16 Suspension and Debarment.

7.16.1 Pursuant to Public Contract Code Section 6109, TSP shall not perform the Work with a Subcontractor who is ineligible to perform work pursuant to Section 1777.1 or 1777.7 of the Labor Code. By entering into this Contract, TSP certifies that neither it nor its principals are presently

debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State. For purposes of this Section 7.16, the term "principal" means an officer, director, owner, partner, Key Personnel, employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of TSP.

7.16.2 No later than January 31 of each year of the Term, TSP shall deliver to Agencies signed certifications regarding suspension, debarment, ineligibility, voluntary exclusion, convictions and civil judgments from TSP, from each affiliate of TSP (as "affiliate" is defined in 29 CFR § 16.105 or successor regulation of similar import), and from each Subcontractor whose contract amount equals or exceeds $100,000. The annual certification shall be substantially in the form of clauses 1.a through 1.d of Attachment 6 to Exhibit 5.

7.17 Cleaning Up.

In performing the D&D Work, TSP shall keep the Site occupied by TSP in a neat, clean and safe condition. Upon completion of any portion of the D&D Work, TSP shall promptly remove from the Site all equipment, temporary structures, and surplus materials not required to be used at or near the same location during later stages of the D&D Work.

7.18 Safety and Security

TSP shall:

(a) Be responsible for safety and security of its own personnel, persons visiting or working in the ROC, D&D Work, CSC Commencement Period Toll Services and Equipment in accordance with the Health and Safety Plan, Roadside Safety Plan, Office Safety Plan, and such other safety precautions as are reasonably required by DB Contractor's safety plan

(b) Act to prevent threatened damage, injury or loss of property and life; and

(c) Be responsible for the safety and security of any other persons involved in the testing activities outlined in TP Section 5.

7.19 Title

7.19.1 Subject to Sections 29.7, 29.8 and 29.9 (i) TSP warrants that it owns, or will own, and has, or will have, good and marketable title to all Equipment, Hardware and Software furnished, or to be furnished, by it and its Subcontractors under this Contract, free and clear of all Liens; and (ii) title to Equipment, Hardware and Software which has been delivered to the Site that becomes part of the TCS or used in connection with the Toll Services, or that is delivered to a secure storage area pending delivery to the Site or use in connection with the Toll Services, shall pass to Agencies free and clear of all Liens, upon the sooner of (x) incorporation into the Toll Services, or (y) payment by Agencies to TSP of invoiced amounts pertaining to such Equipment, Hardware and Software.

7.19.2 Notwithstanding that title shall pass to Agencies as set forth in this section and except as set forth in Section 20, TSP shall:

(a) Retain sole care, custody and control of such Equipment, Hardware and Software and exercise due care with respect to such Equipment, Hardware and Software through and until the Expiry Date; and

(b) Remain solely responsible and liable for risk of loss to such Equipment, Hardware and Software as set forth in Section 7.20 and 9.1.1(b).

7.20 Maintenance During Performance of D&D Work

During performance of the D&D Work, TSP shall maintain, rebuild, repair, restore or replace:

(a) All D&D Work, including Equipment, Hardware, Software or Toll Infrastructure (excluding any elements of the Toll Infrastructure that are DB Work) that is damaged prior to the commencement of the O&M Term, regardless of who has title to such Equipment, Hardware or Toll Infrastructure under this Contract and regardless of the cause of the damage; and

(b) If directed to do so by RCTC, any aspect of the DB Work that is damaged prior to the commencement of the O&M Term, where such damage is caused by an act or omission by any TSP-Related Entity or any TSP Fault. If RCTC does not direct TSP to make such repairs, the necessary repairs will be made by DB Contractor and shall be due and payable from TSP to RCTC upon demand.

SECTION 8 D&D WORK SCHEDULE, COMPLETION AND ACCEPTANCE

8.1 Completion Deadlines

TSP shall carry out the D&D Work so as to achieve each of the Completion Milestones by the applicable Completion Deadlines.

8.2 Project Schedule

8.2.1 TSP shall undertake the D&D Work in accordance with the Project Schedule.

8.2.2 TSP shall prepare and submit Project Schedule deliverables to RCTC within the times specified in TP Section 2.6.4 for review and approval in accordance with the Submittal Process. The Project Schedule shall be used by the Parties for planning and monitoring the progress of the D&D Work.

8.3 Baseline Schedule and Project Schedule

8.3.1 TSP shall use the Preliminary Baseline Schedule as a foundation to prepare the Baseline Schedule to be submitted in accordance with TP Section 2.6.4.2 provided, however, that RCTC's acceptance of TSP's Proposal and award and execution of the TSP Contract shall not be construed as RCTC approval of TSP's Preliminary Baseline Schedule or any subsequent Project Schedule.

8.3.2 TSP shall initially incorporate the schedule milestones, projected dates for achievement of Payment Milestones and Completion Milestones into its proposed Baseline Schedule in accordance with the methodology described in TP Sections 2.6.4.1 and 2.6.4.2.

8.3.3 Upon issuance of NTP1, TSP will update the Preliminary Baseline Schedule to include hard calendar dates as described in TP Sections 2.6.4.1.

8.3.4 Upon issuance of NTP2, TSP will update the Baseline Schedule to include hard calendar dates as described in TP Sections 2.6.4.2, including specifying the hard calendar date for each of the Completion Deadlines to be approved by RCTC and incorporated into the Baseline Schedule by TSP.

8.3.5 Notwithstanding that TSP may have completed one or more Payment Milestones or Completion Milestones, TSP has no right to receive payments until such time as TSP has prepared and RCTC has approved the Baseline Schedule.

8.3.6 The Baseline Schedule shall be updated monthly or as required to become the Project Schedule submitted by TSP pursuant to TP Section 2.6.4.3, and any approved Recovery Plan schedules submitted by TSP pursuant to TP Section 2.4.6.5.

8.3.7 The schedule for the 91 Express Lanes Consolidated Back Office Transition is as set forth in Exhibit 25.

8.4 Float

8.4.1 All Float contained in the Project Schedule, or generated after RCTC's approval of the Preliminary Baseline Schedule, shall be a Project resource available to either Party or all Parties, as needed, to absorb delays caused by any event and to achieve schedule milestones, interim completion dates, and/or Completion Deadlines.

8.4.2 All Float shall be shown as such in the Project Schedule and on each applicable schedule path. Agencies shall consider TSP's identification of (or failure to identify) Float on the Project Schedule in determining whether to approve the Project Schedule. Once identified, TSP shall monitor, account for and maintain Float in accordance with CPM.

8.5 Extensions of Time

The Completion Deadlines shall not be modified except by Change Order in accordance with Section 20.

8.6 Progress Reports and Notices

8.6.1 TSP shall provide Agencies all progress and other reports specified in this Contract together with any further information Agencies may reasonably require to verify actual progress and to predict future progress of the Toll Services.

8.6.2 If TSP considers that the D&D Work or the 91 EL Transition Work will not be performed consistent with the milestone dates in the Project Schedule or the Completion Deadlines, TSP shall promptly provide Notice to Agencies.

8.6.3 Within 30 days after the earlier of (i) receipt of TSP's Notice under Section 8.6.2 or (ii) Agencies' Notice to TSP that it reasonably believes that the D&D Work or 91 EL Transition Work,

as applicable, will not be performed consistent with the milestone dates set forth in the Project Schedule or the Completion Deadlines, TSP shall (i) demonstrate to Agencies' reasonable satisfaction that the delay will have no adverse effect on TSP's ability to complete the applicable Work in accordance with the applicable Completion Deadlines, even though other milestone dates may be missed, or (ii) submit for Agencies'review and approval, in accordance with the Submittal Process, a Recovery Plan for restoring the impacted Completion Milestones and/or milestone dates set forth in the Project Schedule to a state of compliance as specified in TP Section 2.6.4.5.

(a) If a Recovery Plan is submitted under Section 8.6.3, TSP shall promptly comply with the approved Recovery Plan. If TSP does not comply with the approved Recovery Plan, Agencies may require an increase in TSP's resources. Failure of TSP to comply with this Section 8.6 may be grounds for determination by Agencies that TSP is not prosecuting the D&D Work or 91 EL Transition Work, as applicable, with the diligence required to ensure completion in accordance with this Contract and RCTC may exercise its rights for a TSP Event of Default in Section 23.

8.7 Ready for Construction Plans

8.7.1 TSP shall review DB Contractor's Ready for Construction Plans, and within 5 Business Days after receipt of such Ready for Construction Plans TSP shall either (i) deliver the TSP Ready For Construction Certification to RCTC and DB Contractor, or (ii) provide RCTC and DB Contractor with a Notice specifying in detail the reasons why TSP has determined that it cannot issue the Ready for Construction Certification.

8.7.2 TSP shall have 5 Business Days to review and comment on any revised Ready for Construction Plans, and the process noted in Sections 8.7.1(i) and (ii) shall repeat until TSP provides the TSP Ready for Construction Certification.

8.7.3 TSP's failure to respond to a request for TSP Ready for Construction Certification within the designated time frames shall be deemed TSP's agreement that the conditions that TSP is required to represent in a TSP Ready for Construction Certificate exist and the TSP Ready for Construction Certificate shall be deemed to have been given. Disagreement between or among TSP, RCTC and DB Contractor regarding approval of the TSP Ready for Construction Certification may be submitted to dispute resolution pursuant to Section 27.

8.8 Coordination of Work in Turnover Areas with DB Contractor

8.8.1 The 15 Express Lanes Project is comprised of eight Turnover Areas, each consisting of one Toll Zone and certain Equipment and civil infrastructure required for TSP to install the TCS.

8.8.2 TSP is responsible for coordinating the performance of the D&D Work with the DB Work to be performed by DB Contractor in accordance with Sections 8.8 and 8.9 and TP Section 2.12.

8.8.3 Commencing 180 days before any anticipated Package Turnover Deadline, DB Contractor shall provide TSP monthly Notices setting out the anticipated date for each Package Turnover and the anticipated Turnover Areas to be included in the applicable Package Turnover.

8.8.4 DB Contractor may change the Turnover Area(s) to be included in each Package Turnover up to, but no later than, 90 days before the applicable Package Turnover Deadline.

8.8.5 TSP shall review and continually update and adjust performance of the D&D Work to coordinate with DB Contractor's monthly Notices regarding anticipated Package Turnover Dates and which Turnover Areas will be included in each Package.

8.9 Notice and Inspection of Package Turnover

8.9.1 RCTC shall require DB Contractor to give RCTC and TSP at least ten (10) Business Days prior Notice of the date on which DB Contractor believes it will achieve each Package Turnover.

8.9.2 During the ten (10) Business Day period following TSP's receipt of Notice under Section 8.9.1, TSP shall meet and confer with DB Contractor and RCTC on a regular and cooperative basis to exchange information, with the goal being orderly and timely inspection of the DB Work comprising the applicable Package Turnover to determine whether Package Turnover has been achieved. TSP may perform field visits during DB Contractor's performance of its work, but TSP shall not perform Package Turnover inspection until DB Contractor has delivered the additional Notice under Section 8.9.3.

8.9.3 RCTC shall require DB Contractor to give RCTC and TSP further Notice when DB Contractor determines it has achieved each Package Turnover.

8.9.4 Upon receipt of DB Contractor's Notice under Section 8.9.3 that DB Contractor has achieved a Package Turnover, TSP and RCTC shall have 10 Business Days to conduct a walk-through inspection of each Turnover Area in the Package, TSP shall complete a Civil Site Acceptance Checklist and Communications Network Acceptance Checklist (as applicable) for each Turnover Area, and TSP and RCTC shall jointly complete a Package Turnover Checklist. Within 2 Business Days of such walk-through inspection, TSP shall provide Notice to RCTC of any Punch-List Items, that, in TSP's reasonable opinion, remain to be completed prior to RCTC's determination that the applicable Package Turnover is achieved.

8.9.5 TSP and RCTC shall meet and confer to evaluate the Punch List within 2 Business Days of TSP's Punch List Notice to RCTC. Failure of TSP to provide Notice of any Punch-List Items, and to deliver the Civil Site Acceptance Checklist and the Communications Network Acceptance Checklist (as applicable) within 2 Business Day after the walk-through inspection shall constitute TSP's confirmation that Package Turnover has occurred and that TSP has accepted the Package.

8.9.6 RCTC shall provide Notice to DB Contractor of the items in TSP's Punch List that RCTC concurs must be completed before it will issue a Certificate of Package Turnover pursuant to Section 8.9.7. The process in Sections 8.9.1 through 8.9.6 shall repeat until RCTC determines that DB Contractor has completed the Punch List and achieved Package Turnover.

8.9.7 Upon RCTC's determination, in accordance with the process set forth in Sections 8.9.1 through 8.9.6 that DB Contractor has achieved each Package Turnover, RCTC shall issue a Certificate of Package Turnover to DB Contractor and TSP.

8.9.8 If TSP disagrees with RCTC's issuance of a TSP Certificate of Package Turnover under Section 8.9.7 either party may issue a Notice for dispute resolution under Section 27.2.2 within 10 Business Days. Failure of TSP to provide such Notice shall constitute TSP's confirmation that the Package Turnover has occurred and that TSP has accepted the Package.

8.9.9 Regardless of when the actual Package Turnover Dates occur, TSP shall be entitled to the following durations to complete its D&D Work in the applicable Turnover Areas:

Package 1: 180 days;

Package 2: 120 days;

Package 3: 90 days; and Package 4: 60 days.

8.10 MOT and Access

Commencing on the applicable Package Turnover Date:

8.10.1.1 TSP shall be responsible for Lane Closures and shall have primary access and priority for Lane Closures in each Package as set out in TP Section 4.7; and

8.10.1.2 TSP shall provide DB Contractor with reasonable access to such Turnover Area, and shall coordinate with, DB Contractor and allow DB Contractor to stripe and complete punch list work and any other work that DB Contractor is required to undertake as part of the DB Work.

8.11 CSC Commencement

8.11.1 TSP shall provide RCTC with at least 10 Business Days' advance Notice of the date that TSP considers it will achieve CSC Commencement. During such 10 Business Day period, TSP and RCTC shall meet and confer and exchange information on a regular cooperative basis with the goal being RCTC's orderly, timely inspection and review of the D&D Work relating to CSC Commencement to determine whether CSC Commencement has been achieved.

8.11.2 TSP shall provide RCTC with a second Notice when TSP believes it has achieved CSC Commencement.

8.11.3 Within 10 Business Days after RCTC's receipt of TSP's Notice under Section 8.11.2, but not fewer than 15 Business Days after the original Notice under Section 8.11.1, or such sooner date as RCTC determines that TSP has achieved CSC Commencement, RCTC shall (i) issue a Notice of CSC Commencement or (ii) provide Notice to TSP listing the work which, in RCTC's opinion, remains to be performed to achieve CSC Commencement together with any Punch List Items.

8.11.4 TSP shall give Notice to RCTC when TSP considers that the work listed in a Notice issued by RCTC under Section 8.11.3 (ii) has been completed (excluding Punch List Items) and Sections 8.11.3 and 8.11.4 will apply to such Notice, including RCTC inspection and review rights, in the same way as if it were the original Notice. The process shall be repeated until such time as RCTC issues a Notice of CSC Commencement.

8.11.5 TSP shall not commence CSC Commencement Period Toll Services until the date specified by RCTC for start of the CSC Commencement Period in RCTC's Notice of CSC Commencement.

8.11.6 In RCTC's sole discretion, the date specified for start of the CSC Commencement Period may differ from the CSC Commencement Date even if TSP has achieved CSC Commencement by the CSC Commencement Deadline.

8.12 Testing Prior to Revenue Service Commencement

8.12.1 Without limiting Section 29.5, TSP shall:

(a) Conduct the (i) Commissioning Testing as required by TP Sections 5.4 and 5.5; (ii) Disaster Recovery and Back-up Test as required by TP Section 5.6; and (iii) Operations Tests as required by TP Section 5.6 and obtain RCTC's written approval, in accordance with the Submittal Process, of the test results on or before the milestone dates for such testing indicated in the Project Schedule; and

(b) Provide Notice to RCTC of any Nonconformances in the D&D Work performed by TSP under this Contract demonstrated by such Commissioning Tests, and promptly remedy any such Nonconformance(s).

8.12.2 Upon satisfactory completion of each Commissioning Test, Disaster Recovery and Back-up Test and Operations Tests TSP shall provide Notice to RCTC that the D&D Work has satisfactorily completed such tests in accordance with this Contract. Such certificates shall include TSP's acknowledgment that TSP assumes full responsibility for the continued operation and maintenance of the TCS and the ROC, in accordance with this Contract.

8.12.3 All operating personnel required for the Commissioning Tests, Disaster Recovery and Back-up Test and Operations Tests shall be supplied by TSP and all testing inputs, services and facilities required to conduct such tests shall be the responsibility of TSP.

8.12.4 The test results of each Commissioning Test, Disaster Recovery and Back-up Test and Operations Tests shall be compiled in a test report submitted by TSP to RCTC for review and approval in accordance with the Submittal Process.

8.13 Revenue Service Commencement

8.13.1 Coordination with DB Contractor TSP shall coordinate with and provide the TCS Infrastructure Design Document to DB Contractor in accordance with TP Section 4.2.

8.13.2 Process for Determining Revenue Service Commencement

(a) TSP shall provide RCTC at least 10 Business Days' prior Notice of the date TSP determines it will achieve Revenue Service Commencement. During such 10 Business Day period, TSP and RCTC shall meet and confer and exchange information on a regular cooperative basis with the goal being RCTC's orderly, timely inspection and review of the Toll Services pertaining to Revenue Service Commencement.

(b) TSP shall provide RCTC a second Notice when TSP believes it has achieved Revenue Service Commencement.

(c) Within 10 Business Days after the Notice under Section 8.13.2(b), but not fewer than 15 Business Days after the original Notice under Section 8.13.2(a), or such sooner date as

RCTC determines that TSP has achieved Revenue Service Commencement, RCTC shall (i) issue a Notice of Revenue Service Commencement, or (ii) provide Notice to TSP listing the work which, in RCTC's opinion, remains to be performed to achieve Revenue Service Commencement.

(d) TSP shall give Notice to RCTC when TSP considers that the work listed in a Notice issued by RCTC under Section 8.13.2(c)(ii) has been completed and Sections 8.13.2(b) and 8.13.2(c) will apply to such Notice, including RCTC inspection and review rights, in the same way as if it were the original Notice. The process shall be repeated until such time as RCTC issues a Notice of Revenue Service Commencement.

(e) TSP shall not commence O&M Work until the date specified by RCTC for the start of O&M Work in a Notice of Revenue Service Commencement. In RCTC's sole discretion, the date specified for the start of Revenue Service may differ from the Revenue Service Commencement Date even if TSP has achieved Revenue Service Commencement by the Revenue Service Commencement Deadline.

8.13.3 Punch List

Within 20 Business Days after delivery of the Notice of Revenue Service Commencement, or such longer period as RCTC may reasonably require, RCTC shall prepare and deliver to TSP a Punch List. TSP and RCTC may each add items to the Punch List provided no items may be removed without the consent of both Parties. TSP shall immediately commence work on the Punch List items and prosecute such Work to completion to RCTC's reasonable satisfaction and in accordance with this Contract. Such Work shall be completed by TSP within 20 Business Days after issuance of the Punch List or such longer period as, in RCTC's reasonable determination, is necessitated in case of materials or equipment with long delivery lead-times.

8.14 TCS Acceptance

8.14.1 TCS Acceptance Test

(a) TSP shall perform the TCS Acceptance Test following Revenue Service Commencement in accordance with the TP Section 5.6.4.

(b) RCTC shall be provided at least 15 Business Days' advance Notice of all TCS Acceptance Tests and RCTC may witness and monitor such TCS Acceptance Tests.

(c) The test results of the TCS Acceptance Test shall be compiled in a proposed test report submitted to RCTC for review and approval in accordance with the Submittal Process.

(d) Within 20 Business Days following the successful completion of TCS Acceptance Testing or any earlier termination of this Contract and no later than 120 days following Revenue Service Commencement, TSP shall deliver to RCTC a complete set of As-Built Technical Drawings for the TCS, which shall comply with this Contract, including the specifications in TP Section 15.4.

8.14.2 TCS Acceptance

(a) TSP shall provide Notice to RCTC when it believes TCS Acceptance has been achieved.

(b) Within 10 Business Days after receipt of RCTC's Notice under Section 8.14.2(a), RCTC shall (i) issue Notice of TCS Acceptance, or (ii) provide Notice to TSP listing the work which, in RCTC's opinion, remains to be performed to achieve TCS Acceptance.

(c) TSP shall give Notice to RCTC when TSP considers that the work listed in a Notice issued by RCTC under Section 8.14.2(b)(i) has been completed and Sections 8.14.2(b) and 8.14.2(c) will apply to such Notice, including RCTC inspection and review rights, in the same way as if it were the original Notice. The process shall be repeated until such time as RCTC issue a Notice of TCS Acceptance.

8.15 91 EL Transition Testing and Go Live; 91 EL Work Punch List and Acceptance

Provision addressing the 91 EL Transition testing and Go-Live date, punch list and 91 EL Work acceptance are addressed in Exhibit 25.

8.16 Annual Renewal Test

8.16.1 On or before the date 12 months after TCS Acceptance and annually thereafter, TSP shall perform the Annual Renewal Test to validate the continued performance of the Toll Services in accordance with the KPIs and other Contract requirements.

8.16.2 Without limiting Section 29.5, Agencies shall be provided at least 15 Business Days' advance Notice of all Annual Renewal Tests.

8.16.3 The test results of the Annual Renewal Test shall be compiled in a proposed test report submitted to Agencies within 10 Business Days of the test for review and approval in accordance with the Submittal Process.

8.16.4 TSP and Agencies shall meet and confer to discuss any identified deficiencies in the TCS' performance within 10 Business Days following TSP's delivery of the report. At such meeting, TSP shall provide Agencies with TSP's plan for correcting any deficiencies identified in the annual TCS Acceptance Test and the Parties shall agree upon such plan.

8.16.5 TSP shall promptly implement the agreed upon remediation plan for any identified deficiencies and provide Agencies with evidence acceptable to Agencies demonstrating successful remediation within 10 Business Days following submission of the test report.

SECTION 9 MAINTENANCE WORK

9.1 Maintenance Work

9.1.1 During the O&M Term, TSP shall:

(a) Perform the Maintenance Work in accordance with the Contract requirements;

(b) Maintain, rebuild, repair, restore or replace any aspect of the O&M Work or Toll Infrastructure that is damaged during the O&M Term, regardless of who has title to the Toll Services and Toll Infrastructure under this Contract and regardless of the cause of the damage;

(c) Coordinate with and provide Notice to Agencies where performance of the Maintenance Work or inspections will result in shutdowns of the TCS, inability of the TCS to comply with the KPIs or other Contract requirements or require management or diversion of traffic in accordance with TP Section 16.6; and

(d) Use diligent efforts to schedule any such shutdowns so as to minimize disruption of Toll Operations and any adverse impact on Toll revenues.

9.1.2 Where pavement, structure or other repairs to DB Work or Toll Infrastructure are required as a result of TSP's performance of the Maintenance Work or otherwise as a result of a TSP Fault, the costs of such repairs shall be due and payable from TSP to the applicable Agency upon demand.

9.1.3 Maintenance Work shall not result in any Lane Closure of an Express Lane unless such closure is in accordance with the Maintenance Plan and undertaken to the maximum extent possible to prevent the loss of Toll revenues.

9.1.4 Where unscheduled Maintenance Work is required in order to continue or restore the full operation of the TCS so that it meets all of the KPIs and other requirements of this Contract, TSP shall exercise best efforts to perform such Maintenance Work as quickly as possible as necessary to resolve the issue.

9.2 Contract Requirements for TCS Performance

(a) If the Contract requirements for TCS performance, including the KPIs are not met in any calendar month, or performance records (including any O&M Monthly Progress Report or any other performance audit report) indicate such requirements have not been or will not be met, TSP shall promptly provide Notice to Agencies and TSP shall take action to remedy the cause.

(b) Where the cause(s) of a series of failures to meet a Contract requirement for TCS performance is the same, or where temporary remedy is unsuccessful, TSP shall undertake a study, to determine the cause(s) of the failure(s) and propose a plan to remedy such cause(s). The proposed plan shall be subject to the Submittal Process and, once approved, TSP shall promptly implement such plan.

9.3 Transfer of O&M to Agencies at End of O&M Term

9.3.1 Training of Personnel

TSP shall:

(a) Train personnel of Agencies or any person designated by Agencies to perform the O&M Work in accordance with TP Section 18 and the End of Contract Transition Plan; and

(b) Provide qualified instructors who will prepare the course material, including the latest modifications, Equipment and Hardware changes, Software changes, maintenance updates, and any revised maintenance procedures, and may enlist Subcontractors or Suppliers to augment TSP's own trainers. Up to date copies of all literature, training aids, and equipment used in training shall be turned over to Agencies promptly at the end of the O&M Term.

9.3.2 Continued Stocking of Parts and Supplies.

At the end of the O&M Term, the spare parts inventory and Components necessary for operations shall be fully stocked and complete (including substitution with suitable alternatives, as determined by Agencies , for any Components that are obsolete or otherwise no longer available). In the event that such inventory is not fully stocked and complete upon the end of the Term, an amount equal to the cost of restocking and completing such inventory shall be due and payable from TSP to Agencies on demand.

9.3.3 Security and Safety for the O&M Work

TSP shall implement the provisions of the Health and Safety Plan, Roadside Safety Plan, Office Safety Plan and any other Plans concerning safety and security at all times while performing the O&M Work and shall ensure that TSP-Related Entities conduct O&M Work at the Site in such a manner as to minimize the risk of bodily harm to persons or damage to property, minimize the impact on toll revenues and protect against vandalism, theft, and other similar risks, and promptly take all precautions which are reasonable to safeguard against such risks.

SECTION 10 TOLL OPERATIONS

10.1 General.

10.1.1 Subject to Section 8.11.5, TSP shall commence performance of the CSC Commencement Period Toll Services by the CSC Commencement Deadline.

10.1.2 Unless directed otherwise by RCTC, TSP shall commence performance of the Toll Operations for the 15 Express Lanes at the Notice of Revenue Service Commencement and continue performance of such Toll Operations, except as modified below, for the remainder of the O&M Term.

10.1.3 Unless directed otherwise by Agencies, TSP shall commence performance of the consolidated Toll Operations for the 15 Express Lanes and 91 Express Lanes on the 91 Transition Go Live Date and continue performance of the Toll Operations for the remainder of the O&M Term.

10.2 Business Rules

10.2.1 TSP shall collect only those types and amounts of account customer fees and charges that are authorized by Agencies.

10.2.2 TSP shall conduct Toll Operations in accordance with the Agencies approved Business Rules, the approved Standard Operating Procedures and each Agency's toll policies.

10.2.3 Agencies , in their sole discretion, may revise, amend, revoke, modify or supplement the Business Rules, and all Plans that relate to collection and enforcement of tolls charged for I15 Express Lanes Project and the 91 Express Lanes, and to change the toll collection policies and procedures described in such Business Rules and Plans as often as they deem necessary or advisable. Any revisions to a Configurable Parameter within its specified range in the Business Rules shall be provided to TSP no less than 5 Business Days prior to the proposed effective date, except for changes necessitated by Governmental Rule, Emergency or safety.

10.2.4 TSP shall conform the O&M Work to any changes directed under Section 10.2.3 and make necessary changes to any policies and procedures that are established in writing by Agencies on the effective date of the applicable change.

10.2.5 Agencies shall reasonably consult with TSP regarding any changes Agencies desire to make to the Business Rules after Final Design Review, and if Agencies desire any change under Section 10.2.3 that is not Configurable or required by this Contract, Agencies shall submit a TSP Change Request in accordance with Section 20.

10.3 Deposit and Transmittal.

10.3.1 TSP shall handle funds of others, document Financial Transactions and maintain the integrity of financial records in accordance with TP Section 8.7, and the requirements for maintaining certain Toll Services Accounts and transferring funds as provided in Section 14.

10.3.2 TSP has a fiduciary duty to Agencies, and users of the I-15 Express Lanes and 91 Express Lanes, and shall institute all necessary and proper mechanisms for custody and administration over funds and revenues. The Gross Revenues are public funds.

10.3.3 TSP shall collect all Gross Revenues resulting from the Toll Operations and shall hold such Gross Revenues in trust for each Agency until deposited into the accounts specified to receive the same in accordance TP Section 8.8.

10.4 Violation Processing.

10.4.1 Subject to the limitations of applicable Governmental Rules, TSP shall perform all functions necessary to process and enforce toll Violations in accordance with this Contract, the Business Rules, and the Operations Plan. As used in this Section 10.4 and in Section 10.5, the term "applicable Agency" shall mean the Agency on whose toll facility the Violation occurred.

10.4.2 TSP shall consult with the applicable Agency promptly upon receipt of any Violator's request for documents (including images), administrative review, appeals or legal claims. The applicable Agency has sole discretion to direct that TSP proceed with or settle any such matter if it relates to that Agency's toll facility.

10.4.3 TSP shall be the contracted private vendor responsible for processing of notices of toll evasion Violations and notices of delinquent toll evasion Violation pursuant to Vehicle Code Section 40252. TSP shall perform all of the duties of the "processing agency" in Vehicle Code Section 40253 through 40273 and as specified in the Business Rules.

10.4.4 If TSP charges a Toll, fine or penalty in excess of the applicable rate in the Business Rules, the amount by which the actual charge exceeds the established toll, fine or penalty shall constitute an overcharge. An overcharge shall be returned to the toll customer where possible in accordance with the procedure in TP Section 8.6.5.2, and otherwise shall become the property of the applicable Agency.

10.4.5 If TSP fails to issue proper notice to a Violator within the allowable timeframe according to Vehicle Code Section 40252, TSP shall pay the applicable Agency the amount of the toll for all such Violations and NTEV penalty at the current rate of collection.

10.4.6 Any reduction, compromise and settlement of an amount owed to the applicable Agency in circumstances other than those defined as preauthorized in the Business Rules shall be subject to the applicable Agency's prior written approval, in its sole discretion. If TSP charges a Violator a Toll, fine or penalty which is less than the applicable rate in the then effective Business Rules, or is short of funds in its daily reconciliation, then, unless such reduction was attributable to circumstances defined to be preauthorized by the applicable Agency, or TSP obtains the applicable Agency's 's prior written consent to compromise a claim, the amount by which the actual charge or deposit is less than the authorized charge or deposit shall constitute a shortage, and an amount equal to the shortage shall be promptly deposited by TSP into the appropriate Agency bank account. If such deposit is not made, the amount of such shortage will be due and payable from TSP to the applicable Agency on demand.

10.4.7 In the event of any discrepancy between the applicable Agency's and TSP's records regarding the number and types of Violations, the applicable Agency's records shall control, subject to dispute resolution in accordance with Section 27.

10.5 Motorist Privacy.

10.5.1 TSP acknowledges and agrees that:

(a) Privacy of the customers is of paramount importance to Agencies and the traveling public; and

(b) All Toll Services Data of OCTA shall be the sole property of OCTA, and all Toll Services Data of RCTC shall be the sole property of RCTC.

10.5.2 TSP shall comply with Agencies' Privacy Policy and all applicable Governmental Rules, and Business Rules pertaining to confidentiality, privacy, handling, retention, reporting and disclosure, and limiting or restricting collection, use or dissemination of Personally Identifiable Information.

10.5.3 Subject to Section 10.5.4, TSP shall treat all Toll Services Data in accordance with Section 29.6 and shall not sell, transfer, disclose or otherwise use such information for any purpose other than in performance of its duties under this Contract.

10.5.4 Subject to Section 10.5.5, in the case of Personally Identifiable Information, TSP may use such information for Violation processing and collection and shall release the Personally Identifiable Information to:

(a) The applicable Agency upon request for the purposes of carrying out this Contract or the applicable Agency's 's functions with respect to the I-15 Express Lanes Project or the 91-Express Lanes, as applicable; and

(b) California DMV as necessary to assist in collection of debt or payments owing.

10.5.5 TSP shall implement physical, electronic and managerial safeguards to prevent unauthorized access to Personally Identifiable Information and to implement destruction of records containing Personally Identifiable Information in accordance with the records retention provisions of this Contract.

10.5.6 Immediately upon the Expiry Date, TSP shall, at each Agency's option: (i) certify to the applicable Agency that TSP has destroyed all Personally Identifiable Information, (ii) returned all Personally Identifiable Information to the applicable Agency; or (iii) handled all Personally Identifiable Information in accordance with operations shutdown plan in the End of Contract Transition Plan.

10.5.7 TSP shall comply with all applicable Governmental Rules regarding disclosure of Agencies' privacy policies to I-15 Express Lanes Project and 91 Express Lanes customers, and shall disclose TSP's policies regarding privacy of Personally Identifiable Information in writing to each user of the I-15 ELs and 91 ELs for whom TSP holds Personally Identifiable Information. Such disclosure shall be posted on the Customer Website. The content of the form of disclosures, and any changes thereto that TSP may make from time to time, shall be subject to Agencies' prior review and approval in accordance with the Submittal Process.

10.6 Customer Communications

The final format of all required form letters and standard correspondence with I-15 Express Lanes Project and 91 Express Lanes customers shall be subject to Agencies' approval in advance of use in accordance with the Submittal Process.

10.7 ROC/CSC

(a) TSP shall establish, furnish, operate and maintain the ROC in accordance with this Contract.

(b) TSP shall establish and staff the CSC as necessary to perform the CSC Commencement Period Toll Services by the CSC Commencement Deadline, provided that TSP shall not commence operations of the CSC until the date specified by RCTC in a Notice of CSC Commencement pursuant to Section 8.11.5.

(c) TSP shall establish, staff and operate the entire ROC by the Revenue Service Commencement Deadline, provided that TSP shall not commence Revenue Service until the date specified by RCTC in a Notice of Revenue Service Commencement.

10.8 Supplies and Materials for O&M Work

10.8.1 Inspection and Handling.

TSP shall:

(a) Inspect all Equipment and Hardware in accordance with Good Industry Practices to identify any Nonconformances and promptly return, or cause to be returned, Equipment or Hardware with Nonconformances to the Supplier for credit or replacement; and

(b) Maintain safe, secure and segregated storage areas for all Equipment and Hardware at the Site.

10.8.2 Passage and Warranty of Title.

(a) Title to all Equipment and Hardware shall pass to and vest in Agencies without further action of the Parties as provided in Section 7.19.

(b) TSP warrants good title to all Equipment and Hardware and warrants that title when it passes to and vests in Agencies as provided under this Contract shall be free and clear of any Liens and rights of other persons arising as a result of any actions or failure to act of any TSP-Related Entity.

(c) This Section 10.8.2 does apply to title relating to Pre-Existing Software, which shall be governed by Section 29.7, Section 29.8 and 29.9.

10.9 Noncompliance O&M Events and KPIs

10.9.1 TSP guarantees that the O&M Work shall comply with the KPIs and all other Contract requirements regarding performance of the TCS.

10.9.2 TP Section 13.5 sets out requirements for the identification of Noncompliance O&M Events that will result in the assessment of Performance Liquidated Damage, including corresponding Response Times and Repair Times for Priority O&M Events.

10.9.3 Performance Liquidated Damages and Performance Stipulated Damages are a system to measure TSP's performance levels and compliance with the requirements of this Contract throughout the O&M Term.

10.10 Extension of Response Time or Repair Time

10.10.1 TSP will be entitled to an extension of time to the Response Time or Repair Time (as applicable) if TSP is unable to Respond or Repair a Priority O&M Event due to:

(a) A direction of an Agency Representative to delay or reschedule the Response or Repair

(b) Material maintenance or other activities by an Other Agency Contractor; or

(c) An O&M Relief Event or Force Majeure Event, but only to the extent and for the period that TSP's ability to Respond or Repair the Priority O&M Event was directly and adversely affected, as determined by an Agency Representative, acting in good faith.

10.10.2 TSP shall bear the burden of proof that the conditions in Section 10.10.1 are satisfied

SECTION 11 LIQUIDATED DAMAGES

11.1 Lane Closures on State Route 91 and Interstate 15

11.1.1 TSP shall perform the Toll Services in a manner that will minimize impacts to the operations of State Route 91 and I-15 Corridor, including minimizing Lane Closures.

11.1.2 For Lane Closures during the Term, TSP shall be liable for and pay Lane Closure Charges to the applicable Agency as follows, and as more specifically set forth in Exhibit 22.

(a) For a Permitted Lane Closure of a General Purpose Lane, no Lane Closure Charges shall be owing from TSP to the applicable Agency for the duration of the Permitted Lane Closure. Where a Permitted Lane Closure goes beyond or outside the duration approved by the applicable Agency, Section 11.1.2(c) applies as specified in Exhibit 22, Chart 22-5.

(b) For a Permitted Lane Closure of an Express Lane:

(i) Liquidated damages shall be payable to RCTC for each affected I-15 Express Lane in the amount specified in Exhibit 22, Chart 22-1;

(ii) Liquidated damages shall be payable to the applicable Agency for each affected SR-91 Express Lane (including the SR 91 to I-15 Express Lane Flyover Connector) in the amount specified in Exhibit 22, Chart 22-3; and

(iii) Stipulated Damages shall be payable for each affected Express Lane to the applicable Agency as calculated in accordance with Section 11.2.

(c) For an Unpermitted Lane Closure of a General Purpose Lane, liquidated damages shall be payable for each affected General Purpose Lane in the amount specified in Exhibit 22, Chart 22-5.

(d) For an Unpermitted Lane Closure of an Express Lane:

(i) Liquidated damages shall be payable to RCTC for each affected I-15 Express Lane in the amount specified in Exhibit 22, Chart 22-2;

(ii) Liquidated damages shall be payable to the applicable Agency for each affected SR-91 Express Lane (including the SR 91 to I-15 Express Lane Flyover Connector) in the amount specified in Exhibit 22, 22-4; and

(iii) Stipulated Damages shall be payable to the applicable Agency for each affected Express Lane as calculated in accordance with Section 11.2.

11.1.3 TSP acknowledges that because of the unique nature of the I-15 Express Lanes Project and 91 Express Lanes, proper management of Permitted Lane Closures and avoidance of Unpermitted Lane Closures is essential to Agencies' ability to collect toll revenue to enable Agencies to continue to finance, construct, operate and maintain and improve the highway systems under their control, it is not possible to ascertain and determine the actual Losses, including lost toll revenues, which would accrue to Agencies and the public from such failures.

11.1.4 TSP acknowledges that the Lane Closure Charges are reasonable in order to compensate Agencies for damages they will incur in connection with Lane Closures. Such damages include loss of potential revenue for Agencies, loss of use, enjoyment and benefit of the I-15 Express Lanes Project and 91 Express Lanes and connecting Agencies' transportation facilities by the general public, injury to the credibility and reputation of Agencies' transportation improvement programs with policy makers and with the general public who depend on and expect availability of service, which injury to credibility and reputation may directly result in loss of ridership on the I-15 Express Lanes Project and 91 Express Lanes and connecting transportation facilities, and additional costs to Agencies for administering this Contract (including legal, engineering, accounting, overhead and other administrative costs). TSP further acknowledges that these

damages are incapable of accurate measurement because of, among other things, the unique nature of the Toll Services and that as of the Execution Date, the amounts of Lane Closure Charges represent a good faith estimate as to a portion only of the potential actual damages that Agencies would incur as a result of Lane Closures and do not constitute a penalty.

11.1.5 Without limiting Agencies' rights under Section 18.12, TSP shall pay to the applicable Agency the Lane Closure Charges owing directly to the applicable Agency, without notice or demand, on the tenth (10th) Business Day of the following month.

11.1.6 Without limiting Agencies' other rights under this Contract, in the event that TSP fails to make any timely payment of Lane Closure Charges, then: (a) the applicable Agency may prohibit TSP from pursuing or implementing any further Permitted Lane Closures until such past due payments are made; and (b) TSP shall not be entitled to any Change Order, compensation, or time extension arising out of any inability to pursue or implement such Permitted Lane Closures.

11.1.7 Where an Agency permits or requires TSP to proceed with a Permitted Lane Closure after TSP has failed to timely pay Lane Closure Charges as provided in this Contract, this shall not waive the Agency's right to receive damages under this Contract or any rights otherwise available to the Agency.

11.2 Calculation of Stipulated Damages

11.2.1 Stipulated Damages shall be calculated by using a comparison of the number of transactions identified by the relevant Collection System in the impacted area during the period of the Permitted Lane Closure and the number of transactions identified by the Collection System during a comparable prior period in the equivalent impacted area determined by the applicable Agency. Determination of a comparable period shall be made by the applicable Agency, acting reasonably, and shall consider the day, month, time of day, location, season, whether the day is a weekday, weekend or holiday, and such other factors as the applicable Agency shall reasonably determine. If the applicable Agency does not have operating history from a comparable period, Stipulated Damages shall be determined by the applicable Agency by reference to the traffic and revenue study estimates for the period of time in question and may also consider available live traffic data for the relevant period.

11.2.2 By way of example, if, during the period of the Lane Closure, the Toll Collection System identifies 100 transactions, and during a comparable prior period where there is no Lane Closure, the Toll Collection System identifies 1000 transactions, the Lane Closure Stipulated Damages for the duration of the Lane Closure would be the value of the difference in the number of transactions (i.e., an amount equal to 900) multiplied by the toll rate(s) applicable to such transactions. The calculation of Stipulated Damages can never be a negative number or result in TSP being entitled to additional payment from the applicable Agency.

11.3 Liquidated Damages for Late Cancelled Lane Closure

11.3.1 If TSP fails to (a) utilize a Lane Closure that TSP has requested under TP Section 4.7.2, or (b) provide the applicable Agency advance Notice canceling the requested Lane Closure at least 72 hours before the date and time that the requested Lane Closure is scheduled to commence, the amount of $5,000 shall be payable for each failure to the applicable Agency.

11.3.2 TSP acknowledges and agrees that the liquidated damages respecting TSP's failure to utilize a requested Lane Closure or timely cancel a Lane Closure, as described in this Section 11.3, are reasonable in order to compensate the applicable Agency for the impact of preparation for a Lane Closure that has been scheduled and not used or cancelled too late. TSP further acknowledges that these damages are incapable of accurate measurement because of, among other things, their imprecise nature. The Parties have agreed to liquidated damages under this Section 11.3 in order to fix and limit TSP's costs and to avoid later Disputes over what amounts of damages are properly chargeable to TSP.

11.3.3 Without limiting Agencies' rights under Section 18.12, TSP shall pay to the applicable Agency the Lane Closure Charges owing directly to the applicable Agency, without notice or demand, on the tenth (10th) Business Day of the following month.

11.4 Delay Liquidated Damages for Failure to Achieve Completion Deadlines

11.4.1 TSP shall pay the following Delay Liquidated Damages to RCTC:

(a) $5,000 per day for each day commencing 60 days from issuance of NTP1 through the date that TSP submits the TCS Infrastructure Requirements meeting all requirements of the Contract;

(b) $5,000 for each day after the CSC Commencement Deadline through the date that TSP achieves ROC Commencement, not to exceed 60 days or earlier termination of this Contract;

(c) $45,000 for each day after the Revenue Service Commencement Deadline through the date that TSP achieves Revenue Service Commencement, not to exceed 180 days or earlier termination of this Contract; and

(d) $5,000 for each day from and after the TCS Acceptance Deadline through the date that TSP achieves TCS Acceptance, but not to exceed 90 days or earlier termination of this Contract.

11.4.2 Subject to Section 11.4.3 and without limiting RCTC's rights under Section 18.12, Delay Liquidated Damages shall be due and payable directly to RCTC or to such other person as directed by RCTC in writing, without notice or demand, on the tenth (10th) Business Day of the following month.

11.4.3 Subject to Sections 11.4.5 and 11.4.6, the Parties agree that the payment of Delay Liquidated Damages is RCTC's sole right to monetary compensation from TSP for delay in meeting a Completion Deadline.

11.4.4 Section 11.4.3 shall not preclude RCTC from exercising any other non-monetary rights respecting the delay under this Contract including Section 23.3 and, if applicable Section 23.4.

11.4.5 RCTC agrees not to exercise non-monetary rights in relation to a delay in meeting a Completion Deadline provided (a) the Project Schedule demonstrates that TSP is capable of meeting the applicable Completion Deadline within the time specified in Section 11.4.1, and (b) TSP diligently performs the Toll Services in accordance with such Project Schedule.

11.4.6 Without limiting RCTC's right to continue to assess Delay Liquidated Damages under Section 11.4.1(c), RCTC may not exercise non-monetary rights relating to failure to achieve Revenue Service Commencement until the delay exceeds within 90 days after the Revenue Service Commencement Deadline.

11.4.7 The Parties acknowledge and agree that:

(a) In the event that TSP fails to achieve any Completion Milestone by the applicable Completion Deadline, RCTC shall incur damages that are incapable of accurate measurement because of, among other things, the unique nature of the I-15 Express Lanes Project. Such damages include additional costs to RCTC of administering this Contract (including engineering, management, legal, accounting, overhead and other administrative costs), loss of toll revenues, ongoing traffic impact and disruption relating to construction of the I-15 Express Lanes Project and loss of public use of the I-15 Express Lanes Project. Therefore, TSP and RCTC have agreed to stipulate the amount payable by TSP in the event of its failure to achieve the Completion Milestones by the applicable Completion Deadlines.

(b) As of the Effective Date, the amounts of Delay Liquidated Damages in Section 11.4.1 represent a good faith estimate as to a portion only of the potential actual damages that RCTC would incur as a result of TSP's failure to achieve a Completion Milestone by the applicable Completion Deadline and do not constitute a penalty; and

(c) Delay Liquidated Damages may be owing even though no TSP Event of Default has occurred.

11.5 Performance Liquidated Damages and Performance Stipulated Damages

11.5.1 Where a Priority O&M Event is not Responded to within the Response Time or is not Repaired within the Repair Time or a Noncompliance O&M Event (excluding a Priority O&M Event) occurs, Agencies may impose Performance Liquidated Damages and / or Performance Stipulated Damages (as applicable) on TSP.

11.5.2 Without limiting Agencies' rights under Section 18.12, Performance Liquidated Damages and Performance Stipulated Damages shall be due and payable directly to Agencies without notice or demand on the tenth (10th) Business Day of the following month, unless otherwise directed by an Agency.

11.5.3 The Parties acknowledge and agree that:

(a) In the event that if a Priority O&M Event is not Responded to within the Response Time or is not Repaired within the Repair Time, or a Noncompliance O&M Event (excluding a Priority O&M Event) occurs, Agencies shall incur damages that are incapable of accurate measurement including additional costs to Agencies for administering this Contract (including engineering, management, legal, accounting, overhead and other administrative costs), loss of toll revenues, additional operating costs for the TCS and Agencies' ability to collect toll revenue to enable Agencies to continue to finance, construct, operate and maintain and improve their highway systems;

(b) As of the Effective Date, the amounts of Performance Liquidated Damages and Performance Stipulated Damages represent a good faith estimate as to a portion only of the potential actual damages that Agencies would incur as a result of such failure;

(c) The Performance Liquidated Damages and Performance Stipulated Damages do not constitute a penalty;

(d) The methodology for determining such Performance Stipulated Damages was established based on the Parties' agreement that the amounts determined will constitute a reasonable approximation of the actual damages from lost toll revenues that Agencies will accrue as a result of the circumstances giving rise to such Performance Stipulated Damages; and

(e) Performance Liquidated Damages or Performance Stipulated Damages may be owing even though no TSP Event of Default has occurred.

11.5.4 Without limiting Agencies' rights under Section 18.12 Performance Stipulated Damages and Performance Liquidated Damages shall be due and payable directly to the applicable Agency, without notice or demand, on the tenth (10th) Business Day of the following month.

11.6 Calculation of Performance Stipulated Damages.

11.6.1.1 Performance Stipulated Damages shall be calculated by using a comparison of the number of transactions identified by the TCS during the period of failure to meet the minimum standard for the KPI specified in the KPI Table and the number of transactions identified by the TCS during a comparable prior period determined by Agencies. Subject to Section 11.6.1.2, a determination of a comparable period shall be made by Agencies, acting reasonably, and shall consider the day, month, time of day, location, season, whether the day is a weekday, weekend or holiday and such other factors as Agencies shall reasonably determine.

11.6.1.2 During the first 6 months of the O&M Term, Performance Stipulated Damages shall be determined by reference to the traffic and revenue study estimates for the period of time in question and may also consider available live traffic data from the TCS and other subsystems for such period.

11.6.2 For example, if, during the period in which the TCS fails to meet the minimum standard for the KPI specified in the KPI Table as being subject to payment of Performance Stipulated Damages, the TCS identifies 100 transactions, and during a comparable prior period where the TCS is meeting the minimum standard specified for the KPI in the KPI Table, the TCS identifies 1000 transactions, the Performance Stipulated Damages for the failure to meet the minimum standard for such KPI for the period in question would be the value of the difference in the number of transactions (i.e., an amount equal to 900) multiplied by the toll rate(s) applicable to such transactions.

11.6.3 The calculation of Performance Stipulated Damages can never be a negative number or result in TSP being entitled to additional payment from Agencies.

11.7 Performance Liquidated Damages and Performance Stipulated Damages as Sole Monetary Remedy

11.7.1 Subject to this Section 11, any termination in accordance with Section 23.1.16 or in connection with Persistent Breach, the Performance Liquidated Damages and Performance Stipulated Damages payable under this Contract is Agencies' sole monetary remedy for TSP's failure to Respond to or Repair a Priority O&M Event within the Response Time or Repair Time (as applicable), or a Noncompliance O&M Event (excluding a Priority O&M Event) .

11.7.2 Section 11.7.1 does not preclude Agencies from making a Claim against TSP with respect to failure to Respond to or Repair a Priority O&M Event within the Response Time or Repair Time (as applicable), or a Noncompliance O&M Event (excluding a Priority O&M Event) for:

(a) Losses or damages to the extent (i) covered by the proceeds of insurance required to be carried in accordance with this Contract, or (ii) covered by the proceeds of insurance actually carried by or insuring TSP under policies solely with respect to the Toll Services, regardless of whether required to be carried under this Contract;

(b) Losses or damages arising out of fraud, criminal conduct, intentional misconduct, recklessness, bad faith or gross negligence on the part of any TSP-Related Entity;

(c) Losses or damages arising out of any TSP Release of Hazardous Materials;

(d) Agencies' right under, including the right to enforce, TSP's indemnities under this Contract; and

(e) Losses or damages arising as a result of Agencies exercising their default and termination rights under this Contract.

11.8 Intent Regarding Liquidated Damages

The Parties intend for the Liquidated Damages set forth in this Contract to constitute liquidated damages as such term is used in Government Code Section 53069.85 to the extent the statute is applicable, and to constitute stipulated damages to the extent the statute is not applicable.

SECTION 12 NONCONFORMANCES, CORRECTION OF WORK AND WARRANTIES

12.1 Notice of Nonconformance

Agencies shall give a Notice to TSP within a reasonable period after Agencies have Actual Knowledge of any Nonconformance during the Term. If Agencies fail to provide Notice within a reasonable period after obtaining Actual Knowledge of the Nonconformance, such failure shall not constitute a waiver of Agencies' rights under this Section 12, but TSP shall not be responsible for the increase in Cost, if any, directly and solely resulting from Agencies' failure to provide timely Notice unless TSP had Actual Knowledge of, or should have been aware, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, of such Nonconformance.

12.2 Remedy of Nonconformances

12.2.1 During the Term, if TSP has Actual Knowledge of a Nonconformance or has received notice of a Nonconformance from Agencies under Section 12.1, TSP shall promptly remedy such Nonconformance and any damage to the DB Work or property of third parties to the extent caused

by such Nonconformance in order to return the same to its condition existing immediately prior to the damage or Nonconformance.

12.2.2 TSP shall perform such tests as Agencies may, in their good faith discretion, require to remedy, and to demonstrate the cure of, a Nonconformance.

12.2.3 TSP acknowledges and agrees that any Nonconformance may have severe economic, safety and travel consequences to Agencies and the traveling public if such Nonconformance is not immediately remedied.

12.2.4 TSP shall perform all remedy Work in a timely and expeditious manner, and so as to minimize the revenue loss to Agencies and to avoid disruption of normal TCS operations.

12.2.5 TSP shall remain liable for under this Contract, at law or in equity with respect to the Toll Services, including liability for Liquidated Damages, design defects, latent construction defects, strict liability, breach, negligence, willful misconduct or fraud notwithstanding the remedy of any Nonconformance.

12.3 Failure to Remedy a Nonconformance.

If:

12.3.1 TSP has received Notice of a Nonconformance from Agencies under Section 12.1 during the Term and states or by its action (or failure to act) indicates that it is unable or unwilling to proceed with remedy of the Nonconformance within five (5) Business Days following receipt of such Notice; or

12.3.2 TSP fails to remedy the Nonconformance in accordance with this Contract, then Agencies, upon Notice to TSP, may, or may procure another party to remedy the Nonconformance, and the cost of such remedy will be due and payable from TSP to Agencies upon demand.

12.4 Damages for Breach of Warranty

12.4.1 Subject to Section 11 and Section 25 and in addition to Agencies' other rights under this Contract, at law or in equity, TSP shall be liable for actual damages resulting from any breach of an express or implied warranty, Subcontractor warranty, or any Nonconformance, including the cost of performance of such obligations by others.

SECTION 13 END OF O&M TERM ACCEPTANCE

13.1 Requirements

13.1.1 Upon the Expiry Date, TSP shall perform each of the required elements of the End of Contract Transition Plan.

13.1.2 TSP shall provide Notice to Agencies when it has complied with all elements of the End of Contract Transition Plan, including a list of all transferrable items to be assigned to Agencies at the end of this Contract, including all items required to operate and maintain the TCS, sufficient to allow all transaction information to be posted and processed by a back office system provided by others.

13.1.3 TSP shall provide Notice to Agencies when all of the following have occurred, which shall be not fewer than 90 days prior to the Expiry Date:

(a) TSP has provided, and Agencies have approved in accordance with the Submittal Process, updated As-Built Technical Drawings reflecting any and all changes and modifications that may have occurred during the Term;

(b) TSP has provided, and Agencies have approved in accordance with the Submittal Process, all Components required to properly maintain the TCS in the standard required by this Contract during the Term, whether or not the same are indicated in the spare parts inventory;

(c) TSP has supplied, and Agencies have approved in accordance with the Submittal Process, all necessary manuals to operate and maintain the TCS, revised as necessary to reflect any and all changes and modifications that may have been made to the TCS since the manuals were originally provided by TSP;

(d) TSP has supplied, and Agencies have approved and accepted, completed maintenance records from the MOMS and Monthly O&M Reports;

(e) TSP has trained Agencies' designated maintenance staff to Agencies' satisfaction in accordance with this Contract and has transferred all literature, training aids, and equipment used in training;

(f) TSP has transferred to Agencies or their designees all rights in Software required by Sections 29.7, 29.8 and 29.9;

(g) To the extent required in accordance with Section 29.12, TSP has deposited all Software Source Code necessary for continued operation and maintenance of the TCS into the Source Code Escrow and the Code Escrow Agent has verified such deposit is accurate and complete; and

(h) TSP has furnished a complete and current set of all transferrable system configuration data and Software, customer account management data and Personally Identifiable Information, financial data, and traffic data one year prior to the end of the Term and has provided updates of such data every quarter until the end of the Term.

13.2 Certificate of End of O&M Term Acceptance

Agencies will issue a Certificate of End of O&M Term Acceptance as soon as reasonably practicable after: (a) Agencies determine that all conditions in Section 13.1 and TP Section 18 have been satisfied; (b) Agencies determine that all Nonconformances have been fully corrected; and (c) any other conditions precedent to End of O&M Term in this Contract have occurred.

SECTION 14 FLOW OF FUNDS REQUIREMENTS

14.1 Accounts

TSP shall:

(a) Collect all Gross Revenues resulting from the performance of Toll Services and shall hold such Gross Revenues in trust for Agencies until deposited into the applicable Agency's bank account or accounts in accordance with this Contract;

(b) Deposit all Gross Revenues as collected in one or more accounts designated by each Agency, in accordance with this Contract, Business Rules and Standard Operating Procedures; and

(c) Process charges and debits to Accounts and the funds in the Account directly from the Account to the Agency bank account(s) designated for receipt of such funds in compliance with this Contract, Business Rules and Standard Operating Procedures, and deposit all fees and charges imposed on and collected from Transponder Account customers into such designated account.

14.2 No Commingling of Funds

All Gross Revenues received by TSP shall be identified for deposit into one of the bank accounts established by Agencies and shall be deposited by TSP into such accounts within the time frame designated in this Contract, Business Rules and Standard Operating Procedures. TSP shall not commingle Gross Revenues from the different sources.

14.3 Authorized Personnel

Only TSP personnel specified in this Contract, Business Rules and Standard Operating Procedures shall have access to and control over the Gross Revenues and accounts.

14.4 Daily Transfer and Reconciliation

TSP shall carry out the responsibilities assigned to it to make daily transfers of funds and reconciliation in accordance with TP Section 8.8. TSP shall be solely responsible for the safe deposit and transfer of funds, and shall reimburse Agencies for shortfalls in the reconciliation, including for funds that are lost, stolen or otherwise unaccounted for.

14.5 Responsibility for Chargebacks and Refunds

TSP shall be responsible for the cost of chargebacks, bank fees, processing costs, refunds and any other amounts owed to Agencies but not otherwise collected by TSP in accordance with this Section 14, resulting from any TSP Fault and, without limiting Section 18.12, such amounts shall be due and payable from TSP to Agencies upon demand.

14.6 Agencies Revenue Control and Management

TSP shall fully cooperate with and assist any person or firm appointed by Agencies to oversee toll revenue management and control on behalf of Agencies.

SECTION 15 PARTIES REPRESENTATIVES; CIVIL RIGHTS; SUBCONTRACTORS; KEY PERSONNEL

15.1 Designation of Representatives; Cooperation with Representatives

15.1.1 Each Agency and TSP shall each designate an individual or individuals who are authorized to make decisions and bind the parties on matters relating to this Contract. Exhibit 2 provides the initial Representative designations.

15.1.2 The TSP Representative shall (a) have full responsibility for the prosecution of the Toll Services, (b) act as agent and be a single point of contact in all matters on behalf of TSP, (c) be available to execute instructions and directions received from Agencies or their Representatives; and (d) be available at all times while Toll Services is actually in progress.

15.1.3 The designation of the TSP Representative or Agency Representatives may be changed by Notice to the other Party.

15.1.4 The Parties may also designate technical representatives who shall be authorized to investigate and report on matters relating to the Toll Services and negotiate on behalf of each of the parties but who do not have authority to bind Agencies or TSP.

15.2 Civil Rights; Equal Employment Opportunity

15.2.1 TSP shall not, and shall cause the Subcontractors to not, discriminate on the basis of race, color, national origin or sex in the performance of the Toll Services. TSP shall carry out, and shall cause the Subcontractors to carry out, applicable requirements of 49 CFR Part 21 and 23 CFR Part 200 in the award and administration of FHWA-assisted agreements. Failure by TSP to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as Agencies deem appropriate.

15.2.2 TSP shall ensure that Section 15.2.1 is included in every Subcontract (including purchase orders), so that such provisions will be binding upon each Subcontractor.

15.2.3 TSP confirms for itself and all Subcontractors that TSP and each Subcontractor has an equal employment opportunity policy ensuring equal employment opportunity without regard to race, color, national origin, sex, age, religion or handicap; and that TSP and each Subcontractor maintains no employee facilities segregated on the basis of race, color, religion or national origin.

15.2.4 TSP shall comply, and shall ensure that its Subcontractors comply with, all applicable equal employment opportunity and nondiscrimination provisions in Exhibit 5.

15.3 General

15.3.1 Subject to the nondiscrimination and equal opportunity provisions, TSP may perform the Toll Services with its own personnel or pursuant to Subcontracts. Prior to engaging any new major Subcontractor after the date first set forth above, TSP shall provide Agencies the opportunity to review, comment and approve, as appropriate, such new major Subcontractors. The Parties shall agree, in advance, on which Subcontractors shall require approval of the Agencies.

15.3.2 TSP is responsible for:

(a) The engagement and management of each Subcontract,

(b) All Toll Services performed by its Subcontractors;

(c) Proper supervision and coordination of the Toll Services performed by its Subcontractors so as to ensure that all Toll Services are in accordance with this Contract;

(d) The actions, errors omissions, negligence, willful misconduct, or breach of applicable Governmental Rule or contract by any TSP-Related Entity or Subcontractor, as though TSP directly employed all such Persons.

(e) Within ten (10) Business Days after execution of a Subcontract, TSP shall deliver true, correct and complete copies of such Subcontract to Agencies.

(f) TSP may not amend or terminate any Major Subcontract without the prior written consent of Agencies, in its sole discretion except that TSP may terminate a Major Subcontract in the event of material default by the Subcontractor.

15.4 Subcontract Requirements

15.4.1 Each Subcontract shall:

15.4.1.1 Include express requirements that: (1) Agencies and Department are third party beneficiaries of the Subcontract, and shall each have the independent right to enforce all of the terms of the Subcontract for their own benefit; (2) all guarantees and warranties, express or implied, shall inure to the benefit of Agencies and Department, and their respective successors and assigns; (3) the rights of TSP under such instrument are assigned to Agencies contingent only upon delivery of Notice from Agencies following default by TSP or termination or expiration of this Contract, allowing Agencies to assume the benefit of TSP's rights with liability only for those remaining obligations of TSP accruing after the date of assumption by Agencies; and (4) the Subcontractor shall recognize and attorn to Agencies upon receipt of Notice from Agencies that has Agencies have exercised their rights under this Contract, without necessity for consent or approval from TSP or to determine whether Agencies validly exercised their rights, and TSP's covenant to waive and release any claim or cause of action against the Subcontractor in connection with its recognition and attornment in reliance on any such Notice;

15.4.1.2 Not impose upon Agencies or Department any obligation or liability;

15.4.1.3 Not create any contractual relationship between Agencies or Department and the applicable Subcontractor

15.4.1.4 Include the following provision:

> Nothing contained herein shall be deemed to create any privity of contract between or among the Riverside County Transportation Commission (RCTC), the Orange County Transportation Authority (OCTA), the California Department of Transportation (Department) and the Subcontractor, nor does it create any duties, obligations, or liabilities on the part of RCTC, OCTA or Department to the Subcontractor except those allowed under California law. In the event of any claim or dispute arising under the Subcontract and/or TSP's Contract with RCTC and OCTA, the Subcontractor shall look only to TSP for any payment, redress, relief, or other satisfaction. The Subcontractor hereby waives any claim or cause

of action against RCTC, OCTA or Department arising out of the Subcontract or otherwise arising in connection with the Subcontractor's Work.;

15.4.1.5 Include express requirements that: (a) Subcontractor will maintain Books and Records and will permit audit of Books and Records, and (b) provide progress reports to TSP appropriate for the type of work it is performing sufficient to enable TSP to provide the reports it is required to furnish Agencies under this Contract;

15.4.1.6 Include provisions that allow the assignment to Agencies and for Agencies to assume the benefit of TSP's rights under the Subcontract with liability only for those remaining obligations of TSP accruing after the date of assumption by Agencies, without cost to Agencies, upon any termination of this Contract (including a termination due to an Agency or TSP Event of Default). Any such assignment shall be subject to the prior rights, if any, of the surety obligated under the Payment Bond and Performance Bond (if applicable). No such assignment shall release or relieve TSP from its obligations or liabilities under the assigned Subcontract;

15.4.1.7 Include provisions regarding terminations for convenience by Agencies, allowing such terminations to occur and to be passed through to the Subcontractors and establishing terms, conditions and procedures for determining the amount payable to the Subcontractor upon a termination, consistent with Section 23;

15.4.1.8 Provide that, in the event of a termination for convenience by Agencies, the Subcontractor will not be entitled to any anticipatory or unearned profit on Toll Services terminated or partly terminated, or to any payment which constitutes consequential damages on account of the termination or partial termination;

15.4.1.9 Require the principal design Subcontractor (including any joint venture) and each Major Subcontractor to submit to TSP a copy of all documentary information used in determining its Subcontract price (or the price for Subcontract Toll Services included in any Change Order or Contract amendment), immediately prior to executing the Subcontract and each Change Order and Subcontract amendment, to be held in the same manner as the EPDs and which shall be accessible by TSP and its successors and assigns (including RCTC) and the Disputes Board, on terms substantially similar to those contained in this Contract;

15.4.1.10 Include a representation and warranty from the Subcontractor providing information under Section 15.4.1.9, for the benefit of TSP and Agencies, stating that its EPDs constitute all the documentary information used in establishing its Subcontract price, and agreeing to provide a sworn certification in favor of TSP and Agencies together with each supplemental set of EPDs, stating that the information contained in the EPDs are complete, accurate and current. Each Subcontract that is not subject to this requirement shall include a provision requiring the Subcontractor to preserve all documentary information used in establishing its Subcontract price and to provide such documentation to TSP and/or Agencies in connection with any Claim made by such Subcontractor;

15.4.1.11 Include provisions in all public works subcontracts consistent with Pub. Cont. Code § 9204(d)(5), which provides that a Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that TSP present a claim for work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. In such event the Subcontractor must furnish reasonable documentation to support the claim. Within 45

days of receipt of this written request, TSP is required to notify the Subcontractor in writing as to whether TSP presented the claim to Agencies and, if TSP did not present the claim, provide the Subcontractor with a statement of the reasons for not having done so;

15.4.2 To the extent commercially feasible (and TSP shall bear the burden of proof that such items are not commercially feasible if not included), TSP shall include the following patent and copyright infringement and trade secret misappropriation provisions in its purchase orders and licensing agreements with TSP's TCS equipment and TCS Software Suppliers. Inclusion of such provisions in TSP purchase orders and licensing agreements with Suppliers shall be subject to verification by Agencies:

(a) Suppliers shall represent and warrant that any Equipment is free of any rightful claim of any third party for infringement of any United States patent or copyright or misappropriation of any trade secret;

(b) If promptly provided Notice and given authority, information and assistance, the Supplier shall defend, or may settle, at its expense, any further proceeding against TSP and/or Agencies and the Agency Parties, insofar as it is based on any claimed patent or copyright infringement or misappropriation of any trade secret which would result in a breach of this warranty and the Supplier shall defend, indemnify and hold harmless TSP, Agencies and the Agency Parties from and against any Claim or Losses incurred in connection therewith;

(c) The Supplier shall provide Notice to TSP and Agencies promptly and in reasonable detail, each notice or Claim of patent or copyright infringement or misappropriation of any trade secret based on the performance of this Contract of which the Supplier has knowledge; and

(d) In the event of any Claim or dispute against TSP and/or Agencies on account of any alleged patent or copyright infringement or misappropriation of any trade secret in connection with the performance of this Contract or out of the use of any supplies furnished or work or services performed under this Contract, the Supplier shall furnish to TSP and Agencies all evidence and information in the possession of the Supplier pertaining to such Claim at its expense.

15.4.3 If directed by Agencies, in their sole discretion, TSP shall interface with a collection agency in accordance with TP Section 6.8 and refer debt to a collection agency in accordance with TP Section 6.8. TSP shall provide the collection services required pursuant to TP Sections 6.8 and and any other applicable section of the TPs.

15.4.4 Upon Agencies' direction, in their sole discretion, TSP shall subcontract for debt collection services with a collection agency to be identified by TSP and approved by Agencies pursuant to the Submittal Process. The term of the Subcontract between TSP and the approved collection agency for performance of such services shall be for no more than five (5) years, commencing on the Revenue Service Commencement Date, unless otherwise agreed to by the parties. Such Subcontract shall provide that it may be extended at the option of TSP for a maximum of five (5) additional one year option periods, and that failure of TSP to exercise an option to extend the collection agency Subcontract for any year shall terminate all remaining options.

15.4.5 Agencies may review the form of subcontract used by TSP for the Projects or any Subcontract and require modifications to such form to conform to the requirements set forth in this Contract.

15.4.6 No Subcontractor may start any Work until after Agencies receives copy of its Subcontract, a copy of required license, and any insurance documents required under this Contract.

15.5 Subcontracts with Affiliates

15.5.1 TSP may have Toll Services performed by Affiliates only under the following terms and conditions:

(a) TSP shall execute a written Subcontract with the Affiliate which complies with all requirements for Subcontracts under this Contract;

(b) The terms and conditions of the Subcontract (including pricing and scheduling) shall be no less favorable to TSP than those that TSP could reasonably obtain in an arm's length, competitively procured transaction with an unaffiliated Subcontractor. TSP shall bear the burden of proving that the same are no less favorable to TSP; and

(c) No Affiliate shall be engaged to perform any Toll Services which this Contract requires be performed by an independent or unaffiliated party. No Affiliate shall be engaged to perform any Toll Services which would be inconsistent with Good Industry Practice or other Contract requirements.

15.5.2 Before entering into or amending any Subcontract with an Affiliate, TSP shall submit a true and complete copy of the proposed Subcontract to Agencies for review and comment.

15.5.3 TSP shall make no payments to Affiliates for Toll Services in advance of provision of such Toll Services, except for reasonable mobilization payments or other payments consistent with arm's length, competitive transactions of similar scope.

15.6 Key Personnel; Qualifications of Employees

15.6.1 TSP shall:

(a) Appoint or procure the engagement of the Key Personnel in the positions stated in Exhibit 2;

(b) Not change, or permit any change in any Key Personnel without the prior written consent of Agencies, in their sole discretion;

(c) Provide Notice to Agencies of any proposed changes in any Key Personnel;

(d) Provide phone, email and mobile telephone numbers for all Key Personnel. Agencies require the ability to contact a Key Personnel member nominated by TSP and initially set out in Exhibit 2, 24 hours per day, seven days per week;

(e) Ensure the Key Personnel are available for the time commitment specified in TP Section 2.1.2. Agencies may, at no additional cost to Agencies, require a 100% time commitment

per position from any Key Personnel if Agencies, in their sole discretion, determines that such personnel are not devoting sufficient time to the performance the Toll Services; and

(f) Ensure that all Persons performing Toll Services:

(i) Have the skill and experience and any licenses required to perform the Toll Services assigned to them; and

(ii) Are available for the Toll Services and shall maintain active involvement in the prosecution and performance of the Toll Services unless (a) TSP removes or replaces such personnel at the direction of Agencies; or (b) such individual is unavailable due to the application of Governmental Rule, death, retirement, injury or no longer being employed by the applicable TSP-Related Entity (provided that moving to an affiliated company or a Subcontractor is not considered grounds for avoiding this provision).

15.6.2 If Agencies determines, in their sole discretion, that any Person (a) is not performing the Toll Services in a proper, desirable and skillful manner or is detrimental to Work; (b) poses a potential health, safety or security threat to Agencies' customers, Agency Parties or assets; or (c) does not meet the minimum performance requirements of Agencies, then, upon Notice from Agencies, TSP or its Subcontractor shall remove such Person from the Toll Services and such Person shall not be reemployed on the Toll Services without the prior written approval of Agencies.

(a) Agencies may review the qualifications and character of each individual to be appointed to a Key Personnel position (including personnel employed by Subcontractors) and to approve or disapprove use of such individual in such position prior to the commencement of any Toll Services by such individual or during the prosecution of the Toll Services.

15.7 Key Personnel Liquidated Damages

15.7.1 TSP acknowledges that Agencies and the Toll Services will suffer significant and substantial damages and that it is impracticable and extremely difficult to ascertain and determine the actual damages which would accrue to Agencies in such event if a Key Personnel is not available for or actively involved in the performance of the Toll Services as required in TP Section 2.1.2 or TSP elects not to appoint any Key Personnel position. If Toll Services Provider appoints more than one individual to serve in a Key Personnel position, each appointed individual shall be considered a Key Personnel for purposes of this Section 15.7, including with respect to TSP's obligation to pay liquidated damages in the event such individual is unavailable for or not actively involved in the performance of the Toll Services.

15.7.2 TSP shall pay Agencies a liquidated amount as follows, for each occasion when an individual performing a Key Personnel role is not available for or actively involved in the performance of the Toll Services as required in TP Section 2.1.2 or where TSP elects not to appoint any Key such Personnel as determined by Agencies, in their good faith discretion:

POSITION	**LIQUIDATED AMOUNT**
Project Manager – D&D Work	$ 150,000
Project Manager – O&M Work	$ 150,000

Operations Manager	$ 50,000
Installation Manager	$ 20,000

15.7.3 In addition to the amounts payable under Section 15.7.2, TSP shall pay Agencies a further liquidated amount of $20,000, if any of the positions listed in Section 15.7.2 or any other Key Personnel is not available for or actively involved in the performance of the Toll Services for any 6 month period. The amount payable under this Section 15.7.3 is payable for each 6 month period during which the Key Personnel is unavailable.

15.7.4 TSP understands and agrees that any damages payable in accordance with this Section 15.7 are in the nature of liquidated damages and not a penalty and that such sums are reasonable under the circumstances existing as of the Proposal Date.

15.7.5 TSP is not liable for liquidated damages under Section 15.7.2 if: (a) TSP removes or replaces such personnel at the direction of Agencies; (b) such individual is unavailable due to the application of Governmental Rule, death, retirement, injury or no longer being employed by the applicable TSP-Related Entity (provided that moving to an affiliated company or a Subcontractor is not considered grounds for avoiding Key Personnel Liquidated Damages); or (c) such individual is unavailable due to either RCTC's failure to issue NTP1 within 180 days of the Proposal Date, or RCTC's failure to issue NTP2 within 365 days of the Proposal Date, for a reason other than the acts or omissions or any TSP-Related Entity, or any TSP Fault. In the event that clause (c) occurs, TSP shall, within 30 days after the issuance of NTP1 or NTP2, as applicable, propose to RCTC a replacement for such Key Personnel, which individual shall be subject to RCTC's review and written approval in accordance with the Submittal Process. Following any RCTC-approved substitution or replacement of a Key Personnel pursuant to the terms hereof, including as a result of an RCTC delay in issuance of NTP1 or NTP2, the new individual shall be considered a Key Personnel for all purposes under this Contract, including the provisions of this Section 15.7 relative to Key Personnel Liquidated Damages.

15.8 Disadvantaged Business Enterprise (DBE) Program

The Original Contract was subject to the federal Disadvantaged Business Enterprise (DBE) program requirements found at 49 CFR Part 26 (the DBE Regulations). For this reason, RCTC has adopted Department's Disadvantaged Business Enterprise Policy and has specified DBE requirements applicable to the I-15 Express Lanes Project in Exhibit 15. The purpose of the federal DBE program is to create a level playing field on which DBEs can compete fairly for contracts and subcontracts on the Project. The DBE Regulations were incorporated by reference as part of RCTC's Toll Services Contract-Specific DBE Requirements for the I-15 Express Lanes Project under the Original Contract.

15.8.1 Compliance

TSP has complied with the Toll Services Contract-Specific DBE Requirements set forth in Exhibit 15 and with the requirements of its DBE Performance Plan approved by RCTC.

15.8.2 DBE Participation – DBE Goal

TSP has exercised good faith efforts to meet the established DBE contract goal of 3.0% of the Total Capital Cost in the performance of the D&D Work under the Original Contract. RCTC

maintained oversight of TSP's activities, including those identified within the RCTC approved DBE Performance Plan, to ensure full compliance with the DBE requirements. This Contract does not have a DBE contract goal.

15.8.3 TSP Reporting Requirements

(a) In accordance with Section D(8) of Exhibit 15, TSP developed reporting formats, in a form acceptable to RCTC, to effectively provide updates to all DBE Performance Plan elements on a monthly basis.

(b) TSP submitted a monthly DBE report to RCTC no later than the 10th day of each month until TCS Acceptance under the Original Contract. The format and content of the report was developed by TSP, in accordance with the reporting requirements prescribed in the Toll Services Contract Specific DBE Requirements.

(c) Failure to submit the DBE reports by the 10th day of each month to RCTC would have resulted in the application of appropriate administrative sanctions, including withholding of payment to TSP of two (2) percent of the invoice amount due per month, until such time as a completed report is submitted. There are no reporting requirements under this Contract.

15.8.4 Calculation and Crediting of DBE Participation

DBE participation shall be credited and calculated in accordance with 49 CFR § 26.55.

15.8.5 DBE Program Records Management

TSP maintained and submitted monthly under the Original Contract all records substantiating the progress of DBE participation regardless of tier and demonstrating compliance with the Toll Services Contract Specific DBE Requirements for DBE prompt payment and payment of retainage, and such documentation, including copies of cancelled checks issued, unconditional waivers, and progress payment releases shall be made available for inspection upon request by RCTC. There are no reporting requirements under this Contract.

15.8.6 DBE Frauds and Fronts

Only legitimate DBEs are eligible to participate in federally funded contracts. Therefore, TSP shall not knowingly and willfully use "fronts" to attain DBE participation for the Toll Services. The use of "fronts" and "pass-through" Subcontracts to non-disadvantaged firms constitute criminal violations. Further, any indication of fraud, waste, abuse, or mismanagement of federal funds should be immediately reported to the Office of Inspector General, U.S. Department of Transportation, at the toll-free Fraud, Waste and Abuse Hotline, 800-424-9071.

SECTION 16 PERFORMANCE AND PAYMENT BONDS; GUARANTY; FINANCIAL INFORMATION

16.1 Provision of Bonds

TSP shall (a) provide and continuously maintain in place for the benefit of Agencies payment and performance bonds to Agencies securing TSP's obligations under this Contract, each in the

amount specified in Exhibit B, and (b) maintain such bonds in full force and effect as described in this Section 16.

16.1.1 TSP acknowledges and agrees that its Proposal Bond shall remain in place for a minimum of 365 days after the Proposal Date until NTP2 and shall be increased to the amount specified in Exhibit 2 from the Effective Date until NTP2. At RCTC's request, TSP shall extend and maintain the Proposal Bond, up to 540 days after the Proposal Date, in the event that NTP2 has not been issued as of the date that is 365 days after the Proposal Date.

16.1.2 RCTC will (a) release the Proposal Bond if a separate Bond is provided prior to or concurrently with the issuance of NTP1, or (b) upon NTP2 provided that no outstanding claims are then pending or threatened against TSP under this Contract and the Payment Bond and Performance Bond have been delivered to RCTC.

16.1.3 As a condition precedent to issuance of NTP2, TSP shall provide and maintain a Performance Bond in the form of Exhibit 11 (with such modifications as RCTC approves by Notice, in its sole discretion) for the D&D Work. The Performance Bond shall be in the amount specified in Exhibit 2. Subject to complying with Section 16.1.5, RCTC will release the Performance Bond upon TCS Acceptance, provided that no outstanding claims are then pending or threatened against TSP under this Contract.

16.1.4 As a condition precedent to issuance of NTP2, TSP shall provide and maintain a Payment Bond in the form of Exhibit 12 (with such modifications as RCTC approves by Notice, in its sole discretion) for the D&D Work. The Payment Bond shall be in the amount specified in Exhibit 2. Subject to complying with Section 16.1.5, RCTC will release the Payment Bond (a) upon receipt of (i) evidence satisfactory to RCTC that all Persons eligible to file a claim against the bond have been fully paid and (ii) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notice of a claim against the Bond, or (b) upon expiration of the statutory period for Subcontractors to file a claim against the Bond if no Claims have been filed.

16.1.5 Payment and Performance Bonds shall be required as a condition precedent to issuance of NTP3. TSP shall provide and maintain Payment and Performance Bonds in the amount specified in Exhibit __. Agencies shall release the Performance Bond upon 91 EL Transition Acceptance. Agencies shall release the Payment Bond upon 91 EL Transition Acceptance, and satisfaction of the conditions identified above.

16.1.6 As a condition precedent to achieving TCS Acceptance, TSP shall provide and maintain (a) a Maintenance Performance Bond in the form of Exhibit 13 (with such modifications as RCTC approves by Notice, in its sole discretion), and (b) a Maintenance Payment Bond in the form of Exhibit 14 (with such modifications as Agencies approve in writing, in their sole discretion). The Maintenance Performance Bond and Maintenance Payment Bond shall be in the amount specified in Exhibit 2.

16.1.7 As a condition precedent to achieving 91 EL Transition Acceptance, TSP shall provide and maintain a (a) O&M Performance Bond, and (b) an O&M Payment Bond, each in the amounts specified in Exhibit ___. The bonds identified in this Section shall be in a form provided by Agencies, and shall take the place of the bonds identified in 16.1.6 above, which bonds shall be released upon acceptance of the bonds identified in this Section.

DRAFT

16.1.8 If Agencies exercise the Software Maintenance Option, then subject to the satisfaction of the conditions stated below for release of the Maintenance Performance Bond and the Maintenance Payment Bond, during the Software Maintenance Option Period, each of the Maintenance Performance Bond and the Maintenance Payment Bond may be reduced to an amount equal to the amount specified in Exhibit 2

16.1.9 TSP's obligation to maintain and provide a current Maintenance Performance Bond and Maintenance Payment Bond shall continue throughout the O&M Term. If Agencies exercise the Software Maintenance Option, TSP's obligation to maintain and provide the Maintenance Performance Bond and the Maintenance Payment Bond shall continue throughout the Software Maintenance Option Period, subject to reduction in amount as stated above. Notwithstanding the foregoing sentence, Agencies will accept a Maintenance Performance Bond and a Maintenance Payment Bond with a stated term of at least one year with a statement in the applicable bond that it shall be renewable annually in accordance with the surety's customary renewal practices.

16.1.10 If Agencies have not exercised the Software Maintenance Option and provided TSP has paid Agencies any amounts under this Contract, Agencies will release:

(a) The Maintenance Performance Bond(s) after the satisfaction of all conditions to Final Payment of the O&M Cost in accordance with Section 18.10; and

(b) The Maintenance Payment Bond (i) upon receipt of (A) evidence satisfactory to Agencies that all Persons eligible to file a Claim against the bond have been fully paid, and (B) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notice of a Claim against the Bond, or (ii) upon expiration of the statutory period for Subcontractors to file a claim against the Bond if no Claims have been filed.

16.1.11 If Agencies exercise the Software Maintenance Option, Agencies will release:

16.1.11.1 The Maintenance Performance Bond(s) after satisfactory completion of all Software maintenance work TSP is obligated to perform prior to the end of the Software Maintenance Option Period; and

16.1.11.2 The Maintenance Payment Bond (i) upon receipt of (A) evidence satisfactory to Agencies that all persons eligible to file a Claim against the Bond have been fully paid, and (B) unconditional releases of Liens and stop notices from all Subcontractors who filed preliminary notices of a Claim against the Bond, or (ii) upon expiration of the statutory period for Subcontractors to file a Claim against the Bond if no Claims have been filed.

16.1.12 Each Bond shall be issued by an Eligible Surety authorized to do business in the State and listed on United States Department of the Treasury's Listing of Approved Sureties and otherwise approved by Agencies in their sole discretion. If any Bond previously provided becomes ineffective, or if the Eligible Surety that provided the Bond no longer meets the Contract requirements, TSP shall provide a replacement Bond in the same form issued by an Eligible Surety. If the Contract Price is increased in connection with a Change Order, Agencies may, in their sole discretion, require a corresponding proportionate increase in the amount of each Bond or alternative security.

16.2 No Relief of Liability

16.2.1 No draw under any Bond shall preclude, inhibit, alter or modify Agencies' rights to exercise any and all other rights under this Contract, at law or in equity; except that any recovery under any bond shall reduce the obligations of Guarantor under any Guaranty.

16.2.2 Notwithstanding any other provision of this Contract, performance by a Surety or Guarantor of any of the obligations of TSP shall not relieve TSP of any of its obligations under this Contract.

16.3 Guaranty

16.3.1.1 The Guarantor shall provide and maintain the guaranty, in the form of Exhibit 17 in full force and effect throughout the Term.

16.3.1.2 If, at any point during the Term, the Guarantor's financial capacity is materially negatively affected, as determined by Agencies, in their good faith discretion, Agencies may require, and TSP shall provide, one or more additional guarantees so that the combined financial capacity of the Guarantor and the additional guarantors provides equivalent security to Agencies as the guaranty provided as of the Effective Date. Each such additional guaranty shall be substantially in the form provided in Exhibit 17, together with appropriate evidence of authorization, execution, delivery and validity of such guarantee.

16.4 Periodic Updated Financial Information

16.4.1 Each year during the Term, within 60 days following the completion of TSP's and the Guarantor's annual audited financials, TSP shall deliver to Agencies:

(a) The audited financial statements for the prior year, audited by a certified public accountant in accordance with generally accepted accounting principles (GAAP) for TSP, its equity members and each Guarantor. If an entity does not have individual financial statements, but, rather, financial statements are prepared on a consolidated basis for that entity and other entities, the consolidated financial statements shall be acceptable. Financial statements must be provided in U.S. dollars. If financial statements submitted are prepared in accordance with other than U. S. GAAP, TSP shall include a letter from the entity's chief financial officer, treasurer, or certified public accountant discussing the areas of the financial statements that would be materially affected by a conversion to U.S. GAAP and providing an estimate of changes required to recalculate in accordance with U.S. GAAP. If audited financials are not available TSP shall include unaudited financials for such member, certified as true, correct and accurate by the chief financial officer or treasurer of the entity. Provision of financial statements and information for a parent company or other affiliate will not be sufficient to satisfy the requirement to provide financial statements;

(b) Any financial ratings obtained; and

(c) The most recent United States Securities and Exchange Commission 10 K and 10 Q reports and any 8-Ks filed since submission of the prior year's financial information (if TSP is publicly held or otherwise required to make such filings).

16.4.2 Within 30 Business Days or NTP1 and otherwise 60 days prior to the end of each year during the Term, TSP shall provide to Agencies, for review and approval in accordance with the

Submittal Process, separate Audited Overhead for field and office work to be applicable for the forthcoming year, including a breakdown to verify all components of each Audited Overhead. For the purposes of this Section 16.4.2, (a) the office Audited Overhead will be applied where the relevant employee spends 50% or more of their time performing office related functions and (b) the field Audited Overhead will be applied where the relevant employee spends 50% or more of their time performing field related functions.

SECTION 17 INSURANCE

17.1 General

The insurance provided under this Contract shall be available for the benefit of Agencies and TSP with respect to covered claims, but shall not be interpreted to relieve TSP of any obligations under this Contract. All insurance required under this Contract shall be procured from insurance or indemnity companies with an A.M. Best and Company rating level of A- or better, Class VII or better, or as otherwise approved by Agencies and authorized or approved to do business in the State. All insurance coverage and limits provided by TSP and available or applicable to this Contract are intended to apply to the full extent of the policies. Nothing contained in this Contract limits the application of such insurance coverage.

17.2 TSP Provided Insurance

As a condition to issuance of (a) NTP1, with respect to the NTP1 Work; and (b) NTP2 will respect to the NTP2 Work, TSP shall provide and maintain insurance in accordance with this Contract in full force and effect throughout the Term. TSP may satisfy these requirements for specific coverages and limits through various methods including the use of combined forms, e.g., professional liability and technology errors and omissions liability, to meet coverage requirements and combinations of primary and excess policies for achieving required limits. Use of such options is permissible provided that the resulting insurance policies meet all the requirements specified in this Section 17 and are approved in advance by Agencies in accordance with the Submittal Process.

17.2.1.1 Commercial General Liability Insurance

(a) For the duration of the Term, TSP shall obtain and maintain a policy or policies of commercial general liability insurance for bodily injury, property damage, personal injury and advertising injury.

(b) Coverage shall be written on an occurrence form that shall provide coverage at least as broad as and no more restrictive than the coverage provided by Insurance Services Office (ISO) form CG 00 01.

(c) There shall be no endorsement or modification of the CGL policy limiting the scope of coverage for liability assumed under an insured contract, unless such endorsement or modification is submitted to and approved in advance by Agencies.

(d) Such insurance shall add as insureds, or include as additional insureds, the Indemnified Parties. The commercial general liability insurance coverage shall have limits of not less than $5,000,000 per occurrence, $10,000,000 general aggregate and $2,000,000

products/completed operations aggregate. Completed operations coverage shall extend for as long as there is any exposure to liability under a statute of repose or any other applicable statute either through continuous maintenance of completed operations coverage in TSP's corporate insurance program, including an endorsement providing completed operations coverage for additional insureds, or by purchase of extended completed operations coverage.

17.2.1.2 Workers' Compensation Insurance

For the duration of the Term, TSP shall obtain and maintain and shall require all Subcontractors of all tiers to obtain and maintain, a policy or policies of insurance providing workers' compensation statutory benefits and employer's liability in conformance with the Governmental Rules of the State. Employer's liability limits shall be no less than $1 million each accident, each employee, and shall be scheduled under the excess or umbrella liability policies. The workers' compensation policies shall provide the following:

1. A waiver of subrogation in favor of the Indemnified parties;

2. A provision extending coverage to all states operations; and

3. Coverage for liability under the United States Longshore and Harbor Workers' Compensation Act by adding a Longshore and Harbor Workers' Compensation Act coverage endorsement (WC 00 01 06) on an "if any" basis or as otherwise appropriate.

17.2.1.3 Business Automobile Liability Insurance

(a) For the duration of the Term, TSP shall obtain and maintain and shall require all Subcontractors of all tiers to obtain and maintain a business auto liability policy or policies for those firms with owned or leased autos. Firms that do not own autos must arrange non-owned and hired coverage through a commercial general liability or other liability policy. Each policy shall cover accidental death, bodily injury and property damage liability arising from the ownership, maintenance, or use of all vehicles connected with performance of the Work, including loading and unloading. TSP auto liability policies shall cover "any auto" (symbol 1). Policies shall include as an insured anyone liable for the conduct of an insured as defined in the policy, or shall add as insureds, the Indemnified Parties. For any contractor of any tier, including TSP, who will be involved in any way with the transportation of Hazardous Materials using its own vehicles, pollution liability coverage at least as broad as that provided under the ISO pollution liability-broadened coverage for covered autos endorsement (CA 99 48) shall be provided and the automobile liability insurance policies shall be endorsed to include Motor Carrier Act Endorsement-Hazardous materials clean up (MCS-90) with a sublimit of no less than $1,000,000.

(b) TSP's automobile liability coverage shall have a combined single limit per policy period of not less than $10,000,000 and may be scheduled under the excess or umbrella liability policies to achieve the desired limit. Excess or umbrella policies shall cover "any auto" (symbol 1). The required limits can be satisfied by a combination of a primary policy and an excess or umbrella policy.

17.2.1.4 Umbrella or Excess Liability Insurance

(a) For the duration of the Term, TSP shall obtain and maintain an umbrella or excess liability insurance policy to provide a total liability limit of not less than $10,000,000, that will provide bodily injury, personal injury and property damage liability coverage on an occurrence basis at least as broad as the primary coverages set forth above including commercial general liability and employer's liability in excess of the amounts set forth above.

(b) Such policy or policies shall include the following terms and conditions:

1. Policies shall contain a drop down feature requiring the policy to respond in the event that any primary insurance limits are exhausted or for occurrences covered by an umbrella policy but not covered in the underlying insurance;

2. Policies shall provide coverage at least as broad as found in the underlying primary policies;

3. Such insurance shall add as insureds, or include as additional insureds, the Indemnified Parties; and

4. There shall be no additional limiting endorsements that are not in the primary policy or that have not been reviewed and approved by the Indemnified Parties or their representatives.

17.2.1.5 Technology Errors and Omissions Liability Insurance and Network Security / Privacy Coverage

For the duration of the Term, TSP shall obtain and maintain and shall require all Subcontractors with access to sensitive information to obtain and maintain a policy or policies of insurance, including technology errors and omissions, network security/privacy coverage, with limits of not less than fifteen million dollars ($15,000,000) per incident and in the aggregate. The policy shall apply on a primary and noncontributory basis and shall cover wrongful acts of the named insured.

If written on a "claims made" basis, policy shall include prior acts at least as far in the past as the Effective Date. Coverage shall apply to both electronic and physical breaches and to data. Information in the care, custody, or control of vendors shall be covered, including coverage for "cloud" systems or for data transferred by a third party. Coverage shall apply to accidental losses as well as breaches perpetrated by outsiders or employees. Agencies shall be additional insureds on the policy for its vicarious liability arising out of the negligent acts, errors or omissions of TSP or those working directly or indirectly for TSP. There shall be no insured versus insured exclusion applicable to Agencies as additional insureds. There shall be no exclusion for liability assumed pursuant to an indemnity or hold harmless provision in a contract for covered services arising from the named insured's wrongful acts. The insurance to be obtained under this Contract shall remain in effect for a period of no less than three (3) years from the Expiry Date.

(a) Technology Errors and Omissions Liability Insurance shall include:

1. Software design;

2. System programming;

3. Data processing;

4. Systems integration;

5. Outsourcing, including outsourcing development and design;

6. Systems design, consulting, development, and modification;

7. Management, repair, and maintenance of computer products, networks, and systems

8. Marketing, selling, servicing, distributing, installing, and maintaining computer Hardware or Software; and

9. Data entry, modification, verification, maintenance, storage, retrieval, or preparation of data output.

(b) Network security/privacy coverage shall include:

1. Hostile action or a threat of hostile action with the intent to affect, alter, copy, corrupt, destroy, disrupt, damage, or provide unauthorized access/unauthorized use of a computer system, including exposing or publicizing confidential electronic data or causing electronic data to be inaccessible;

2. Computer viruses, Trojan horses, worms, and any other type of malicious or damaging code;

3. Dishonest, fraudulent, malicious, or criminal use of a computer system by a person, whether identified or not, and whether acting alone or in collusion with other persons, to affect, alter, copy, corrupt, delete, disrupt, or destroy a computer system or obtain financial benefit for any party or to steal or take electronic data;

4. Loss of service for which TSP or its Subcontractor or consultant is responsible that results in the inability of a third party, that is authorized to do so, to gain access to a computer system and conduct normal Internet or network activities;

5. Access to a computer system or computer system resources by an unauthorized person or an authorized person in an unauthorized manner; and

6. Loss or disclosure of PII or confidential information no matter how such loss occurs.

17.2.1.6 Crime Insurance

TSP shall obtain and maintain and shall require all Subcontractors with access to sensitive information to obtain and maintain Crime (Blanket Fidelity) insurance with limits of not less than $5,000,000 covering employee dishonesty, forgery and alteration, and “all risks” of loss or destruction of moneys and securities held by TSP or its Subcontractors in the performance of the O&M Work.

17.2.1.7 Professional Liability Insurance (Required only if not covered under the form required in Section 17.2.1.5)

(a) Unless explicitly covered under the Technology Errors and Omissions Liability Insurance, for the duration of the Term, TSP shall obtain and maintain or cause others, as appropriate, to obtain and maintain liability insurance for covering loss in connection with Nonconformances in the performance of services in connection with this Contract, with limits not less than $5,000,000 per claim and in the aggregate.

(b) No self-insured retention for TSP shall exceed $250,000 without prior written approval from Agencies, in their good faith discretion. Coverage shall apply specifically to professional activities performed under this Contract. The policy(ies) shall have a retroactive date consistent with the inception of the first date of design or project or construction management activities, and no later than the date on which the RFP was issued.

(c) TSP agrees to maintain this required coverage for a period of no less than three years after TCS Acceptance or to purchase an extended reporting period for no less than three years after TCS Acceptance. The coverage shall include all TSP-Related Entities that are performing design services with respect to the Toll Services.

(d) Agencies and the other Indemnified Parties shall be added as additional insureds for professional liability or errors and omissions insurance, but only for Losses (i) first made or incurred on or after the Effective Date and (ii) for vicarious or imputed liability of the additional insureds that results from wrongful acts committed solely by the named insured.

17.2.1.8 Commercial Property Insurance

(a) For the duration of the Term, TSP shall obtain and maintain commercial property insurance covering fixtures, equipment, tenant improvements and betterments at the ROC location. Commercial property insurance shall, at minimum, cover the perils insured under the ISO special causes of loss form CP 10 30. The insurance shall cover the replacement cost of the property insured. There shall be no coinsurance requirement in the policy or any such requirement shall be eliminated by the attachment of an agreed amount endorsement. Agencies shall be included as insureds under the insurance policy.

(b) TSP may, at its option and cost, purchase coverage for TSP's personal property, business income, business interruption, extra expense or similar coverage as part of this commercial property insurance, and in no event shall Agencies be liable for any loss to TSP's personal property, business interruption or other consequential loss sustained by TSP, whether or not it is insured, even if such loss is caused by the negligence of Agencies, their employees, officers, directors, or agents.

(c) Agencies and TSP waive any recovery of damages against each other (including their employees, officers, directors, agents, or representatives) for loss or damage to the tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance required in this Section 17.2.1.8. If the commercial property insurance purchased by TSP as required under this Contract does not allow the insured to waive rights of recovery against others prior to loss, TSP shall cause the policy to be endorsed with a waiver of subrogation in favor of Agencies, their employees, officers, officials, or agents.

(d) Any deductibles applicable to the commercial property insurance purchased in compliance with the requirements above shall be approved by Agencies, and shall be the sole

responsibility of TSP. If any loss settlement payable to Agencies are reduced by a deductible, TSP shall reimburse Agencies for the amount of by which the loss payment is reduced because of the deductible.

17.2.1.9 Other Insurance

If TSP intends to perform or contract for performance of any of the following activities, TSP must first: (a) inform Agencies or their Representatives of the intent to conduct such activities; (b) obtain approval for such activities; and (c) provide evidence of insurance for such activities in accordance with the requirements of Agencies. No such activities shall commence prior to TSP obtaining Agencies approval and providing the required evidence of insurance:

1. Use of watercraft 26 feet or longer;
2. Use of aircraft;
3. Excavation;
4. Work within 50 feet of a railroad.

17.3 General Insurance Requirements

17.3.1 Premiums, Deductibles and Self-Insured Retentions

TSP shall timely pay the premiums for all insurance required under this Section 17. TSP agrees that, for each claim, suit or action made against insurance provided under this Contract, with respect to all matters for which TSP is responsible under this Contract, TSP shall be solely responsible for all deductibles, self-insured retentions and loss in excess of the coverage provided.

17.3.2 Verification of Coverage

(a) Evidence of Insurance. Upon the Effective Date, TSP will deliver to Agencies (1) a certificate of insurance with respect to each policy required to be provided by TSP under this Section 17 and (2) copies of all endorsements to the policies that evidence compliance with requirements of this Section 17, including additional insured endorsements. Agencies have no duty to pay or perform under this Contract until such certificate(s) and endorsements, in compliance with all requirements of this Section 17, have been provided. Upon Agencies' request in conjunction with a dispute, claim, item for which the insurance required under this Contract is contemplated to cover and/or Agencies' reasonable belief that TSP has not complied with this Section 17, TSP shall provide to Agencies certified, true and exact copies of each of the insurance policies (including renewal policies) required under this Section 17. TSP acknowledges and agrees that any actual or alleged failure on the part of Agencies to inform TSP of non-compliance with any requirement imposes no additional obligations on Agencies nor does it waive any rights under this Contract.

(b) Renewal Policies. TSP shall promptly deliver to Agencies a certificate of insurance and copies of all endorsements with respect to each renewal policy, as necessary to demonstrate the maintenance of the required insurance coverages for the terms specified herein. Such evidence of insurance shall be delivered prior to the expiration date of any policy. If certificates

and endorsements are not available prior to renewal, TSP shall provide a binder or equivalent form of evidence of renewed insurance for each expired line of insurance until policy certificates and endorsements are available. Policies and endorsements shall be forwarded promptly to Agencies, but in no event later than 30 days after policy renewal. If requested by Agencies from time to time, certified duplicate copies of the renewal policy shall also be provided. To the extent TSP is unable to deliver such evidence of insurance by the specified date through no fault of TSP and despite making its best efforts and provided that such certificate is delivered prior to the expiration date of the relevant policy, TSP will not be deemed to be in default of this Section 17 for the purposes of Section 23. However, in the event that TSP is unable to deliver such evidence of insurance as provided in this Section 17.3.2(b), TSP shall provide some other form of evidence of coverage prior to expiration of the current policy. Such evidence may include a binder of insurance or other form of written confirmation signed by TSP's insurance broker or insurer representative indicating that such coverage has been bound. The required evidence of insurance shall be provided as soon as it is available but in no case later than three (3) Business Days after the renewal policies have incepted.

17.3.3 Subcontractor Insurance Requirements

TSP shall cause each Subcontractor to provide insurance that complies with requirements for TSP-provided insurance in Section 17.2.1.1, 17.2.1.2, and 17.2.1.3 (if autos will be used in performing the work) of this Contract in circumstances where the Subcontractor is not covered by TSP-provided insurance and provided that TSP has sole responsibility for determining the limits of coverage required to be obtained by Subcontractors, which determination shall be made in accordance with reasonable and prudent business practices. TSP shall also require any other type of insurance that TSP determines to be appropriate for the nature of the subcontracted work. TSP shall cause each such Subcontractor to include each of the Indemnified Parties as additional insureds under such Subcontractor's general liability and auto liability insurance policies. TSP shall require each such Subcontractor to waive its rights of recovery against the indemnified parties and to require that its workers' compensation insurer agrees to waive any subrogation rights the insurers may have against the Indemnified Parties. If requested by Agencies, TSP shall promptly provide certificates of insurance evidencing coverage for each Subcontractor. Agencies may contact the Subcontractors directly in order to verify the above coverage.

17.3.4 Endorsements and Waivers

All insurance policies required to be provided by TSP under this Contract shall contain or be endorsed to comply with the following provisions, provided that, for the workers' compensation policy only, Section 17.3.4(c) shall not apply:

(a) For claims covered by the insurance specified under this Contract, insurance coverage shall be primary insurance with respect to the insureds, additional insureds, and their respective members, directors, officers, employees, agents and consultants, and shall specify that coverage continues notwithstanding the fact that TSP has left the Site. Any insurance or self-insurance beyond that specified in this Contract that is maintained by an insured or additional insured shall be in excess of such insurance and shall not contribute with it.

(b) The insurance shall apply separately to each insured and additional insured against whom a claim is made or suit is brought, except with respect to the aggregate limits of the insurer's liability.

(c) All endorsements adding additional insureds to required policies shall be on ISO form CG-20-10-01 or an equivalent form(s) providing additional insureds with coverage for "completed operations." If equivalent form(s) are used, TSP shall ensure that such form(s) provides coverage equivalent to the 1985 Form with respect to liability arising from performance of the Toll Services irrespective of where it is performed and that completed operations coverage for additional insureds is afforded. Such completed operations coverage for additional insureds may be provided on a separate endorsement such as ISO form CG 20 37.

17.3.5 Waivers of Subrogation

Agencies and TSP waive all rights against each other, against each of their respective agents and employees and against Subcontractors and their respective members, directors, officers, employees, agents and consultants for any claims, to the extent covered by insurance obtained in accordance with this Section 17, except such rights as they may have to the proceeds of such. TSP shall require all Subcontractors to provide similar waivers in writing each in favor of all other parties enumerated above. Each policy, including workers' compensation, shall include a waiver of any right of subrogation against the additional insureds (and their respective members, directors, officers, employees, agents and consultants).

17.3.6 Changes in Requirements

Agencies shall provide Notice of any changes in the requirements applicable to insurance required to be provided by TSP which may be subject to a Change Order in accordance with Section 20.

17.3.7 No Recourse

There shall be no recourse against Agencies for payment of premiums or other amounts with respect to the insurance required to be provided by TSP under this Contract.

17.3.8 Support of Indemnifications

The insurance coverage provided under this Contract by TSP is not intended to limit TSP's indemnification obligations under Section 24.

17.3.9 Commercial Unavailability of Required Coverages

If, through no fault of TSP, any of the coverages required in this Section 17 (or any of the required terms of such coverages, including policy limits) become unavailable or are available only with commercially unreasonable premiums, Agencies will work with TSP to find commercially reasonable alternatives to the required coverages that are acceptable to Agencies. TSP shall not be entitled to any increase in the Contract Price for increased costs resulting from the unavailability of coverage and the requirement to provide acceptable alternatives. Agencies shall be entitled to a reduction in the Contract Price if they agree to accept alternative policies providing less than equivalent coverage, with the amount to be determined by extrapolation using the insurance quotes included in the Escrowed Proposal Documents (or based on other evidence of insurance premiums as of the Proposal Date if the EPD does not provide adequate information. Agencies' right to a reduction in the Contract Price in the preceding sentence shall be without

regard to the insurance costs expended by TSP for the less than equivalent coverage or on other insurance required under this Section 17.

17.3.10 Notice of Change or Cancellation of Coverage

TSP shall provide Notice to Agencies immediately upon becoming aware of any change or pending change in coverage or of any modification or reduction in coverage or limits.

17.4 Prosecution of Claims

Unless otherwise directed by Notice from Agencies, TSP shall report and process all potential claims under the insurance required to be provided under this Section 17. TSP shall report timely to the insurer(s) any and all matters which may give rise to an insurance claim and to promptly and diligently pursue any and all insurance claims on behalf of Agencies, whether for defense or indemnity or both. An Agency shall promptly Notify TSP of the Agency's incidents, potential claims, and matters which may give rise to an insurance claim by the Agency, to tender its defense or the claim to TSP, and cooperate with TSP as necessary for TSP to fulfill its duties under this Contract.

17.5 Commencement of Work

TSP shall not commence the Toll Services until it has obtained the insurance required under this Section 17, has furnished original certificates of insurance and endorsements as required evidencing the coverage as required under Section 17.3.2 and such insurance has been approved in writing by Agencies. TSP shall not allow any Subcontractor (or shall such Subcontractor be entitled) to commence work under its Subcontract until the insurance required of the Subcontractor has been obtained and approved by TSP. No delay in securing such insurance, certificates of insurance or approvals shall extend any time period or Completion Deadline or provide TSP any other relief or entitlement for a Change Order.

17.6 Agencies' Right to Remedy Breach by TSP

If TSP or any Subcontractor fails to provide insurance as required under this Contract, Agencies may purchase such insurance or to suspend TSP's right to proceed until proper evidence of insurance is provided. Any amounts paid by Agencies shall, at Agencies' sole option, be deducted from amounts payable to TSP or reimbursed by TSP upon demand, with interest thereon from the date of payment by Agencies to the reimbursement date, at the maximum rate allowable under applicable Governmental Rule. Nothing under this Contract shall preclude Agencies from exercising their rights under Section 23 as a result of the failure of TSP or any Subcontractor to satisfy the obligations of this Section 17.

17.7 Disclaimer

TSP and each Subcontractor have the responsibility to make sure that their insurance programs fit their particular needs, and it is their responsibility to arrange for and secure any insurance coverage which they deem advisable, whether or not specified under this Contract. Agencies make no representation or warranty that the coverage, limits of liability or other terms specified for the insurance policies to be carried in accordance with this Section 17 are adequate to protect

TSP against its undertakings under this Contract or its liability to any third party or preclude Agencies from taking any actions as are available to it under this Contract or otherwise at law.

SECTION 18 PAYMENT FOR TOLL SERVICES

18.1 Toll Services Compensation Under Original Contract

The Parties recognize that payment in full for NTP1 Work, NTP2 Work and final payment for Total Capital Cost have been made and that Sections 18.2 through 18.6 have been retained from the Original Contract for reference only. No additional payment shall be made by RCTC under Sections 18.2 through 18.6.

18.2 Payment for NTP1 Work

18.2.1 In consideration of performance of the NTP1 Work in compliance with the Contract, RCTC will pay TSP for the NTP1 Work no more often than once monthly after NTP1 and only based on the following:

(a) The amounts listed in Payment Milestones 1 and 2 no more often than once monthly, up to a maximum of $1,000,000; and

(b) Subject to Section 18.2.4, for bond and insurance premiums for NTP1 Work, actually paid, without markup, profit or overhead, not to exceed the Line Items for such premiums set forth on Price Sheet J-2, Lines 36-45 or 47-56, as applicable, in Exhibit 3.

18.2.2 Payments described in Section 18.2.1 will be made no more often than monthly and only based on complete submission and RCTC approval of the deliverables or Work required for completion of the Payment Milestones for which TSP is requesting payment. Invoices for work authorized by NTP1 shall comply with the provisions of Section 18.4. Invoices for premiums for bonds and insurance for NTP1 Work shall comply with the provisions of Section 18.2.4.

18.2.3 TSP shall not submit an invoice, nor shall TSP be entitled to compensation, for any NTP2 Work prior to the issuance of NTP2, even if a Payment Milestone for such NTP2 Work has been completed prior to issuance of NTP2. If NTP2 is not issued, no Payment Milestone for NTP2 Work shall be compensable.

18.2.4 RCTC is not responsible for the payment of any increases or adjustments in bond or insurance premiums resulting from adverse changes in TSP's financial condition, TSP's risk rating or experience or any TSP Fault.

18.3 Total Capital Cost

18.3.1 The Total Capital Cost and reimbursement of certain Pass-Through Cost Items is the complete compensation payable to TSP for the performance of the D&D Work and the CSC Commencement Period Toll Services. The Total Capital Cost is the sum of the Total D&D Cost, the Total Bonds and Insurance Cost and the Total CSC Commencement Period Cost.

18.3.2 Subject to Section 18.2, RCTC shall pay the Total D&D Cost to TSP in accordance with each of the Payment Milestones actually completed in accordance with this Contract during the immediately preceding month, subject to the provisions of Section 18.6.1. Payment for specific

Payment Milestones will be calculated as the percentage of the Total D&D Cost allocated to such Payment Milestone in Exhibit 19.

18.4 Invoices and Payment after NTP2

18.4.1 TSP shall prepare a proposed standard form invoice for RCTC's review and approval in accordance with the Submittal Process prior to submitting its first invoice for any component of the Total Capital Cost.

18.4.2 On or before the 25th day of each month following issuance of NTP2 and during the D&D Phase, TSP shall submit to RCTC a draft invoice in the form approved by RCTC, including:

(a) The portion of the Total Capital Cost allocable to the D&D Work or CSC Commencement Period Toll Services actually performed by TSP during the prior month in accordance with this Contract, based on the percentage of compensation specified for the Payment Milestones actually completed during such prior month and the monthly compensation for CSC Commencement Period Toll Services;

(b) The D&D Monthly Progress Report;

(c) Any part of the Total Bonds and Insurance Cost actually paid by TSP during such prior month;

(d) Any Pass-Through Items payable in connection with the CSC Commencement Period;

(e) Any amounts otherwise payable in accordance with this Contract;

(f) A certification by TSP in the in the form of Exhibit 16, signed and sealed by TSP's Representative;

(g) The amount payable with respect to any Change Order including;

(i) In the case of amounts to be paid on a Unit Price basis and PassThrough Items, includes invoices, receipts or other evidence establishing the number of units delivered and the actual payments made by TSP;

(ii) In the case of amounts invoiced for Time and Materials Work, includes all supporting documentation described in Section 20.13.2 for Time and Materials Work done during the applicable period as if such work were Time and Materials Work;

(h) The amounts paid to Subcontractors (including Suppliers and Subcontractors from the payments made by RCTC to TSP with respect to the prior month's invoice;

(i) Affidavits of payment and unconditional waivers of Liens and claims executed by TSP and each Subcontractor with respect to all amounts paid in the prior month's invoice;

(j) All materials, reports, certifications, and other submittals identified in TP Section 8.8.6;

(k) Subcontractor payment releases shall be in the form set forth in United States Civil Code Sections 8132 through 8138;

(l) Any other Deliverables that this Contract requires to be included with invoice packages;

(m) A summary of Equipment and Hardware acceptance documentation to verify the Equipment and Hardware incorporated in the monthly progress estimate and stored Equipment and Hardware;

(n) In the case of amounts invoiced for Equipment and Hardware, a bill of sale and other appropriate documentation transferring title to such Equipment and Hardware to RCTC free and clear of any Liens; and

(o) Such other supporting documentation reasonably requested by RCTC to enable RCTC to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by RCTC to TSP.

18.4.3 TSP shall not invoice for any amounts that are in dispute solely between TSP and a Subcontractor or Supplier which TSP will not pay to such Subcontractor or Supplier at the time the invoice is submitted, until such time as the dispute is resolved.

18.4.4 No invoice shall be considered complete unless, at each progress meeting, TSP's and RCTC's Representatives shall ascertain the progress of the D&D Work and CSC Commencement Period Toll Services and verify the quantities for any unit priced Work and Pass-Through Cost Items. Each Progress Meeting shall be attended by TSP and RCTC and/or its consultants and may also be attended by Department.

18.4.5 RCTC shall pay TSP the Total CSC Commencement Period Cost monthly in arrears for two months commencing upon CSC Commencement.

18.4.6 If the CSC Commencement Period is extended for a reason that entitles TSP to an extension of the Revenue Service Commencement Deadline under this Contract, then RCTC shall continue to pay TSP for the extended CSC Commencement Period at the monthly Total CSC Commencement Period Cost Unit Price until the extended Revenue Service Commencement Deadline.

18.4.7 If the CSC Commencement Period is extended for a reason that does not entitle TSP to an extension of the Revenue Service Commencement Deadline under this Contract, then RCTC shall not be required to make any further payment to TSP with respect to the CSC Commencement Period or otherwise make a Claim under this Contract.

18.5 Updated Invoice after Progress Meeting

18.5.1 Following the Progress Meeting, TSP shall submit to RCTC three (3) copies of an updated invoice consistent with Section 18.4.2 for the D&D Work and CSC Commencement Period Toll Services during the immediately preceding month. The form of invoice shall be modified as appropriate to account for Unit Price, Pass-Through Cost Items and Time and Materials Work.

18.5.2 Each invoice shall be based upon the approved draft invoice and may not include any amounts not approved by RCTC in the Progress Meeting reviewing the draft invoice.

18.5.3 TSP acknowledges that RCTC will obtain funding for portions of the D&D Work and CSC Commencement Period Toll Services from various sources, and agrees to segregate billings for the D&D Work and CSC Commencement Period Toll Services in a format reasonably requested by RCTC and with detail and information as reasonably requested by RCTC. Within ten (10) Business Days after RCTC's receipt of the invoice, RCTC will review the invoice and all attachments for consistency with the draft invoice prepared at the most recent Progress Meeting and conformity with all requirements of this Contract, and shall notify TSP of the amount approved for payment and specify the reason for disapproval of any remaining invoiced amounts. TSP may include such disapproved amounts in the next month's invoice after correction of the deficiencies noted by RCTC (all such disapproved amounts shall be deemed in dispute unless otherwise agreed).

18.6 Final Payment for Total Capital Cost

18.6.1 Final Payment of the Total Capital Cost following TCS Acceptance shall not become due to TSP under this Contract until TSP submits to RCTC:

(a) TSP's Final Payment invoice and certification in form approved by RCTC and otherwise meeting all requirements for the Total Capital Cost Invoices under Section 18.4;

(b) An affidavit that all payrolls, bills for materials, equipment, services and other indebtedness connected with the D&D Work and CSC Commencement Period Toll Services have been paid or otherwise satisfied;

(c) Releases and waivers from TSP in favor of RCTC of all Liens, Claims (except those previously made in writing and identified as unsettled or Claims which TSP may be entitled to assert against RCTC with respect to RCTC's material breach of its obligations under this Contract to be performed after Final Payment), security interests and encumbrances in connection with the D&D Work and CSC Commencement Period Toll Services, whether known or unknown, suspected or unsuspected;

(d) For each Subcontractor or Supplier receiving Subcontracts, purchase agreements or purchase orders in a cumulative amount of $15,000 or more, written evidence that such Subcontracts, purchase agreements and purchase orders contain the following provision: "The Supplier/Subcontractor agrees that receipt of Final Payment under this Contract constitutes full and unconditional release and waiver, in favor of RCTC, and TSP, from all Liens, Claims, security interests or encumbrances, known or unknown, suspected or unsuspected, in connection with this Purchase Contract/Purchase Order/Subcontract for the materials, equipment, services and other work provided under this Contract";

(e) Materials acceptance certification documents, on RCTC forms or other forms RCTC approves in accordance with the Submittal Process;

(f) A complete set of As-Built Technical Drawings;

(g) All operation and maintenance manuals and other manuals and procedures to be provided by TSP under this Contract;

(h) A consent of the surety under the Payment Bond and Performance Bond to Final Payment;

(i) Bills of sale or other instruments of title transfer or assignment with respect to Work Product, as requested by RCTC, free and clear of liens, claims and encumbrances;

(j) Affidavits of prevailing wages paid, signed and submitted by TSP and each Subcontractor required to submit such an affidavit under California Labor Code § 1775(b)(4) in the form required under Governmental Rules or Toll Services Standards;

(k) Assignment to RCTC of all right, title and interest in and to all claims and causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15), or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, Equipment, Hardware, Software or materials in accordance with this Contract or any Subcontract; and

(l) Such other supporting documentation reasonably requested by RCTC to enable RCTC to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by RCTC to TSP.

18.6.2 RCTC will review TSP's proposed final invoice for the D&D Work and CSC Commencement Period Toll Services, and changes, comments or corrections will be forwarded to TSP for correction within 20 Business Days after receipt of the proposed final invoice.

18.6.3 Any changes or corrections made under this Section 18.6.3 will be reflected in an updated monthly payment schedule showing the net amount owed to TSP by month.

18.7 Total 91 Express Lanes Integration Costs and Total O&M Cost

18.7.1 Except as otherwise expressly provided in Section 20, the complete compensation payable to TSP by Agencies under this Contract is, respectively:

The RCTC O&M Contract Price and the OCTA O&M Contract Price; and

Reimbursement of certain actual direct costs for Pass-Through Cost Items specified in Exhibit 7.

18.7.2 The RCTC O&M Contract Price and the OCTA O&M Contract Price are comprised of the following elements: (a) Total 91 Express Lanes Integration Costs (b) Total O&M Cost for each Agency. The RCTC O&M Contract Price also includes the Refresh Work.

18.7.3 Except as otherwise expressly provided in Section 20, the O&M Contract Price for each Agency shall not be modified.

18.7.4 The O&M Contract Price for each Agency shall be invoiced and paid in accordance with this Section 18.

18.7.5 Except as provided in this Section 18.7, the Total O&M Cost is the complete compensation to be paid for O&M Term for performance of the O&M Work.

18.7.6 Subject to the invoice requirements and procedures as specified in Section 18.8 and the procedure for establishing a budget for Pass-Through Cost Items in Section 18.17, Agencies shall pay TSP:

18.7.6.1 The Total O&M Cost. The Total O&M Costs are as further detailed in Exhibit 26. In no event shall either RCTC or OCTA have any joint liability for payment to TSP.

18.7.6.2 Bond and Insurance

TSP's cost for the bonds and insurance policies actually paid, without markup, profit or overhead, not to exceed the Line Items for such premiums set forth on Price Sheet J-2, Lines 36-45 or 47-56 (as applicable) in Exhibit 3. Agencies are not responsible for the payment of any increases or adjustments in bond or insurance premiums for any reason, including resulting from adverse changes in TSP's financial condition, TSP's risk rating or experience or any TSP Fault.

18.7.6.3 Pass-Through Costs

TSP's actual Costs incurred for the Pass-Through Cost Items listed in Exhibit 7, up to the not-to-exceed amounts specified in the annual Budget established in accordance with Section 18.17 provided TSP has sought and obtained the applicable Agency's prior approval to incur such cost.

18.8 Monthly Invoice for O&M Work.

18.8.1 TSP shall prepare a proposed standard form invoice for Agencies' review and approval in accordance with the Submittal Process prior to submitting its first invoice for payment for the O&M Work.

18.8.2 On or before the 25th day of each month following the month in which Revenue Service Commencement occurs during O&M Term, TSP shall submit to Agencies draft invoices in the form approved by Agencies including:

(a) The amounts to which TSP is entitled for performance of the O&M Work in accordance with Sections 18.7.2.1 through 18.7.2.4;

(b) A certification by TSP in the form of Exhibit 16, signed and sealed by TSP's Representative;

(c) The amount payable with respect to any Change Order including;

(i) In the case of amounts to be paid on a Unit Price basis and PassThrough Costs, includes invoices, receipts or other evidence establishing the number of units delivered and the actual payments made by TSP;

(ii) In the case of amounts invoiced for Time and Materials Work, includes all supporting documentation described in Section 20.13.2 for Time and Materials Work done during the applicable period;

(d) The amounts paid to Subcontractors (including Suppliers and Subcontractors from the payments made by the applicable Agency to TSP with respect to the prior month's invoice;

(e) Affidavits of payment and unconditional waivers of Liens and claims executed by TSP and each Subcontractor with respect to all amounts paid in the prior month's invoice;

(f) All materials, reports, certifications, and other submittals identified in TP Section 8.8.6. Subcontractor payment releases shall be in the form set forth in Civil Code Sections 8132 through 8138;

(g) Any other Deliverables that this Contract requires to be included with invoice packages;

(h) A summary of Equipment and Hardware acceptance documentation to verify the Equipment and Hardware incorporated in the monthly progress estimate and stored Equipment and Hardware;

(i) In the case of amounts invoiced for Equipment and Hardware, a bill of sale and other appropriate documentation transferring title to such Equipment and Hardware to the applicable Agency free and clear of any Liens;

(j) A certification by TSP, signed by TSP's Representative, certifying that the TSP is in compliance with the KPIs and this Contract; and

(k) Such other supporting documentation to enable the applicable Agency to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by the Agency to TSP, including any information reasonably requested by the Agency.

18.8.3 TSP shall not invoice for any amounts that are in dispute solely between TSP and a Subcontractor or Supplier which TSP will not pay to such Subcontractor or Supplier at the time the invoice is submitted, until such time as the dispute is resolved.

18.9 Updated Invoice after Progress Meeting,

18.9.1 Following the Progress Meeting, TSP shall submit to the applicable Agency five (5) copies of an updated invoice consistent with Section 18.8 for the O&M Work during the immediately preceding month. The form of invoice shall be modified as appropriate to account for unit priced and Time and Materials Work.

18.9.2 Each invoice shall be based upon the approved draft invoice and may not include any amounts not approved by the applicable Agency in the Progress Meeting reviewing the draft invoice.

18.9.3 TSP acknowledges that Agencies will obtain funding for portions of the O&M Work from various sources, and agrees to segregate billings for the O&M Work in a format reasonably requested by Agencies and with detail and information as reasonably requested by Agencies. Within ten (10) Business Days after Agencies' receipt of the invoices, Agencies will review the invoices and all attachments for consistency with the draft invoices prepared at the most recent Progress Meeting and conformity with all requirements of this Contract, and shall notify TSP of

the amount approved for payment and specify the reason for disapproval of any remaining invoiced amounts. TSP may include such disapproved amounts in the next month's invoice after correction of the deficiencies noted by Agencies (all such disapproved amounts shall be deemed in dispute unless otherwise agreed).

18.10 Final Payment of Total O&M Cost

18.10.1 Final Payment of the Total O&M Cost shall not become due to TSP under this Contract until TSP submits to Agencies on or about the Expiry Date:

(a) TSP's Final Payment invoice for the Total O&M Cost and any other amounts for which TSP is entitled to claim payment under Section 18.8 in a form approved by Agencies and otherwise meeting the requirements for O&M Cost invoices under Section 18.8;

(b) A list of all outstanding Change Order proposals submitted by TSP in accordance with Section 20, stating the amount at issue associated with each such notice;

(c) An affidavit that all payrolls, bills for materials, equipment, services and other indebtedness connected with the O&M Work have been paid or otherwise satisfied;

(d) Releases and waivers from TSP in favor of Agencies of Liens, Claims (except those previously made in writing and identified as unsettled or Claims which TSP may be entitled to assert against Agencies with respect to Agencies' material breach of their obligations under this Contract to be performed after Final Payment), security interests and encumbrances in connection with the O&M Work, whether known or unknown, suspected or unsuspected;

(e) For each Subcontractor or Supplier receiving Subcontracts, purchase agreements or purchase orders in a cumulative amount of $15,000 or more, written evidence that such Subcontracts, purchase agreements and purchase orders contain the following provision: "The Supplier/Subcontractor agrees that receipt of Final Payment under this Contract constitutes full and unconditional release and waiver, in favor of Agencies, and TSP, from all Liens, Claims, security interests or encumbrances, known or unknown, suspected or unsuspected, in connection with this Purchase Contract/Purchase Order/Subcontract or the materials, equipment, services and other work provided under this Contract";

(f) Materials acceptance certification documents, on RCTC forms or other forms RCTC approves;

(g) Bills of sale or other instruments of title transfer or assignment with respect to O&M Work, as requested by Agencies, free and clear of liens, claims and encumbrances;

(h) Affidavits of prevailing wages paid signed and submitted by TSP and each Subcontractor required to submit such an affidavit under California Labor Code § 1775(b)(4) in the form required under Governmental Rule and under Toll Services Standards;

(i) Assignment to Agencies of all right, title and interest in and to all claims and causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15), arising from purchases of goods, services, Equipment, Hardware, Software or materials in accordance with this Contract or any Subcontract; and

(j) Such other supporting documentation to enable Agencies to fully an accurately determine (without needing to refer to any other documentation or information) the amounts payable by Agencies to TSP, including any information reasonably requested by Agencies.

18.10.2 Prior applications and payments shall be subject to correction in the final O&M Work invoice. Change Order proposals filed concurrently with a final Work Cost invoice must otherwise be timely and meet all requirements under Section 20 and the Technical Provisions.

18.10.3 Agencies will review TSP's proposed Final O&M Work Invoices and changes, comments or corrections will be forwarded to TSP for correction within 20 Business Days after receipt of the proposed Final O&M Work Invoice.

18.11 Payment following NTP2

18.11.1 Within 30 days after RCTC's receipt of an invoice in accordance with Section 18.5.1 or 18.9.1 and the applicable Invoice Certificate (as applicable), RCTC shall pay TSP the applicable amount of the invoice or Application for Final Payment approved for payment under Sections 18.9.2 or 18.5.2 less any amounts RCTC is otherwise entitled to withhold or deduct under this Contract.

18.11.2 Payments made to TSP under this Contract shall be made by RCTC by check or electronic transfer of immediately available funds to the account of TSP at such depository as TSP designates by Notice to RCTC.

18.12 Withholding of Payment.

18.12.1 Notwithstanding any other provision of this Contract, Agencies may deduct from any payment owing under this Contract:

(a) Any debt, charge, payment or other moneys due from TSP to Agencies whether under this Contract, under applicable Governmental Rules or in equity, including (i) amounts payable or that may be payable under Section 26 and (ii) Liquidated Damages which have accrued as of the date of the application for payment or in the case of Delay Liquidated Damages which are anticipated to accrue based on the Completion Deadlines shown in the current Project Schedule; and

(b) Any Claim that Agencies or others as specified below may have against TSP including;

(i) Failure of TSP to make payments of undisputed amounts to a Subcontractor when such payments are due under the Subcontract, which failure is not cured by TSP;

(ii) Third Party Claims for which TSP is responsible under this Contract;

(c) If a notice to stop payment is filed with Agencies, due to TSP's failure to pay for labor or materials used in the Toll Services, money due for such labor or materials, plus the 25% prescribed by law, will be withheld from payment to TSP. In accordance with Civil Code Section 9364, Agencies may accept a bond by a corporate surety in lieu of withholding payment;

(d) Such amount as Agencies deems advisable to cover liens, encumbrances and stop notices of Subcontractors, Suppliers, laborers and utility owners against TSP or against Agencies as a result of the actions or failure to act TSP relating to the Toll Services unless TSP provides either (A) (i) reasonable assurance that it is contesting the item in good faith and an unconditional written commitment to Agencies from the Guarantor and the surety under the Payment Bond or Performance Bond that the item is covered by the guaranty and bonds, respectively, and will be promptly paid if TSP does not prevail in such contest (or other security adequate to Agencies, in their sole discretion); and (ii) as requested by Agencies, security assuring payment of such lien, encumbrance, stop notice amount or item, in the form of a bond, cash collateral or a letter of credit, for an amount up to 125% of the amount of such lien, encumbrance, stop notice amount or item; or (B) proof that payment has been made;

(e) Any amounts Agencies are required to retain under applicable federal law, including 26 U.S.C. Section 3402;

(f) Any sums expended by Agencies in performing any of TSP's obligations under this Contract which TSP has failed to perform or which Agencies may elect to undertake itself plus an administrative charge equal to 10% of such costs;

(g) Any sums for Nonconformances that are not timely remedied by TSP pursuant to the terms of this Contract; and

(h) All legally required sums for, but not limited to labor and tax liens including any fines or penalties Agencies or Department incurs because of the failure or alleged failure by any TSP-Related Entity to comply with the Governmental Approvals or Governmental Rules (including any Environmental Laws).

18.12.2 The failure by Agencies to deduct any of these sums from any payment owing to TSP shall not constitute a waiver of Agencies' rights (i) to such sums or (ii) with respect to any breach or default related thereto.

18.12.3 When the reasons for deducting, offsetting or withholding payment are removed, Agencies shall pay TSP for amounts previously deducted as part of the next monthly payment.

18.13 Interest

18.13.1 Any amount that TSP owes to Agencies under this Contract shall earn interest from the date such amounts are due to Agencies at the lesser of (a) 10% per annum or (b) the maximum rate allowable under applicable Governmental Rules.

18.13.2 If payment of any undisputed amount is made after the 30th day following the proper submission of an undisputed and properly complete invoice, then the payment shall include interest on the amount owing, at the rate set forth in the United States Code of Civil Procedure Section 685.010(a), from the 30th day after the payment was due until the date of payment. Interest shall not accrue on monies withheld pursuant to stop notices or the final payment.

18.14 Waiver of Claims

(a) TSP's acceptance of Final Payment for the D&D Work and CSC Commencement Period Toll Services shall constitute a waiver of all Claims by TSP, known or unknown, suspected or unsuspected, except those previously made in writing and identified as unsettled at the time of Final Payment for the D&D Work and CSC Commencement Period Toll Services and Claims which TSP may be entitled to assert against RCTC with respect to RCTC's material breach of obligations under this Contract to be performed after Final Payment.

(b) TSP's acceptance of Final Payment for the O&M Work shall constitute a waiver of all Claims by TSP, known or unknown, suspected or unsuspected, except those previously made in writing and identified as unsettled at the time of final payment for the O&M Work and Claims which TSP may be entitled to assert against Agencies with respect to Agencies' material breach of obligations under this Contract to be performed after Final Payment.

18.15 Payment for Subsequent Claims

If, after any Final Payment is made, it is determined through the dispute resolution process in Section 27, or otherwise under this Contract, that either Party is entitled to payment from the other with respect to Claims (i) that were identified in the release and waivers of Claims required in Section 18.6.1(c) as being unsettled, (ii) which TSP may be entitled to assert against Agencies with respect to Agencies' material breach of obligations under this Contract which may occur after Final Payment, or (iii) which Agencies may be entitled to assert against TSP with respect to TSP's continuing obligations under this Contract, such Party shall pay the amounts determined to be owing to the other Party within ten (10) Business Days after such determination.

18.16 Payments Not Acceptance of Work

Any payment of moneys under Section 18.10.3 is not evidence of the value of work or that work has been satisfactorily carried out in accordance with this Contract, an admission of liability or approval by Agencies of TSP's performance or compliance with this Contract, an acknowledgement that Agencies have inspected or accepted the Work or constitute a waiver of any Claim or right that Agencies may then or thereafter have, including among others, warranty and indemnity rights. All payments made by Agencies shall be subject to correction or adjustment in subsequent progress reviews and payments.

18.17 Budgets

18.17.1 By January 1 of each Year of the Term, TSP shall prepare and submit to Agencies, for review and approval in accordance with the Submittal Process, in hard copy and agreed upon electronic form, proposed annual Budgets for the next full and partial Fiscal Years of the Term. The proposed annual Budget shall be TSP's good faith estimate of all Pass-Through Cost Items expected to be incurred by TSP in the applicable Fiscal Year. The proposed annual Budgets shall be prepared in a format approved by Agencies. Agencies' failure to comply with the Submittal Process shall not entitle TSP to a Change Order, and instead the provisions of this Section 18.17.1 shall apply. An approved final Budget shall remain in effect throughout the applicable Fiscal Year, (i) subject to adjustment or revision as set forth in Section 20, and (ii) in the case of the Budgets adopted for subsequent Fiscal Years, subject to being superseded by later Budgets adopted for such Fiscal Years in accordance with this Section 18.17.1.

18.17.2 The applicable Budget for each Fiscal Year shall constitute the document in accordance with which TSP shall incur Pass-Through Cost Item expenses in performance of the O&M Work. If, at any time during such period, TSP anticipates a Budget overrun for such period in the aggregate of five percent (5%) or greater in the costs or Pass-Through Cost Items set out in the then current Budget, TSP shall provide Notice to Agencies and shall prepare a proposed Change Order incorporating such variation from the Budget. No expense shall be incurred by TSP which will cause the Budget to be exceeded by more than five percent (5%) for which TSP is entitled to and intends to seek additional compensation from Agencies unless: (i) Agencies has approved the increase in their sole discretion by Change Order or Directive Letter amending the applicable Budget, and/or (ii) such increase is incurred in connection with implementing Emergency procedures and provided that TSP shall furnish Agencies with Notice of any Emergency as promptly as practicable, but in no event later than 24 hours after the Emergency has occurred.

18.17.3 TSP shall provide, at its sole expense, all Components required to perform the Toll Services in accordance with this Contract.

18.17.4 If Agencies have not approved TSP's proposed Budget for a new Fiscal Year, or if TSP fails to provide such a Budget on a timely basis in accordance with Section 18.17, then:

(a) TSP shall perform the O&M Work based on the corresponding Fiscal Year in the then-existing Budget; and

(b) Pending such review and approval by Agencies, and subject to adjustments agreed between the Parties, the Budget for the immediately preceding Fiscal Year shall serve as the Budget for the current Fiscal Year and TSP shall be compensated for O&M Work to the extent implemented in accordance with Section 18.17.4(a).

18.17.5 When a new Budget is approved after commencement of the Fiscal Year, it shall immediately become effective, and shall include any adjustments necessary to make it retroactive to the first day of the Fiscal Year.

18.18 Cost Principles

If applicable, in order to be reimbursed with federal funds, TSP shall comply with the cost principles established in OMB Circular A-87 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Toll Services.

18.19 Disputes

Failure by Agencies to pay any amount in dispute shall not alleviate, diminish, release or modify in any respect TSP's obligation to perform the Toll Services in accordance with this Contract, and TSP shall not cease or slow down its performance under this Contract on account of any such amount in dispute. Any dispute regarding payment shall be resolved in accordance with Section 27. TSP shall proceed as directed by the applicable Agency pending resolution of the dispute. Upon resolution of any such dispute, each of TSP and the applicable Agency shall promptly pay to the other any amount owing.

18.20 Payment of "Claims" under Pub. Cont. Code § 9204

The Parties acknowledge that Pub. Cont. Code § 9204 requires Agencies to make payments to TSP with respect to any portion of a "claim" as that term is defined in Pub. Cont. Code § 9204, which Agencies identify as undisputed. If any such payments are made, future invoices shall account for such payments in a manner acceptable to Agencies.

SECTION 19 GENERAL PROVISIONS APPLYING TO CHANGES IN TOLL SERVICES

19.1 Mitigation

19.1.1 If an Eligible Change or any other event occurs as a result of which the Toll Services are delayed or TSP considers that it is entitled to claim an extension of time, compensation or relief from performance of its obligations under this Contract (together "Relevant Events"), TSP shall and shall require TSP-Related Entities to use and continue to use commercially reasonable efforts to:

(a) Eliminate or mitigate the Losses, schedule impact and other consequences of the Relevant Event in performance of the Toll Services, including by re-sequencing, reallocating or redeploying TSP forces to other work, as appropriate;

(b) Except as expressly provided in this Contract, continue to perform and remain liable and responsible for its obligations under this Contract notwithstanding the Relevant Event; and

(c) Resume performance of its obligations under this Contract affected by the Relevant Event as soon as practicable and, in all events, promptly after the cessation or mitigation of the Relevant Event.

19.1.2 To the extent that TSP does not comply with its obligations under this Section 19.1, then TSP's entitlement to claim an extension of time, compensation or relief from performance of its obligations under this Contract with respect to the Relevant Event will be reduced or eliminated to the extent of such failure.

19.2 Deductions for Relevant Events

19.2.1 The compensation payable, extension of time granted or relief provided to TSP with respect to any Relevant Event will be reduced:

(a) By any amount which a TSP-Related Entity recovers under any insurance policy required under this Contract or otherwise maintained by TSP-Related Entities, or would have recovered if the TSP-Related Entity had complied with this Contract in respect of any insurance policy required under this Contract, which amount, for greater certainty, will not include any excess or deductibles or any amount over the maximum amount insured under any such insurance policy;

(b) In the case of an extension of time, by the amount of time avoided or otherwise reduced as a result of the Relevant Event;

(c) By the amount of any Costs avoided or otherwise reduced as a result of the Relevant Event; and

(d) To the extent the Relevant Event arises in connection with any act or omission of any TSP-Related Entity or TSP Fault.

19.3 Sole Entitlement

TSP acknowledges and agrees that:

(a) The Contract Price and the Pass-Through Costs constitute full compensation for performance of all of the Toll Services; and

(b) TSP's sole right to claim an extension of time, compensation or relief from performance of its obligations under this Contract or otherwise make any Claim for any Losses in connection with any Change or Eligible Change is as set out in Section 20.

19.4 Notifications, Delay in Notification

19.4.1 Subject to Sections 19.4.2 through 19.4.5, if any Notice or any required information with respect to a Relevant Event (Relevant Event Notice) is submitted by TSP after the due date under this Contract, then TSP will be deemed to have waived:

(a) The right to collect any Costs, in connection with the Relevant Event, that TSP incurs or accrues prior to the delivery date of the Relevant Event Notice; and

(b) The right to an extension of any Completion Deadline for any Critical Path delay in connection with the Relevant Event, which accrued prior to the delivery date of the Relevant Event Notice.

19.4.2 If TSP fails to provide a Relevant Event Notice to the applicable Agency within the earlier of (a) the timeframe expressly stated within this Contract with respect to the specific Relevant Event; or (b) 15 Business Days after the earlier of (i) obtaining Actual Knowledge of a Relevant Event; or (ii) the date on which it should have, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, been aware of the Relevant Event; TSP shall not be entitled to any relief from the applicable Agency in connection with the Relevant Event unless TSP can show, based on clear and convincing evidence, that:

(a) The applicable Agency was not materially prejudiced by the lack of a Relevant Event Notice; or

(b) The applicable Agency's Representative had Actual Knowledge of the Relevant Event prior to the due date for the Relevant Event Notice.

19.4.3 In the event that TSP makes the showing required in Section 19.4.2 after the expiration of the period for providing the applicable Relevant Event Notice, TSP may not collect Costs incurred prior to the date of delivery of the Relevant Event Notice, and shall be deemed to have waived the right to seek an extension of any Completion Deadline in accordance with this Contract which accrued prior to the date of delivery of the Relevant Event Notice.

19.4.4 The following matters (among others) shall be considered in determining whether the applicable Agency has been prejudiced by TSP's failure to provide a timely Relevant Event Notice: (a) the effect of the delay on alternatives available to that Agency (that is, a comparison

of alternatives which are available at the time the Relevant Event Notice was actually given and alternatives which would have been available had a Relevant Event Notice been given within 15 Business Days as required under Section 19.4.2); and (b) the impact of the delay on that Agency's ability to obtain and review objective information contemporaneously with the Relevant Event.

19.4.5 TSP's failure to provide a Relevant Event Notice within (a) 15 Business Days of the timeframe expressly stated within this Contract with respect to the specific Relevant Event; or (b) 30 Business Days after the earlier of (i) obtaining Actual Knowledge of a Relevant Event; or (ii) the date on which it should have, in the exercise of reasonable diligence or in the performance of its obligations under this Contract, been aware of the Relevant Event shall preclude TSP from any relief due to the occurrence of the Relevant Event, including the right to receive payment for any Costs, receive a Change Order or make any Claim for any Losses or Costs in connection with the Relevant Event.

SECTION 20 CHANGES IN THE TOLL SERVICES

20.1 Change Orders and Directive Letters

20.1.1 This Section 20 sets forth the requirements for obtaining all Change Orders and Directive Letters.

20.1.2 To the extent that any other provision of this Contract expressly provides for a Change Order or Directive Letter to be issued, such provision is incorporated into and subject to this Section 20.

20.2 Right of Agencies to Issue Change Orders and Directive Letters

20.2.1 Agencies may, at any time and for any reason, without notice to any Eligible Surety or Guarantor, authorize and/or require a change within the general scope of this Contract pursuant to a Change Order or Directive Letter.

20.2.2 TSP has no obligation to perform any material change, outside the general scope of this Contract, except on terms mutually acceptable to Agencies and TSP.

20.2.3 For the purpose of this Section 20.2:

(a) Any direction to perform Work shall be considered within the general scope of this Contract if it is related in whole or in part, or directly or indirectly, to the Toll Services; and

(b) Any direction to delete or modify the Toll Services shall be considered within the general scope unless, as a result, this Contract would no longer be considered a contract to design, implement, install, integrate, operate and/or maintain a toll collection system of the general nature described in the RFP.

20.3 Issuance of Directive Letter

20.3.1 Agencies may, at any time and for any reason, issue a Directive Letter to TSP with respect to a change or in the event of any dispute regarding the pricing or scope of Toll Services.

20.3.2 Any Directive Letter shall state that it is issued under this Section 20.3 and provide a written detailed description of the change, and the proposed basis for compensation or reduction in compensation, if any.

20.3.3 Directive Letters shall be effective upon issuance by Agencies. If Agencies issue a Directive Letter, TSP shall proceed immediately with the Toll Services as directed in accordance with the Directive Letter, regardless of whether a formal Change Order has been issued in the case of a Change. If TSP considers the directed Toll Services to constitute a Change, TSP may request that Agencies issue a Change Order under Section 20.6.

20.3.4 An individual Agency may issue a Directive Letter or issue a Change Order as relates to TSP services applicable only to that Agency under a separate scope of work, or for RCTC, as relates to the 15 Express Lanes roadside system.

20.4 Agency-Initiated Change Orders

20.4.1 Change Notice. If Agencies desire to evaluate whether to initiate an Agency Initiated Change, Agencies may, at their sole discretion, issue a Change Notice setting out details of the proposed Change. An individual Agency may issue a Change Notice related to an Agency Initiated Change that only impacts that Agency.

A Change Notice may include a request by an individual Agency to develop a separate Scope of Work related to services to be performed for that Agency only.

20.4.2 Change Notice Consultations

(a) As necessary, within seven days after delivery of Agencies' Change Notice, or such shorter period as the Parties agree depending upon the complexity of the proposed Change, the Parties shall consult to define the proposed scope of the Change. Within five days after the initial consultation, or such longer period as the Parties agree, the Parties shall consult concerning the estimated cost and time impacts, if any. TSP shall provide data regarding such matters as requested by Agencies.

(b) Within five days after the second consultation and provision of any data regarding matters Agencies' requests, Agencies shall notify TSP whether Agencies::

(i) Wish to issue a Change Order or Directive Letter;

(ii) Wish to request TSP to provide a full Change Response;

(iii) Wish to request TSP to prepare a modified work plan for the Change and a full Change Response based on the modified work plan; or

(iv) No longer wishes to issue a Change Order.

(c) The provisions above shall apply to an individual Agency related to an Agency Change Notice that only impacts that Agency as described above.

20.4.3 Change Response

(a) If so requested by Agencies, within ten Business Days after receiving Notice under Section 20.4.2(b)(ii), or such longer period as the Parties mutually agree, TSP shall prepare and deliver to Agencies, for Agencies' review and approval, a Change Response including:

(i) A written evaluation of the proposed Change, including, whether TSP considers the Agency Initiated Change to constitute a Change, analysis and the specific provision(s) of this Contract which permit a Change Order, including data and documents supporting such evaluation;

(ii) A statement and detailed breakdown of the estimated increase or decrease (as applicable) to the Contract Price or change to the Pass-Through Cost Items and adjustments to any applicable Budget as a result of the Change including all data and reports required under in accordance with Change Order Price Form to support such estimate;

(iii) A detailed description of all Work which TSP considers would be required in order to implement the Change broken down as required by the Change Response Price Form;

(iv) If the Work is to be performed by Subcontractors and the work is sufficiently defined to obtain Subcontractor quotes, TSP shall obtain and provide at least 3 quotes (with breakdowns showing cost of labor, materials, services and Equipment and permitted markups for overhead and profit) on the Subcontractor's stationery and shall include such quotes as back-up for TSP's estimate and shall also prepare a worksheet in the form of the Change Response Price Form for each Subcontractor.

(v) Analysis of the impact of the Change on the performance of other aspects of the D&D Work, O&M Work, Agencies or Agencies' toll operations (as applicable);

(vi) In the case of D&D Work, if TSP believes the Change affects a Critical Path or the Change Response relates to an Excusable Delay that affects the Critical Path, it shall provide an impacted delay analysis indicating all activities represented or affected by the Change, with activity numbers, durations, predecessor and successor activities, resources and cost, and with a narrative report, in form satisfactory to RCTC, which compares the proposed new schedule to the Project Schedule or details of any Acceleration Costs. RCTC may at any time require TSP to provide two alternative Cost and schedule proposals, one which shall provide for a time extension and any additional costs permitted under this Contract, and the other which shall show all Acceleration Costs associated with meeting the original Completion Deadlines. If it is not feasible to recover any original Completion Deadline or if TSP believes that the costs associated with such a recovery are prohibitive, then TSP shall recommend a date to be shown in the alternative TSP Change Request;

(vii) A certification under penalty of perjury according to the laws of the State, in form acceptable to Agencies, executed by TSP and stating that (a) the amount of time and/or compensation requested is justified as to entitlement and amount and includes all known and anticipated impacts or amounts, direct, indirect and consequential, which may be incurred as a result of the proposed Change, and (b) the cost and pricing data forming the basis for the Change Order is complete, accurate and current, with specific reference to the California False Claims Act (Government Code section 12650 et. seq.) and the U.S. False Claims Act (31 USC § 3729 et seq.); and (c) otherwise required by Exhibit 23;

(viii) Any required changes additions, deletions or modifications to this Contract (including the KPIs) as a result of the Change including a description of how and why the Change directly causes TSP to be unable to satisfy the KPIs, and in the case of a required Change in KPIs, the information required pursuant to Section 20.24.4 as if the Change were an Eligible Change;

(ix) A schedule for implementing the Change including, in the case of a Change to the D&D Work or the CSC Commencement Period Toll Services, estimated adjustments to the Completion Deadlines;

(x) TSP's proposed plan for mitigating the impacts of such Change and a reasonably detailed breakdown of the expected actual Costs, if any, of such mitigation; and

(xi) Any other information reasonably requested by Agencies.

20.4.4 During the 10 Business Days while TSP is preparing a Change Response, TSP shall regularly consult with Agencies to define the proposed scope of the Change and with respect to estimated cost and time impacts. TSP shall provide Agencies with data regarding such matters as requested by Agencies.

20.4.5 If it is not practicable, due to the nature and/or timing of the event giving rise to a proposed Change Order, TSP may seek Agencies' approval to provide an incomplete Change Response.

20.4.6 The provisions above shall apply to an individual Agency related to proposed Change that only impacts that Agency as described above; provided that the findings set forth under (v) shall be provided to both Agencies.

20.5 Change Order Determination

20.5.1 Within 20 Business Days after receipt of TSP's Change Response, Agencies shall provide Notice of Agencies' intent to proceed or not to proceed with the Change. If Agencies elect to proceed with the Change and accept TSP's Change Response, and any proposed adjustments to this Contract under Section 20.4.3(a)(viii), TSP shall prepare a Change Order for execution. If Agencies elect to proceed with the Change Order but do not accept the Change Response in total, Agencies shall either: (a) negotiate and agree to a Change Order with TSP; (b) issue a Time and Materials Change Order as provided in Section 20.13.3 or 20.14.4 (as applicable) or (c) issue a Directive Letter. No unilateral Change may be directed by an individual Agency, or Change Order entered into by an individual Agency, if the Change impacts both Agencies.

20.5.2 Subject to receipt of any required approvals from Department and FHWA, if Agencies issue or agree to a Change Order with TSP in accordance with Section 20.5.1, Agencies and TSP shall execute a Change Order with respect to the Change. If an individual Agency agrees to a Change Order with TSP, TSP and that Agency shall execute a Change Order with respect to that Change, subject to the limitation set forth above.

20.5.3 Upon receipt of a Change Order under Section 20.5.2, TSP shall implement the Change in accordance with the Change Order.

20.5.4 Regardless of whether or not Agencies have issued a Change Notice, Agencies, collectively or individually, may issue a Directive Letter with respect to a change or Change at any

time. A Directive Letter may be issued unilaterally by an Agency only in accordance with Section 20.3.4.

20.6 TSP Change Request

20.6.1 TSP shall give Agencies a Notice as soon as possible and within fifteen (15) Business Days after TSP knew or should have known of an Eligible Change. For purposes of Pub. Cont. Code § 9204, receipt of the Notice of an Eligible Change or TSP Change Request in accordance with this Section 20.6.1 shall be deemed to be receipt of a Claim as set forth in this Section 20.6.1; provided that TSP states, in writing, that the TSP Change Request constitutes a "claim" under Pub. Cont. Code § 9204.

20.6.2 TSP shall, within ten Business Days after its Notice under Section 20.6.1 or such longer period of time as may be allowed in writing by Agencies, provide a TSP Change Request which shall:

(a) Be labeled and numbered sequentially (for example the first TSP Change Request shall be labeled "TSP Change Request No. 1");

(b) Include, all information required to be submitted by TSP in a Change Response as if the Eligible Change were a Change with respect to which Agencies issued a Change Notice (including as required by Exhibit 23);

(c) State the name, title, and activity of each TSP and Agency representatives knowledgeable of the Eligible Change;

(d) Identify any documents and the substance of any oral communication involved in the facts underlying or supporting the Eligible Change;

(e) Provide an estimate of the time within which a response to the TSP Change Request is required to minimize cost, delay or disruption of performance; and

(f) If the TSP Change Request relates to a decision which this Contract leaves to the discretion of a Person or as to which this Contract provide that such Person's decision is final, the TSP Change Request shall set out in detail all facts supporting TSP's objection to the decision, including all facts supporting any contention that the decision was capricious or arbitrary or is not supported by substantial evidence.

20.6.3 TSP's Notice of an Eligible Change under Section 20.6.1 may also serve as a TSP Change Request provided it meets the requirements for a TSP Change Request under Section 20.6.2.

20.6.4 Any adjustments made to the Contract shall not include increased costs or time extensions for delay resulting from TSP's failure to timely provide requested additional information under this Section 20.6.

20.7 Incomplete TSP Change Request

20.7.1 If it is not practicable, due to the nature and/or timing of the event giving rise to an Eligible Change, for TSP to provide a complete TSP Change Request meeting all of the requirements of Section 20.6.2, TSP shall provide an incomplete TSP Change Request which includes all

information capable of being ascertained together with a list of those TSP Change Request requirements which are not fulfilled and an explanation reasonably satisfactory to Agencies, or the applicable Agency,stating why such requirements cannot be met.

20.7.2 TSP shall provide Agencies with a monthly update to all outstanding TSP Change Requests describing the status of all previously unfulfilled requirements and stating any changes in projections previously delivered to Agencies, expenditures to date and time anticipated for completion of the activities for which the time extension is claimed. Agencies may reject the TSP Change Request at any point in the process. Once a complete TSP Change Request is provided, Agencies' failure to respond within 20 Business Days of delivery of the request shall be deemed a rejection of such TSP Change Request. TSP shall bear the burden of proving that providing the TSP Change Request within the time periods set forth in Section 20.6.2 was not practicable.

20.8 Review of Subcontractor Claims

20.8.1 Prior to submission by TSP of any TSP Change Request which is based in whole or in part on a request by a Subcontractor for a price increase or time extension under its Subcontract, TSP shall have reviewed and analyzed all Claims by the Subcontractor which constitute the basis for the TSP Change Request and determined in good faith that each such Claim has sufficient justification under the Contract to warrant TSP requesting an increase in the Contract Price and change in Completion Deadlines in the amounts specified in the TSP Change Request. TSP shall certify in its TSP Change Request that it has completed such review and that the Claim has justification under the Contract.

20.8.2 Each TSP Change Request involving Subcontractor Claims and provision of Toll Services, and each update to an incomplete Change Order request involving such Claims and Toll Services, shall include a summary of TSP's analysis of all Subcontractor Claims components and shall include a certification signed by TSP's Project Manager (as applicable) stating that TSP has (a) investigated the basis for the Subcontractor's claims and believes that there is sufficient justification under the Contract as to entitlement and the amount of money and/or time requested, (b) reviewed and verified the adequacy of all back-up documentation to be placed in escrow pursuant to Section 29.2, and (c) no reason to believe and does not believe that the factual basis for the Subcontractor's claim is falsely represented. Any TSP Change Request involving Subcontractor Toll Services which is not accompanied by such analysis and certification shall be considered incomplete.

20.9 Force Majeure and Package Turnover Delay Change Order Entitlement

Subject to Section 19 and 20.11 and TSP complying with the Change Order Notification Process, where a TSP Change Request is submitted as a result of a Force Majeure Event or Package Turnover Delay that has caused or will result in an identifiable and measurable disruption of the Toll Services and has impacted the Critical Path activity (i.e., consumed all available Float and extended the time required to achieve a Completion Milestone beyond the applicable Completion Deadline), TSP shall be entitled to a Change Order adjusting the applicable Completion Deadline, based on Critical Path Method analysis to the extent of the actual delay caused by the Force Majeure Event or Package Turnover Delay, or Acceleration Costs where Agencies elect to order acceleration, in which case, no extension of time will be granted to a Completion Deadline.

20.10 Excusable Delay Change Order Entitlement

20.10.1 Subject to Section 19 and 20.11 and TSP complying with the Change Order Notification Process, where a TSP Change Request is submitted as a result of an Excusable Delay that has caused or will result in an identifiable and measurable disruption of the D&D Work and has impacted the Critical Path activity (i.e., consumed all available Float and extended the time required to achieve a Completion Milestone beyond the applicable Completion Deadline), TSP shall be entitled to:

(a) A Change Order adjusting the applicable Completion Deadline, based on Critical Path Method analysis to the extent of the actual delay caused by the Excusable Delay or Acceleration Costs where RCTC elects to order acceleration, in which case, no extension of time will be granted to a Completion Deadline; and

(b) Delay and disruption damages only if the Excusable Delay is an event falling within clauses (a) through (c) of the definition of RCTC-Caused Delay, clause (b) or (d) of the definition of Excusable Delay or subject to Section 20.10.3.

20.10.2 Delay and disruption damages payable under Section 20.10.1(b) shall be limited to (i) direct costs solely and directly attributable to the delays described in Section 20.10.1(b) and markups on such direct costs in accordance with Section 20.13, and (ii) any additional field office and jobsite overhead costs incurred by TSP solely and directly attributable to such delays at TSP's applicable Audited Overhead rate.

20.10.3 TSP shall not be entitled to any delay and disruption damages with respect to the first 20 Business Days in the aggregate of Department-Caused Delays for which TSP is entitled to a time extension under Section 20.10.1.

20.11 Concurrent Delays

TSP shall not be entitled to an extension of time under Section 20.9 or 20.10 or delay or disruption damages under Section 20.10.2 if the Excusable Delay, Force Majeure Event or Package Turnover Delay is concurrent with any other unrelated delay to a Critical Path that is TSP's responsibility under this Contract.

20.12 General Change Order Entitlement for Contract Price Adjustments

20.12.1 Subject to Section 19 and TSP complying with the Change Order Notification Process, where a Change Order is issued as a result of:

(a) A Change;

(b) Additional Work required as a result of an Excusable Delay; or

(c) Except where relief is provided under Section 10.10, an O&M Relief Event that has prevented or delayed performance of the O&M Work, TSP shall be entitled to an adjustment to the Contract Price as provided in this Section 20.12 through 20.24.

20.12.2 The price of the Change Order for a Change in the D&D Work for which TSP is entitled to an adjustment in the Total Capital Cost shall be determined in accordance with Section 20.13. The price of the Change order for a Change in the O&M Work shall be determined in accordance with Section 20.14.

20.12.3 TSP's Change Response or Change Request, as the case may be, shall identify all conditions with respect to prices or other aspects of the proposal, such as pricing contingent on firm orders being made by a certain date or the occurrence or nonoccurrence of an event.

20.13 Pricing for Changes in the Scope of the D&D Work

20.13.1 Subject to Section 19, increases or decreases in the Total Capital Price resulting from Changes or Additional Work as a result of an Excusable Delays affecting the D&D Work shall be determined as described in Section 20.13.2 through 20.13.3, at RCTC's election. To the extent reasonable and possible, TSP shall combine like efforts into a bundled Change.

20.13.2 Where RCTC elects to negotiate a lump sum increase or decrease to the Total Capital Cost, such increase or decrease will be negotiated based on the principles in this Section 20.13.2. Lump sum prices shall include a complete price analysis including all documentation required by Section 20.13.2. Where the amount is a positive amount, such amount shall be payable by RCTC to TSP. Where such amount is a negative amount, such amount shall be a debt due and payable by TSP to RCTC.

(a) For Labor: RCTC shall reimburse TSP for labor (including supervision by foremen dedicated solely to the particular item of Work but not for supervisions by general superintendents or general foreman). For labor subject to the payment of prevailing wages, the labor payment shall be calculated as a Weighted Wage Rate in accordance with Section 20.13.2(a)(i). For labor that is not subject to prevailing wages, the labor payment shall be calculated as provided in Section 20.4.3(a)(iii). TSP shall not be entitled to any Costs for labor required to be engaged full time on the D&D Work or for TSP Key Personnel working within the time expectations required under the TPs.

(i) Prevailing Wage Labor / Weighted Wage Rate. The Weighted Wage Rate combines:

A. The current basic wage and fringe benefits that TSP is required and has agreed to pay any workers employed to perform construction work, which shall be not less than the "prevailing rate of wages" as specified in Section 7.10;

B. Federal Insurance Compensation (FICA);

C. Federal Unemployment Tax Act contributions (FUTA); and

D. State Unemployment Compensation Act contributions (SUCA)

The Weighted Wage Rate shall be computed for each classification of labor used. This rate shall reflect TSP's reasonable actual Cost. It shall neither exceed what is normally paid to comparable labor nor fall below the minimum required by prevailing wage requirements. If labor works overtime, the Weighted Wage Rate shall be determined on the same basis.

(ii) Non-prevailing Wage Labor. For labor that is not subject to payment of prevailing wages, but that is performed by a job class specified in Exhibit 3, Form J-15, RCTC shall pay the rate specified in Exhibit 3, Form J-15. For labor that is not subject to prevailing wages

and is not performed by a job class specified in Exhibit 3, Form J-15, RCTC shall pay TSP for (1) reasonable actual wages (i.e., the base wage rate paid to the employee verified by payroll records but exclusive of any fringe benefits or Margin).

(iii) Audited Overhead. RCTC shall pay Audited Overhead on the applicable amounts determined under Section 20.13.2(a)(i) and 20.4.3(a)(iii); and

(iv) TSP Margin. RCTC shall pay TSP Margin on the sum of the applicable amounts determined under Section 20.13.2(a)(i) and 20.4.3(a)(ii) and the amount determined under Section 20.13.2(a)(iii).

(b) For Hardware, Software Equipment and Materials. RCTC shall reimburse the reasonable, actual invoice Cost for Hardware, Software Equipment and materials supplied by TSP and installed or purchased for spare parts or inventory and for materials supplied by TSP and needed for the D&D Work. The Cost includes actual, reasonable freight and express charges and taxes, provided that these Costs have not been paid in some other manner under this Contract. A deduction will be made for any offered or available discounts or rebates if RCTC has provided TSP with, or there is otherwise reasonably available to TSP, the means to comply with the provisions allowing the discount. To support charges for such Hardware, Software Equipment and materials, TSP shall provide RCTC with valid copies of Supplier invoices, including freight and express bills. If invoices are not available for such Hardware, Software Equipment and materials from TSP's stocks, TSP shall certify reasonable, actual Costs by affidavit. The rates set forth in the Rental Rate Blue Book shall be the maximum rates allowed for tools and construction Equipment. These rates shall be the full compensation for furnishing and operating the tools and construction Equipment, except for labor.

(c) For Subcontractors. RCTC shall reimburse the reasonable, actual Cost for Subcontractors incurred under a Subcontract. Subcontractors shall be allowed their reasonable, actual Costs for insurance and bonding. The amount of any Margin charged by Subcontractors shall not exceed 10%.

(d) For Insurance and Bonding. RCTC shall reimburse TSP's reasonable, actual Costs for insurance and bonds attributable to the Change in D&D Work.

(e) Purchase Orders. The portion of the lump sum cost attributable to items supplied by TSP through a purchase order shall be calculated on the basis of reasonable, actual cost incurred by TSP.

(f) Subcontractors. TSP shall obtain at least three quotes for such purchases unless it is not possible to obtain three quotes for the applicable purchases. Where this occurs, TSP shall provide a request to RCTC to obtain less than three quotes, together with justification for such request, and obtain RCTC's prior approval (in RCTC's sole discretion). Where RCTC elects to request a Unit Priced Change Order, then an adjustment to the Total Capital Cost shall be determined using the Unit Prices as set out in Part B of the Change Response Price Form (which shall be the only applicable item in the Change Response Price Form where a Unit Priced Change Order is issued). The Unit Prices include all costs for Hardware, Software, labor, materials, Equipment and Margin, and shall not be subject to change regardless of any change in the estimated quantities. Unit Price Change Orders shall initially include an estimated increase in the Total Capital Cost based on estimated quantities. Upon final determination of the quantities,

RCTC will issue a modified Change Order setting forth the final adjustment to the Total Capital Cost based on the Unit Price. TSP shall keep detailed records of the quantities for Unit Priced D&D Work, and shall submit supporting documentation of such quantities with its invoices.

20.13.3 Where RCTC elects to request a Time and Materials Change Order including if the Parties cannot reach agreement under Section 20.13.2 or 20.13.2(f), TSP shall keep and present, in such form as RCTC may reasonably require, an itemized accounting together with appropriate supporting data in accordance with the principles in Section 20.13.2.

20.13.4 The Time and Materials Change Order shall instruct TSP to perform the Change in the Toll Services, indicating expressly the intention to treat the items as a Change in the Toll Services, and setting forth the kind, character, and limits of the Toll Services as far as they can be ascertained, the terms under which changes to the Total Capital Price will be determined and the estimated total change in the Total Capital Price anticipated under the Change Order. Costs evidenced by daily extra work reports furnished less than five (5) Business Days prior to preparation of the invoice shall be included in the subsequent month's invoice. Upon final determination of the allowable costs, RCTC shall issue a modified Change Order setting forth the final adjustment to the Contract Price.

20.14 Pricing for Changes in the Scope of the O&M Work.

20.14.1 Subject to Section 19, increases or decreases in the Total O&M Cost resulting from Changes or O&M Relief Events affecting the O&M Work shall be determined as described in Sections 20.14.2 through 20.14.4 at Agencies' election. To the extent reasonable and possible, TSP shall combine like efforts into a bundled Change.

20.14.2 Where Agencies elect to negotiate a lump sum increase or decrease to the Total O&M Cost, such increase or decrease will be negotiated based on the principles for pricing established under 20.13.2 and Section 19. Where the amount is a positive amount, such amount shall be payable by Agencies to TSP. Where such amount is a negative amount, such amount shall be a debt due and payable by TSP to Agencies. Lump sum prices shall be properly itemized and supported by sufficient substantiating data to permit evaluation, including a complete price analysis by reference to the Price Sheets for similar types and quantity of O&M Work unless some other basis is approved by Agencies.

20.14.3 Where Agencies elect to request a Unit Priced Change Order, the increase or decrease to the Total O&M Cost can be determined using Unit Prices, then an adjustment to the Total O&M Cost shall be determined using the Unit Prices as set out in Part B of the Change Response Price Form (which shall be the only applicable item in the Change Response Price Form where a Unit Priced Change Order is issued). The Unit Prices include all costs for Hardware, Software, labor, material, Subcontractors, services, Equipment and all Margin and shall not be subject to change regardless of any change in the estimated quantities. Unit-Price Change Orders shall initially include an estimated increase in the Total O&M Cost based on estimated quantities. Upon final determination of the quantities, Agencies will issue a modified Change Order setting forth the final adjustment to the Total O&M Cost. TSP shall keep detailed records of the quantities for Unit Priced O&M Work, and shall submit supporting documentation of such quantities with its invoices.

20.14.4 Where Agencies elect to request, Agencies may issue a Time and Materials Change Order at any time in their sole discretion including if the Parties cannot reach agreement under Section 20.14.2 In such case the payment or reduction shall be determined in accordance with Section 20.13.3 except that references to the D&D Work shall be read as references to the O&M Work to the extent applicable to the O&M Work.

20.15 General Pricing Provisions

20.15.1 Without limiting Section 19, the extent (if any) to which compensation will be payable by Agencies, for any Change, Excusable Delay or O&M Price Event, will be determined as follows:

(a) The overriding considerations will be that Agencies are receiving value for money; and the compensation amount is fair and reasonable and is calculated in a manner that is transparent;

(b) Appropriate regard shall be given to the time value of money and timing of cash flows and all cash flows much be discounted or inflated to reflect when they occur (if applicable);

(c) All Change Order pricing shall be undertaken, provided and subject to review and audit on an Open-Book Basis; and

(d) Except where TSP is expressly entitled to be paid Audited Overhead or TSP Margin in accordance with this Section 20, Agencies will not pay or otherwise compensate TSP or any Subcontractor for any Margin as a result of a Change, Excusable Delay or O&M Relief Event.

20.15.2 When the Change Order includes both added and deleted O&M Work, TSP shall prepare a statement of the cost of added and deleted Toll Services. TSP Margin will be allowed only for the net increase in labor Cost in order to establish the amount to be added to the Contract Price.

20.15.3 In determining a deductive change order, any deduction will include the amount of TSP Margin and Audited Overhead which would have been payable on such amounts by Agencies in accordance with this Section 20.

20.15.4 If a Change Order results in an amount owing from Agencies to TSP, Agencies may pay TSP as a lump sum payment, a series of milestone payments, an adjustment to the Total O&M Years Cost for the years as specified (or any part of such costs) or any combination of these methods in accordance with the payment arrangements set out in the approved Change Order.

20.15.5 When a Change in the O&M Work decreases the scope of the O&M Work, documented cancellation and restocking charges may be included in Costs and subtracted from any Savings.

20.16 Change Order Data

20.16.1 TSP shall collect, record in writing, segregate and preserve: (a) all data and documents necessary to determine the costs described in this Section 20 with respect to all Toll Services which are the subject of a Directive Letter, Change Order, a Change Response or a TSP

Change Request (excluding negotiated lump sum Change Orders previously executed and delivered), specifically including costs associated with design and Software development work, and (b) all data, documents and analyses necessary to show the actual impact (if any) on the Critical Path, the Project Schedule, and applicable Completion Deadlines with respect to all Toll Services which are the subject of a Directive Letter, Change Order or a proposed Change Order. Such data, documents and analyses shall be provided to Agencies and Agencies' Representative reviewing any Change Order, Claim or Dispute regarding compensation for such Toll Services or time extension immediately upon their request or demand. TSP waives the right to obtain compensation or time extension for any D&D Work, CSC Commencement Period Toll Services or O&M Work for which cost or schedule data, documents and analyses are required to be maintained and provided hereunder, if TSP fails to maintain and timely provide to Agencies cost or schedule data, documents and analyses meeting the requirements of this Contract.

20.16.2 TSP shall maintain its records in such a manner as to provide a clear distinction between: (a) the direct cost of Toll Services for which it is entitled (or for which it believes it is entitled) to an increase in the Contract Price and (b) the costs of other operations.

20.16.3 TSP shall furnish daily, on forms approved by Agencies, reports of all costs described in Section 20.16.2(a). The reports shall itemize all costs for Hardware, Software, labor, materials, and Equipment rental or purchase and give a total of costs through the date of the report. For workers, the reports shall include hours worked, rates of pay (which shall be consistent with Price Sheet J-15 in Exhibit 3), names and classifications. For equipment, the reports shall include size, type, identification number, rental rate and actual working hours of operation. All such records and reports shall be made immediately available to Agencies upon request. The cost of furnishing such reports are deemed to be included in TSP's overhead and fee percentages.

20.16.4 All reports shall be signed by TSP and certified as true, accurate and complete. Agencies will compare their records with TSP's reports, make the necessary adjustments and compile the costs of Toll Services completed under a Time and Materials Change Order. When such reports are agreed upon and signed by both Parties, they will become the basis of payment.

20.16.5 TSP shall maintain its records in such a manner as to provide a clear distinction between the direct costs of Toll Services for which it is entitled (or for which it believes it is entitled) to an increase in the Contract Price and the costs of other operations. TSP shall contemporaneously collect, record in writing, segregate and preserve (a) separate daily occurrence logs together with all other data necessary to determine the costs of all Toll Services which are the subject of a Directive Letter, Change Order or a TSP Change Request, specifically including costs associated with Equipment, Hardware and Software, and (b) all data necessary to show the actual impact (if any) of the change on each Critical Path and Completion Deadline with respect to all D&D Work that is the subject of a Directive Letter, Change Order or a proposed Change Order. Such data shall be provided to the Disputes Board (if a Change Order or TSP Change Request is under Dispute), RCTC and RCTC's Representatives as directed by RCTC, on forms approved by RCTC. The cost of furnishing such reports is included in TSP's predetermined overhead and profit markups and shall not be the subject of any additional claims for compensation.

20.17 Daily Toll Services Reports and Data Collection

20.17.1 TSP shall furnish Agencies completed daily work reports for each day's Toll Services which is to be paid for on a time and material basis. The daily time and material Toll Services reports shall be detailed as follows:

(a) Name, classification, date, daily hours, total hours, rate of pay (which shall be consistent with Price Sheet J-15 in Exhibit 3 but not less than prevailing wage rates for any labor category for which payment of prevailing wages is required), and extension for each worker (including both construction and non-construction personnel) for whom reimbursement is requested.

(b) Designation, dates, daily hours, total hours, rental rate, and extension for each unit of machinery and equipment.

(c) Quantities of materials, prices, and extensions.

(d) Transportation of materials.

(e) The total costs to date for the Time and Materials Change Order Toll Services.

20.18 Supplier's Invoices

Materials charges shall be substantiated by valid copies of Supplier's invoices. Such invoices shall be submitted with the daily time and material Toll Services reports, or if not available, they shall be submitted with subsequent daily time and material Toll Services reports. Should said Supplier's invoices not be submitted within 60 days after the date of delivery of the materials, Hardware or Equipment, Agencies may establish the cost of such materials at the lowest current wholesale prices at which such materials are available, in the quantities concerned, delivered to the location of Toll Services, less any discounts available.

20.19 Execution of Reports

All Time and Materials Change Order reports shall be signed by TSP's Representative.

20.20 Adjustment

Agencies will compare their records with the completed daily time and material Toll Services reports furnished by TSP and make any necessary adjustments. When these daily time and material Toll Services reports are agreed upon and signed by the applicable Parties, said reports shall become the basis of payment for the Toll Services performed, but shall not preclude subsequent adjustment based on a later audit. TSP's cost records pertaining to Toll Services paid for on a time and material basis shall be open, during all regular business hours, to inspection or audit by representatives of Agencies during the Term and for a period of not less than five years after the TCS Acceptance Deadline, and TSP shall retain such records for that period. Where payment for materials or labor is based on the cost thereof to any Person other than TSP, TSP shall make every reasonable effort to insure that the cost records of each such other Person will be open to inspection and audit by representatives of Agencies on the same terms and conditions as the cost records of TSP. Payment for such costs may be deleted if the records of such third parties are not made available to Agencies' representatives.

20.21 Disputes

20.21.1 The failure of Agencies and TSP to agree to any Change Order under this Section 20 (including agreement as to the amount of compensation allowed under a Time and Materials Change Order and the disputed amount of the increase in the Contract Price and/or extension of a Completion Deadline in connection with a Change Order as described above) shall be a Dispute to be resolved pursuant to Section 27. Except as otherwise specified in the Change Order, execution of a Change Order by both Parties shall be deemed accord and satisfaction of all claims by TSP of any nature in connection with the Toll Services covered by the Change Order and TSP shall be deemed to have expressly released, waived, and disclaimed any further compensation and time extension related thereto. TSP's Claim and any award by the dispute resolver shall be limited to the incremental costs incurred by TSP with respect to the disputed matter (crediting Agencies for any corresponding reduction in TSP's other costs) and shall in no event exceed the amounts allowed by Section 20.13.2

20.22 Toll Services Performed Without Direction

To the extent that TSP undertakes any efforts outside of the scope of Toll Services, unless TSP has received a Directive Letter or Change Order signed by Agencies to undertake such efforts, TSP shall be deemed to have undertaken the extra work voluntarily and shall not be entitled to a Change Order. In addition, Agencies may require TSP to remove or otherwise undo any such work without any time extension.

20.23 Changes Not Requiring Change Order

Deviations from standards specified in this Contract which have a neutral net cost effect and do not affect a Critical Path or Completion Deadline shall not require a Change Order provided such Deviations are approved by Agencies pursuant to TP Section 2.5.3.1. Any other change to this Contract shall require either a Directive Letter or a Change Order.

20.24 No Release or Waiver

20.24.1 No extension of time granted under this Contract shall release TSP's Surety or any Guarantor from its obligations. TSP shall continue to perform the Toll Services in accordance with this Contract and this Contract shall remain in full force and effect during the continuance unless formally suspended or terminated by Agencies in accordance with this Contract. Permitting TSP to finish any part of the Toll Services after a Completion Deadline, or the making of payments to TSP after such date, shall not constitute a waiver on the part of Agencies of any rights under this Contract, at law or in equity.

20.24.2 Neither the grant of an extension of time beyond the date fixed for the completion of any part of the Toll Services, nor the performance and acceptance of any part of the Toll Services or materials specified by the Contract after a Completion Deadline, shall be deemed to be a waiver by Agencies of any of its rights under this Contract, at law or in equity, including its right to terminate the Contract for abandonment or failure to complete within the time specified (as it may have been extended) or to impose and deduct damages as may be provided.

20.24.3 No course of conduct or dealings between the Parties nor express or implied acceptance of alterations or additions to the Toll Services, and no claim that Agencies have been unjustly enriched shall be the basis for any Claim, request for additional compensation or extension of a Completion Deadline. Further, TSP shall undertake, at its risk, work included in

any request, order or other authorization issued by a Person in excess of that Person's authority as provided herein, or included in any oral request. TSP shall be deemed to have performed such work as a volunteer and at its sole risk and cost. In addition, Agencies may require TSP to remove or otherwise undo any such work.

20.24.4 If the Change Notice includes a claim to an adjustment of any KPI or other Contract requirements, TSP will be required to demonstrate the effect on the KPIs or other Contract requirements using testing processes satisfactory to Agencies, in their sole discretion. Agencies have 20 Business Days after receipt of TSP's Change Notice or such longer or shorter period as the Parties may agree, to either accept or reject the Change Notice as submitted or to commence negotiation of an acceptable alternative. If Agencies fail to respond within 20 Business Days or such other agreed period, TSP may provide Notice to Agencies that it has not received a response, and if Agencies fail to respond within 10 Business Days after such additional Notice, Agencies' failure to respond shall be deemed to be a denial of TSP's entitlement to a Change Order as a result of the Change Notice. If the Parties are unable to resolve matters associated with Change Notice, the dispute shall be resolved in accordance with Section 27. If TSP proposes a Change Order as to a matter other than an Eligible Change, then Agencies have no obligation to approve the Change and its decision shall be final, binding and not subject to dispute resolution.

20.24.5 If as the sole and direct result of a Change, TSP is unable to maintain and comply with the KPIs, then Agencies and TSP will negotiate as part of the Change Order an appropriate adjustment to the affected KPIs. The adjustment shall be limited to the minimum extent necessary under the circumstances. TSP shall bear the burden of proof that it will be unable to maintain the affected KPIs as a sole and direct result of the Change.

20.24.6 If it is possible to avoid an adjustment to a KPI through a Change Order adjusting the Contract Price, but Agencies prefer not to incur the Contract Price adjustment, then TSP shall cooperate with and assist Agencies with analyzing trade-offs between price and KPI adjustments to give Agencies a range of choices on how to proceed with the Change Order.

SECTION 21 SUSPENSION

21.1 Suspension for Convenience

21.1.1 Agencies may, at any time, by Notice, order TSP to suspend all or any part of the Toll Services for its convenience for the period of time that Agencies deem appropriate.

21.1.2 TSP shall promptly comply with a Notice under Section 21.1.1.

21.1.3 TSP shall promptly recommence the Toll Services upon receipt of Notice from Agencies directing TSP to resume Toll Services.

21.2 Suspensions for Cause

21.2.1 Agencies may, by Notice order TSP to suspend the whole or any part of the Toll Services for TSP failure to:

(a) Correct conditions unsafe for the Toll Services personnel, Agencies' personnel, Other Agencies' Contractor personnel or the general public;

(b) Comply with any Governmental Approval, Governmental Rule or this Contract;

(c) Carry out orders or directions of Agencies in accordance with this Contract, Change Orders or Directive Letters;

(d) Comply with requirements for developing and implementing the Quality Management Plan;

(e) Remove or replace any Person as required under Section 15.6.2 or it TSP or its Subcontractors fail to ensure employment of an alternative skilled and experienced Person;

(f) Provide proof of required insurance coverage as provided in Section 17;

(g) Reopen lanes closed to public traffic as part of a Lane Closure by the time specified in the approved closure request as set forth in TP Section 4.7.2; or

(h) Comply with environmental requirements.

21.2.2 TSP shall promptly comply with a Notice under Section 21.2.1.

21.2.3 TSP shall promptly recommence the Toll Services upon receipt of Notice from Agencies directing TSP to resume the Toll Services.

21.2.4 Agencies have no liability to TSP and TSP is not entitled to make any Claim in connection with any suspension under Section 21.2.1.

21.2.5 If Agencies order suspension of Toll Services under Section 21.2 but it is finally determined under the Dispute Resolution procedures of this Contract that such grounds did not exist, it shall be treated as a suspension for Agencies' convenience under Section 21.1.

21.3 Department Suspensions

TSP acknowledges that Department may have the authority to issue an order suspending Toll Services wholly or in part and to take appropriate action when public safety is jeopardized as authorized under Streets and Highways Code § 91.2(b).. TSP shall promptly comply with any such written suspension order if Agencies verify the authority of the Department to issue the order. TSP shall promptly recommence the Toll Services upon receipt of Notice from Department directing TSP to resume the Toll Services. Neither Agencies nor Department shall have any liability to TSP in connection with any such suspension and TSP shall have no right to any Claim in connection with any such suspension.

21.4 Responsibilities of TSP During Suspension Periods

Where the Toll Services are suspended:

21.4.1 TSP remains responsible for the Toll Services and shall prevent damage, loss or injury to the I-15 Express Lanes Project and the Toll Services;

21.4.2 Agencies shall have full and immediate access to all operations, Software and Hardware, related data, transponder inventory, and any other assets owned by Agencies during the suspension; and

21.4.3 TSP shall continue to perform aspects of the Toll Services not subject to the suspension Notice.

SECTION 22 TERMINATION FOR CONVENIENCE

22.1 Termination for Convenience Notice

22.1.1 Agencies may, at any time, terminate this Contract in whole or in part, at its convenience by giving a Notice to TSP specifying the extent of termination and its effective date (Termination for Convenience Notice).

22.1.2 Termination (or partial termination) of this Contract shall not relieve any Surety or Guarantor of its obligation for any Claims in connection with the Toll Services performed or remaining to be performed (in the case of a partial termination).

TSP acknowledges and agrees that unless and until NTP2 is issued, RCTC has no liability to TSP for a Termination for Convenience under this Contract, except as provided under Section 22.10.

22.2 Transition Plan

22.2.1 Within three (3) Business Days after receipt of a Termination for Convenience Notice, TSP shall meet and confer with Agencies for the purpose of developing an interim transition plan for the orderly transition of the terminated Toll Services, demobilization and transfer of the Toll Services project to Agencies.

22.2.2 The Parties shall use diligent efforts to complete preparation of:

(a) The interim transition plan within 10 Business Days after TSP receives Termination for Convenience Notice; and

(b) A final transition plan within 20 Business Days after TSP receives Termination for Convenience Notice.

22.2.3 The transition plan shall be in form and substance acceptable to Agencies in their good faith discretion and shall include and be consistent with the other provisions and procedures set forth in Section 22.2 and TP Section 18.1, which provisions and procedures TSP shall immediately follow, regardless of any delay in preparation or acceptance of the transition plan.

22.3 Acceptance

22.3.1 TSP remains responsible for damage and loss to materials, Equipment, Hardware and Software after issuance of the Termination for Convenience Notice, except as follows:

(a) TSP's responsibility for damage to materials, Equipment, Hardware and Software for which partial payment has been made as provided in this Contract shall terminate when

Agencies' Representatives certifiy that those materials, Equipment, Hardware and Software have been stored in the manner and at the locations directed by Agencies;

(b) TSP's responsibility for damage to materials, Equipment, Hardware and Software purchased by Agencies subsequent to the issuance of the Notice that the Contract is to be terminated shall terminate when title and delivery of those materials, Equipment, Hardware and Software have been taken by Agencies, or the applicable Agency; and

22.3.2 When Agencies' Representatives determine that TSP has completed the Toll Services directed to be completed prior to termination and such other work as may have been ordered to secure the work for termination, Agencies' Representatives will recommend that Agencies formally accept such Toll Services, and immediately upon and after the acceptance by Agencies , TSP will not be required to perform any further work and shall be relieved of maintenance responsibility for such terminated Toll Services.

22.4 Payment for Termination for Convenience

22.4.1 If Agencies terminate this Contract for convenience under Section 22.1, TSP will be entitled to payment of the following amounts (collectively, the Termination for Convenience Amount):

(a) All Toll Services performed prior to the Termination Date in accordance with this Contract but not previously paid for including payment for any Software licensed by TSP at Agencies' request, to be determined in accordance with the Payment Milestones, excluding any amounts for anticipated profits with respect to Toll Services not yet performed or lost opportunity;

(b) TSP's documented reasonable direct Costs of demobilization, including close-out Costs and amounts payable to Subcontractors and Suppliers that have subcontracts in accordance with the terms of this Contract for early termination; and

(c) The reasonable out-of-pocket Cost (including reasonable overhead) of the preservation and protection of property incurred in accordance with Section 24.1.9 and any other reasonable out-of-pocket Cost (including reasonable overhead) incidental to termination of the Toll Services, including the reasonable Cost to TSP of handling material returned to the vendor, delivered to Agencies or otherwise disposed of as directed by Agencies.

22.4.2 TSP and Agencies may agree upon the Termination for Convenience Amount, as provided in Section 22.2 by reason of any termination for convenience. Such negotiated settlement may include a reasonable allowance for profit solely on D&D Work or CSC Commencement Period Toll Services which has been completed as of the Termination Date and subsequently inspected and accepted by Agencies.

22.4.3 TSP acknowledges and agrees that the Termination for Convenience Amount or any negotiated amount under Section 22.4.2 shall not exceed:

(a) The value of the Toll Services performed plus its settlement costs, and that items such as lost or anticipated profits, unabsorbed overhead and opportunity costs shall not be recoverable in the Termination for Convenience Amount; or

(b) The total Contract Price less the amount of payments previously made and the Contract Price of Toll Services not terminated.

22.4.4 In the event that any refund is payable with respect to insurance or bond premiums, deposits or other items which were previously passed through to Agencies by TSP and paid by Agencies, such refund shall be paid directly to Agencies or otherwise credited to Agencies or deducted from the Termination for Convenience Amount.

22.4.5 Except to the extent that Agencies will have expressly assumed the risk of loss, the Termination for Convenience Amount excludes the fair value, as determined by Agencies, of Equipment, Hardware, Software and property which is destroyed, lost, stolen, or damaged so as to become undeliverable to Agencies.

22.4.6 Upon determination of the Termination for Convenience Amount or agreement of any settlement amount, this Contract shall be amended to reflect the agreed termination payment, TSP shall be paid the agreed amount, and the Contract Price shall be reduced to reflect the reduced scope of the Toll Services.

22.5 Settlement Proposal

No later than 90 days from the Termination for Convenience Notice, TSP shall submit a final termination settlement proposal (including the proposed Termination for Convenience Amount) for review in accordance with the Submittal Process with such certifications as are requested by Agencies. If TSP fails to submit the proposal within the time allowed, Agencies may determine the Termination for Convenience Amount and TSP shall be bound by Agencies' determination.

22.6 Amount of Negotiated Termination Settlement

22.6.1 TSP and Agencies may agree upon the Termination for Convenience Amount, as provided and subject to the limitations in Section 22.4, by reason of any termination for convenience. Such negotiated settlement may include a reasonable allowance for profit solely on Work that has been completed as of the Termination Date and subsequently inspected and accepted by Agencies.

22.6.2 Upon determination of the settlement amount, this Contract will be amended accordingly, and TSP will, subject to Section 22.8, be paid the agreed amount as described in this Section 22.6. Agencies' execution and delivery of any settlement agreement shall not affect any of its rights under this Contract with respect to completed Work, relieve TSP from its obligations under this Contract, including warranties, or affect the right and obligations of Agencies or TSP under any Bond and/or Guaranty as to such completed or non-terminated Work.

22.7 No Agreement as to Amount of Termination Settlement for Toll Services

22.7.1 If TSP and Agencies fail to agree upon any amount payable to TSP because of Agencies' termination of Toll Services for convenience in accordance with this Section 22, Agencies shall pay to TSP Termination for Convenience Amount (exclusive of interest charges and any amounts deducted pursuant to Section 22.9) as calculated by Agencies and without duplication of any items or of any amounts agreed upon in accordance with Section 22.6.

22.8 Conditions to Payment; Reduction in Amount of Claim

22.8.1 As a condition to its obligation to pay TSP amounts due under this Section 22, Agencies shall have received the following:

(a) A list of all outstanding or pending TSP Change Requests and all existing or threatened Claims, Liens and stop payment notices by Subcontractors or other third parties relating to the Toll Services;

(b) Complete and legally effective releases or waivers of Liens and stop payment notices satisfactory to Agencies, from all Persons legally eligible to file Liens and stop payment notices in connection with the Toll Services;

(c) Consent of any Guarantors and Surety(ies);

(d) Executed release(s) meeting the requirements of Section 22.11 and otherwise satisfactory in form and content to Agencies; and

(e) Such other documentation as Agencies may reasonably require.

22.9 Payment upon Termination

22.9.1 Subject to Section 22.11 and except for amounts in dispute, Agencies shall pay the Termination for Convenience Amount within 45 days after receipt of an invoice from TSP.

22.9.2 Agencies may, from time to time within such 45 day period make partial payments on account against Costs incurred by TSP in connection with the terminated portion of this Contract, whenever in the opinion of Agencies, the aggregate of such payments shall be within the amount to which TSP will be entitled under this Contract. If the total of such payments is in excess of the Termination for Convenience Amount finally agreed or determined to be due under this Section 22, such excess shall be payable by TSP to Agencies upon demand together with interest at the rate of the lesser of (a) 10% per annum or (b) the maximum rate allowable under applicable Governmental Rule.

22.10 Termination Based on Delay in or Failure to Issue NTP2

22.10.1 RCTC may, at any time after issuance of NTP1 and for any reason, elect not to issue NTP2 and terminate this Contract and the performance of the Toll Services by TSP. In such event, RCTC's sole liability to TSP is to pay TSP any unpaid amounts due for Work performed pursuant to NTP1 in accordance with Sections 18.2.

22.10.2 If NTP2 has not been issued on or before 540 days after the Proposal Date, and this delay is not caused by an act or failure to act by any TSP-Related Entity or any TSP Fault, TSP may terminate this Contract at any time, which right shall be exercised by delivery of notice of termination to RCTC. In such event, no compensation shall be allowed under this Contract in connection with the termination except as set out in Section 6.5.1.

22.11 No Waiver; Release

22.11.1 The payment to TSP determined in accordance with this Section 22 constitutes TSP's exclusive remedy for a termination under this Contract.

22.11.2 Notwithstanding any other provision of this Contract, a termination under this Section 22 shall not waive any Claim that Agencies may have under this Contract and Agencies may pursue any such Claim against TSP.

22.12 Dispute Resolution

The failure of the Parties to agree on amounts due under this Section 22 shall be a Dispute to be resolved in accordance with Section 27.

22.13 Allowability of Costs

All Costs claimed by TSP under this Section 22 shall be allowable, allocable and reasonable in accordance with the cost principles and procedures of 48 CFR Part 31.

SECTION 23 TERMINATION FOR DEFAULT

23.1 Default of TSP

TSP shall be in default under this Contract upon the occurrence of any one or more of the following events or conditions:

23.1.1 TSP fails to prosecute the Toll Services in a timely fashion and fails to commence or resume diligent prosecution of the Toll Services within 10 Business Days after Notice of such breach;

23.1.2 TSP has not achieved (A) Factory Acceptance within 60 days of the commencement of the Factory Acceptance Test as shown in the Project Schedule, (B) CSC Commencement within 30 days following the CSC Commencement Deadline, (C) Revenue Service Commencement within 60 days following the Revenue Service Commencement Deadline; or (D) TCS Acceptance within 90 days following the TCS Acceptance Deadline;

23.1.3 TSP fails to maintain or provide the insurance, Bonds, guarantees, letters of credit or other performance security as and when required under this Contract for the benefit of relevant parties, or fails to comply with any requirement of this Contract pertaining to the amount, terms or coverage of the same;

23.1.4 TSP attempts or purports to assign or transfer this Contract or any right or interest in this Contract, except as expressly permitted under Section 31.5.2;

23.1.5 TSP (i) fails, absent a valid dispute, to make payment when due for labor or Equipment in accordance with its agreements with Subcontractors and applicable Governmental Rule, (ii) fails to comply with any Governmental Rule, (iii) fails reasonably to comply with the instructions of Agencies consistent with this Contract, or (iv) fails to make payment to Agencies when due of any amounts owing to Agencies under this Contract;

23.1.6 TSP breaches any other agreement, covenant, representation or warranty contained in this Contract that is not otherwise specifically listed in this Section 23.1;

23.1.7 Any Guarantor revokes or attempts to revoke its obligations under its guaranty or otherwise takes the position that such instrument is no longer in full force and effect;

23.1.8 Any final judgment is issued holding TSP or any Guarantor liable for an amount in excess of $100,000 based on a finding of intentional or reckless misconduct or violation of a state or federal false claims act;

23.1.9 Any representation or warranty made by TSP in this Contract or any Guarantor in the Guaranty or any certificate, schedule, instrument or other document delivered by TSP in accordance with this Contract or the Guarantor under the Guarantee was false or materially misleading when made;

23.1.10 TSP commences a voluntary case seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect; seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets; becomes insolvent, or generally does not pay its debts as they become due; admits in writing its inability to pay its debts; makes an assignment for the benefit of creditors; or takes any action to authorize any of the foregoing; or any of the foregoing acts or events shall occur with respect to any of TSP's partners, members or joint venturers, any material Subcontractors, or any surety, Guarantor or letter of credit Bank;

23.1.11 An involuntary case is commenced against TSP seeking liquidation, reorganization, dissolution, winding up, a composition or arrangement with creditors, a readjustment of debts or other relief with respect to TSP or TSP's debts under any bankruptcy, insolvency or other similar Governmental Rules now or hereafter in effect; seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of TSP or any substantial part of TSP's assets; seeking the issuance of a writ of attachment, execution, or similar process; or seeking like relief, and such involuntary case shall not be contested by TSP in good faith or shall remain undismissed and unstayed for a period of 60 days; or any such involuntary case; or any of the foregoing acts or events shall occur with respect to any of TSP's partners, members or joint venturers, any material Subcontractors, or any surety, Guarantor or letter of credit bank;

23.1.12 In any voluntary or involuntary case seeking liquidation, reorganization or other relief with respect to TSP or its debts under any bankruptcy, insolvency or other similar Governmental Rule now or hereafter in effect, this Contract is rejected, including a rejection pursuant to 11 USC § 365 or any successor statute;

23.1.13 TSP is a party to fraud;

23.1.14 A Persistent Breach occurs;

23.1.15 TSP causes or allows a closing or shutdown of all or a portion of the I-15 Express Lanes Project or the 91 Express Lanes or the Toll Infrastructure in a way not authorized by this Contract, or the Business Rules, or causes or allows to exist any other condition on or with respect to the Toll Infrastructure which results or may reasonably be expected to result in a material loss of Gross Revenues to Agencies, and TSP fails to commence diligent, sustained efforts to remedy such condition within four hours, or fails to complete the remedy of such condition within 48 hours, after Notice of such breach; provided that such cure period shall not preclude or delay Agencies' immediate exercise, without Notice or demand, of their rights to cure this condition; and provided further that where an act or omission of TSP constitutes a breach under this Section 23.1.15 and any other Section, this Section 23.1.15 shall control; or

23.1.16 TSP incurs liability to Agencies for damages, including Liquidated Damages, in an amount equal to or greater than (but for such limitation) ninety-five percent (95%) of the limitation on TSP's liability in Section 25.1.1(a) prior to TCS Acceptance or Section 25.1.2(a) after TCS Acceptance; or

23.1.17 TSP suspends, ceases, stops or abandons the Work or fails to continuously and diligently prosecute the Work (exclusive of Work stoppage (i) due to termination by Agencies, (ii) due to and during the continuance of a Force Majeure Event or suspension by Agencies, or (iii) in accordance with Section 23.5.

23.2 Notice and Opportunity to Cure

(a) TSP and Eligible Surety shall be entitled to 10 Business Days' Notice and opportunity to cure any breach before a TSP Event of Default is declared under Section 23.1.3, Section 23.1.6, Section 23.1.7, or Section 23.1.17,

(b) No Notice or opportunity to cure is required for any breach under Sections 23.1.1 or 23.1.2 or for any breach which by its nature cannot be cured (which shall include the items described in Section 23.1.8, Section 23.1.9, Section 23.1.10 through Section 23.1.16).

(c) With respect to any breach under Section 23.1.16, Section 25.2 shall apply.

(d) Failure to provide Notice to the Surety shall not preclude Agencies from exercising their rights against TSP.

(e) If a breach under Section 23.1.3, Section 23.1.6, Section 23.1.7 or Section 23.1.17 is capable of cure but, by its nature, cannot be cured within 10 Business Days, as determined by Agencies, such additional period of time shall be allowed as may be reasonably necessary to cure the breach so long as TSP commences such cure within such 15 day period and thereafter diligently prosecutes such cure to completion, In no event shall any cure period under this paragraph exceed 60 days in total unless Agencies, in their sole discretion, agree by Notice to extend such time.

(f) With respect to a breach declared under Section 23.1.14, Agencies may declare an anticipatory breach under Section 23.6, in which case the provisions of Section 23.6 shall apply.

(g) In the event of existence of a condition on or affecting the Toll Infrastructure which Agencies believe poses an immediate and imminent danger to public health or safety, Agencies may, without Notice and without awaiting lapse of the period to cure any default, rectify the dangerous condition at TSP's cost. and so long as Agencies undertake such action in good faith, even if under a mistaken belief in the occurrence of such default, such action shall not expose Agencies to any liability to TSP and shall not entitle TSP to any other remedy, Change Order or Claim, it being acknowledged that Agencies have a paramount public interest in providing and maintaining safe public use of and access to the Toll Infrastructure. Agencies' good faith determination of the existence of such danger shall be deemed conclusive in the absence of clear and convincing evidence to the contrary.

23.3 Remedies

23.3.1 If any breach described in Sections 23.1.1 or 23.1.2 are not subject to cure or is not cured within the period (if any) specified in Section 23.2, Agencies may provide a Notice to TSP and, as appropriate, the surety declaring that a "TSP Event of Default" has occurred and notify TSP to discontinue the Toll Services. In addition to all other rights provided by law or equity and such rights as are otherwise available under this Contract (but in each case subject to the limitation of liability in Section 25.1), the Performance Bond(s), the Maintenance Bond(s), any guaranty and any letters of credit, if a TSP Event of Default shall occur, Agencies may, without further notice and without waiving or releasing TSP from any obligations, do any and all of the following and TSP shall have the following obligations (as applicable):

(a) Agencies may terminate this Contract, or a portion of it, including TSP's rights of entry upon, possession, control, operation and maintenance of the Toll Infrastructure and the ROC by providing Notice to TSP specifying the extent of termination and its effective date (Termination for Default Notice), in which case, the provisions of Sections 24.1, 24.2 and 24.3 shall apply;

(b) If, and as directed by Agencies, TSP shall withdraw from the I-15 Express Lanes and 91 Express Lanes, including the ROC, as specified by Agencies and shall remove, at Agencies' direction, materials, Equipment, tools and instruments used by, and any debris or waste materials generated by, any TSP-Related Entity in the performance of the Toll Services;

(c) TSP shall deliver to Agencies documents, Equipment, Hardware, Software, materials, tools, instruments and facilities related to the Toll Services that Agencies deem necessary for completion of the Toll Services and the operation and maintenance of the TCS and ROC;

(d) TSP shall confirm the assignment to Agencies of the Subcontracts requested by Agencies and TSP shall terminate, at its sole cost, all other Subcontracts;

(e) Agencies may, deduct and offset any such amounts payable by TSP to Agencies, including reimbursements owing, Liquidated Damages, an amount Agencies deem advisable to cover any existing or threatened claims, liens and stop notices of Subcontractors, laborers, or Utility owners against TSP or against Agencies, the amount of any Losses that have accrued, the cost to complete or remediate uncompleted Toll Services, Nonconformances or other damages, Losses or amounts that Agencies have determined are or may be payable to Agencies under this Contract against amounts otherwise payable by Agencies to TSP;

(f) Agencies may draw or realize upon any bonds, funds, collateral or security then held by Agencies, including the Performance Bond(s), the Maintenance Bonds, any guaranty and any letter of credit;

(g) Agencies may appropriate any or all materials, supplies, Hardware, Software and Equipment at the Site (including the ROC) as may be suitable and acceptable to Agencies and may direct the surety to complete this Contract or may enter into an agreement for the completion of this Contract according to the terms and provisions of this Contract with one or more contractors, vendors or providers or the Surety, or use such other methods as may be required for the completion of the Toll Services by Agencies; and/or

DRAFT

(h) If Agencies exercise any right to perform any obligations of TSP, in the exercise of such right, Agencies may among other things: (i) perform or attempt to perform, or cause to be performed, such Toll Services; (ii) spend such sums as Agencies deem necessary and reasonable to employ and pay such professionals, contractors, vendors and providers and obtain materials, Equipment, Hardware and Software as may be required for the purpose of completing such Toll Services; (iii) execute all applications, certificates and other documents as may be required for completing the work; (iv) modify or terminate any contractual arrangements; (v) take any and all other actions which it may in its sole discretion consider necessary to complete the Toll Services; and (vi) prosecute and defend any action or proceeding incident to the Toll Services.

23.3.2 In addition to other damages that may be applicable under this Contract, if a TSP Event of Default has occurred during performance of the D&D Work, TSP, Surety and each Guarantor shall be jointly and severally liable to RCTC for all Costs incurred by RCTC or any party acting on RCTC's behalf in completing the Toll Services or having the Toll Services completed by another Person (including any re-procurement costs, throw away costs for unused portions of the completed Toll Services, and increased O&M Work and financing costs). Without limiting Section 18.12, upon occurrence of an Event of Default and so long as it continues, RCTC may withhold all or any portion of further payments to TSP until the later of (i) the TCS Acceptance Date, or (ii) the date on which RCTC otherwise accepts the TCS as complete or determines that it will not proceed with completion, at which time RCTC will determine whether and to what extent TSP is entitled to further payments. Promptly following such TCS Acceptance Date or the date on which RCTC otherwise accepts the TCS as complete or determines that it will not proceed with completion, the total cost of all completed Toll Services shall be determined, and RCTC shall notify TSP, the Surety and each Guarantor in writing of the amount, if any, that TSP, the Surety and each Guarantor shall pay RCTC or RCTC shall pay TSP or its surety with respect thereto. All costs and charges incurred by RCTC, including attorneys', consultants', accountants' and expert witness fees and costs, together with the cost of completing the D&D Work or the CSC Commencement Period Toll Services and any other deduction that RCTC would be entitled to make with respect to a Final Payment of the Total Capital Cost, will be deducted from any moneys due or which may become due to TSP or its surety. If such expense exceeds the sum which would have been payable under this Contract, then TSP and its Surety(ies) and each Guarantor shall be liable and shall pay to RCTC the amount of such excess. If the Surety or Guarantor fails to pay such amount immediately upon RCTC's demand, then RCTC may collect interest from the Surety or Guarantor on the amounts RCTC is required to pay in excess of the remaining balance of the Contract Price. The interest rate which the Surety and each Guarantor shall pay shall be the lesser of (a) 10% per annum or (b) the maximum rate allowable under applicable Governmental Rules. The interest rate shall accrue on all amounts RCTC has had to pay excess on the remaining balance of the Contract Price.

23.3.3 TSP acknowledges that if a default under Sections 23.1.10, or 23.1.11 occurs, such event could impair or frustrate TSP's performance of the Toll Services. Accordingly, TSP agrees that upon the occurrence of any such event, Agencies may request of TSP, adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within 10 Business Days of delivery of the request shall entitle Agencies to terminate this Contract and to the accompanying rights set forth above. Pending receipt of adequate assurance of performance and actual performance in accordance therewith, Agencies may proceed with the Toll Services with their own forces or with other contractors, vendors and providers on a time and material or other appropriate basis, the cost of which will be credited against and deducted from Agencies' payment obligations under this Contract. The foregoing

shall be in addition to all other rights provided by Governmental Rule or equity and such rights as are otherwise available under this Contract, any guaranty and the Performance Bond(s), the Maintenance Bonds and any letter of credit.

23.3.4 In lieu of the provisions of this Section 23.3 for terminating this Contract and completing the Toll Services, Agencies may, in their sole discretion, pay TSP for the parts already done according to the provisions of this Contract and may treat the parts remaining undone as if they had never been included or contemplated by this Contract. No claim under this provision will be allowed for prospective profits on, or any other compensation relating to, Toll Services uncompleted by TSP.

23.3.5 If this Contract is terminated for grounds which are later determined not to justify a termination for default, such termination shall be deemed to constitute a termination for convenience in accordance with Section 22.

23.3.6 The exercise or beginning of the exercise by Agencies of any one or more rights under this Section 23.3 shall not preclude the simultaneous or later exercise by Agencies of any or all other such rights, each of which shall be cumulative.

23.3.7 If Agencies suffer damages or other Losses as a result of TSP's breach or failure to perform an obligation under this Contract, then, subject to the limitation on liability contained in Section 25, Agencies may recover such damages and Losses from TSP regardless of whether the breach or failure that gives rise to the damages or Losses ripens into a TSP Event of Default.

23.3.8 TSP, Surety and Guarantor shall not be relieved of liability for continuing Liquidated Damages on account of a default by TSP under this Contract or by Agencies' declaration of a TSP Event of Default, or by actions taken by Agencies under this Section 23.3

23.3.9 Agencies' rights with respect to Nonconformances shall include the right to accept such Toll Services and reduce the Total Capital Cost in lieu of the rights specified in this Section 23.

23.3.10 If Agencies exercise any right to perform any obligations of TSP with respect to Toll Services, in the exercise of such rights, Agencies may, among other things:

(a) Perform or attempt to perform, or cause to be performed, such Toll Services;

(b) Employ security guards and other safeguards to protect such Toll Infrastructure and the ROC;

(c) Spend such sums as Agencies deem necessary and reasonable to employ and pay such engineers, consultants, suppliers, programmers, contractors and customer service representatives, including one or more replacement contractor(s), as may be required for the purpose of completing or performing the Toll Services;

(d) Take possession of the Toll Infrastructure and the ROC, and of all Equipment, Hardware, Software, materials, instruments and tools located there which are owned or provided by TSP;

(e) Draw on and use proceeds from any Bond, guaranty and any letter of credit in accordance with the terms of such document to pay such sums;

(f) Execute all applications, certificates and other documents as may be required to perform the Toll Services;

(g) Make decisions respecting, assume control over and continue the operation of the TCS as Agencies determine appropriate;

(h) Modify or terminate any contractual arrangements, including any Subcontracts;

(i) Take any and all other actions which Agencies may in their sole discretion consider necessary to perform the Toll Services; and/or

(j) Prosecute and defend any action or proceeding incident to operating or maintaining the TCS.

23.4 Failure to Comply Caused by Delay Event

Relief from Excusable Delay shall only apply to the particular element of the Toll Services with respect to which it has occurred. If TSP fails to meet the Project Schedule as a result of an Excusable Delay, Agencies shall not be entitled to terminate this Contract or exercise any of the rights described in Section 23.3 for such failure of TSP to perform, except as follows: (i) if TSP fails to perform or delays the performance of any Toll Services as the result of an Excusable Delay, then Agencies may cause Third Parties to perform such Toll Services, and, in such event, the cost of such Toll Services shall be deducted from the Contract Price; and (ii) occurrence of an Excusable Delay shall not excuse TSP from its obligation to pay damages, including Delay Liquidated Damages, for failure to achieve any Completion Milestone by the applicable Completion Deadline; provided, however, that to the extent that TSP is excused from payment of Delay Liquidated Damages by reason of Section 25 or otherwise, Agencies may treat the Excusable Delay as a TSP Event of Default and may terminate this Contract and exercise any and all rights available under this Contract.

23.5 Right to Stop Work for Failure by Agencies to Make Undisputed Payment

TSP may suspend the Toll Services to an Agency if the applicable Agency fails to pay undisputed amounts due to TSP under this Contract within 90 days from the due date for such payment and Agency fails to make such payment within 15 Business Days after the Agency receives from TSP Notice of such delinquency following the 90 day period. A copy of the TSP Notice shall also be provided to the non-delinquent Agency. Any such work stoppage shall be considered a suspension for convenience under Section 21. TSP shall not have the right to terminate this Contract for default as the result of any failure by an Agency to make an undisputed payment due under this Contract, but TSP may declare a Termination for Convenience under Section 22 by delivering to the delinquent Agency a Termination for Convenience Notice specifying the Termination Date, if such nonpayment of an undisputed amount continues for more than 180 days after Agency's receipt of Notice of nonpayment from TSP. A copy of such Notice shall also be provided to the non-delinquent Agency.

23.6 Anticipatory Breach

23.6.1 TSP recognizes and acknowledges that a pattern or practice of continuing, repeated or numerous breaches or failures to perform by TSP, even if individual instances are not material or

are eventually cured, will undermine the confidence and trust essential to the success of this Contract and will have a material, cumulative adverse impact on the value of this Contract to Agencies and the use, operation and enjoyment of the I-15 Express Lanes Project and 91 Express Lanes by the traveling public. TSP acknowledges and agrees that the measures for determining the existence of such a pattern or practice described in the definition of Persistent Breach are a fair and appropriate objective basis to conclude that such a pattern or practice will continue.

23.6.2 Accordingly, in the event Agencies issue a notice under Section 23.2 with respect to a breach under Section 23.1.14 for a Persistent Breach, Agencies may declare an anticipatory breach of this Contract by TSP. So long as the circumstances under the definition of Persistent Breach have occurred, any such declaration of anticipatory breach shall be valid, conclusive and binding, and such breach shall be deemed material even if such items comprising the Persistent Breach have been cured.

23.6.3 TSP has a reasonable period of time, in no event to exceed the time period for each requirement stated below (measured from the date Agencies issue notice of anticipatory breach), to fully and completely deliver all of the following assurances of performance, which TSP agrees and acknowledges are (i) the minimum necessary to tender adequate assurance of performance and (ii) reasonable, fair and appropriate to bring to a halt the pattern and practice of continuing, repeated and numerous breaches and failure to perform:

(a) Full and complete cure of all outstanding TSP defaults, to be completed within 30 days (provided, however, that the foregoing shall not modify or limit Agencies' rights to declare a TSP Event of Default or exercise rights with respect thereto or to other breaches under Sections 23.1.1 or 23.1.2 that have no cure period or a shorter cure period than 30 days);

(b) Any new Key Personnel replacement, to the extent required by Agencies, each replacement to be acceptable to Agencies, in their sole discretion, to be completed within 30 days;

(c) A revised and restated Quality Management Plan, meeting Good Industry Practice, in form and content acceptable to Agencies, in their good faith discretion, to be completed and delivered within 15 days. As part of the revised plans, Agencies may increase the level of Agencies' involvement and oversight, at the sole cost and expense of TSP, and such involvement shall not be cause for any relief or rights on the part of TSP under this Contract or otherwise;

(d) Replacement of each Subcontractor that Agencies determine is or was a material source of any continuing, repetitive or chronic breach or failure to perform (including any Subcontractor with responsibility for quality assurance or quality control), with a substitute Subcontractor acceptable to Agencies, in their good faith discretion, within 60 days; and

(e) Notwithstanding any limitation on the maximum amount of the Bonds under Section 16.1 and Section 16.3 or otherwise, TSP shall increase the bonded sums under the Bonds in place by 50%, to be completed within 15 days or, alternatively, provide a letter of credit or cash collateral in such amount or otherwise provide additional security acceptable to Agencies, in their sole discretion; provided, however, that the foregoing is not intended to increase the amounts of any applicable limitation of liability in Section 25.1.

23.6.4 If, for any reason, TSP fails to complete any element of the assurances of performance described in this Section 23.6 within the applicable time period, the same shall constitute an

uncured material TSP Event of Default. Thereupon, Agencies, without further notice and cure period, shall be able to immediately exercise all rights under Section 23.3 and otherwise under this Contract, at law or in equity.

23.6.5 Nothing contained in this Section 23.6 shall modify, alter, discharge or release TSP from any obligations to pay Liquidated Damages or other compensation under this Contract.

SECTION 24 OBLIGATIONS UPON TERMINATION

24.1 TSP's Responsibilities After Receipt of Termination Notice during D&D Phase

After receipt of a Termination Notice during the D&D Phase, and except as otherwise directed by RCTC, TSP shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under Section 22:

24.1.1 Stop Work as specified in the Termination Notice. If TSP has commenced D&D Work or the CSC Commencement Period Toll Services at the Site, TSP shall immediately and safely demobilize and secure its work and staging areas in a manner satisfactory to RCTC.

24.1.2 Notify all affected Subcontractors that this Contract is being terminated and that their Subcontracts (including orders for Equipment, Hardware, Software, materials, services or facilities) are not to be further performed unless otherwise authorized in writing by RCTC.

24.1.3 Enter into no further Subcontracts (including orders for Equipment, Hardware, Software, materials, services or facilities), except as necessary to complete the continued portion of the Toll Services, if any, or for mitigation of damages.

24.1.4 Unless instructed otherwise by RCTC, terminate all Subcontracts to the extent they relate to the Toll Services terminated.

24.1.5 Assign to RCTC in the manner, at the times, and to the extent directed by RCTC, in its sole discretion, all of the right, title, and interest of TSP under the Subcontracts so terminated, in which case RCTC may accept performance, settle or pay any termination settlement proposal in connection with the termination of such Subcontract.

24.1.6 Subject to the prior written approval of RCTC, settle all outstanding liabilities, claims and all termination settlement proposals arising from termination of Subcontracts that are required to be terminated under this Contract.

24.1.7 No later than 30 days from the Termination Date, unless extended in writing by RCTC upon written request of TSP within such 30 day period, provide RCTC with an inventory list of all Equipment, Hardware and Software previously produced, purchased or ordered from Suppliers for use in the Toll Services and not yet used in the Toll Services, including its storage location, as well as any documentation or other property required to be delivered under this Contract which is either in the process of development or previously completed but not yet delivered to RCTC, and such other information as RCTC may request; and transfer title (or, with respect to any third party licensed Software, assign to RCTC all of TSP's and any TSP-Related Entity's license to such Software, or obtain a direct license in the name of RCTC for such Software on the same terms) and deliver to RCTC through bills of sale or other documents of title, assignment or license, as applicable, as directed by RCTC, (a) the D&D Work or the CSC Commencement Period Toll

Services in process, completed D&D Work or the CSC Commencement Period Toll Services, Equipment, any Hardware, Software and other material produced or acquired for the Toll Services terminated that has not already been provided to RCTC, and (b) the TCS Documentation, Plans, and all other completed or partially completed drawings (including plans, elevations, sections, details and diagrams), specifications, records, samples, information and other property that would have been required to be furnished to RCTC if the D&D Work or the CSC Commencement Period Toll Services had been completed.

24.1.8 Complete performance in accordance with this Contract of all D&D Work or CSC Commencement Period Toll Services not terminated.

24.1.9 Take all action that may be necessary, or that RCTC may direct, in its sole discretion, for the safety, protection and preservation of (a) the public, including public and private vehicular movement, (b) the D&D Work or the CSC Commencement Period Toll Services, and (c) Equipment Hardware, Software and property related to the Toll Services that is in the possession of TSP and in which RCTC has or may acquire an interest.

24.1.10 If requested by RCTC, withdraw from the portions of the Site designated by RCTC and remove such Equipment used by, and any debris or waste materials generated by, TSP and any Subcontractor in the performance of the D&D Work or CSC Commencement Period Toll Services as RCTC may direct.

24.1.11 Take other actions directed by RCTC.

24.2 Responsibility for Equipment, Hardware and Software After Termination Notice

24.2.1 TSP shall continue to be responsible for loss or damage to Equipment, Hardware and Software after issuance of the Termination Notice, except as follows:

(a) TSP's responsibility for loss or damage to Equipment, Hardware and Software for which partial payment has been made as provided under this Contract shall terminate when the applicable Agency's Representative certifies that the applicable Equipment has been stored in the manner and at the locations directed by Agency.

(b) TSP's responsibility for damage to Equipment, Hardware and Software purchased by the applicable Agency subsequent to the issuance of the Termination Notice shall terminate when title and delivery of those materials has been taken by Agency or its designee.

24.2.2 When RCTC's Representative determines that TSP has completed the D&D Work or CSC Commencement Period Toll Services directed to be completed prior to termination and such other work as may have been ordered to secure the applicable portion of the Toll Services for termination, RCTC's Representative will recommend that RCTC formally accept such D&D Work or CSC Commencement Period Toll Services, and immediately upon and after such acceptance by RCTC, TSP will not be required to provide for continuing safety, security and maintenance at the applicable Site.

24.3 TSP's Responsibilities Upon Expiry Date or After Receipt of Termination

Notice during O&M Term

24.3.1 Prior to the Expiry Date, TSP shall confer and cooperate with Agencies and any Successor to determine the activities required in order to terminate in a safe and orderly manner and to allow the transition without interruption of O&M Work performed by TSP under this Contract to a Successor.

24.3.2 Upon the Expiry Date, TSP shall, except as otherwise provided in Sections 24.3.3 and 24.3.6, remove its personnel from the ROC and leave such facilities in good repair in at least the condition TSP is required to maintain at that time under this Contract, with an equivalent supply of Components as were present on the Revenue Service Commencement Date, or such modified supply as has been agreed to by the Parties. All such items shall remain the property of the applicable Agency without additional charge, and upon the Expiry Date possession and control of the ROC, and TCS shall be transferred to the applicable Agency, unless otherwise directed by Agency. Agencies may request that certain transition related documentation or functions be transferred to the Successor before the Expiry Date. TSP shall comply with such requests from Agencies within 10 Business Days. TSP shall provide full database access to the Successor for the legacy TCS a minimum of 120 days prior to the Expiry Date.

24.3.3 If the Expiry Date occurs during the O&M Term, TSP shall allow Agencies to recruit and retain as its employees (or as employees of any successor operator of the TCS under contract with Agencies) including TSP's non-management operating staff working exclusively on the Toll Services. No later than 90 days prior to the Expiry Date (or within 30 days after receipt of a Notice of Termination during the O&M Term), TSP shall submit to Agencies detailed information relating to each such operating employee and his or her compensation, role or function and working hours in performing the Toll Services. Such information shall be in sufficient detail that Agencies or any Successor may contact such employee and seek to engage such employee on substantially the same terms and conditions as such employee is presently engaged by TSP or on such other terms and conditions as Agencies may then be bound to under any applicable labor agreement. Within 30 days of TSP's submission to Agencies of such information, Agencies shall provide Notice of each such employee whom Agencies or any such Successor wishes to recruit. TSP shall allow the Successor to conduct on-site interviews of such employees. Nothing contained in Section 24.3.3 is intended to require that TSP violate any Governmental Rule regarding employment or privacy.

24.3.4 No fewer than 90 days prior to the Expiry Date (or within 30 days after receipt of a Notice of Termination during the O&M Term), TSP shall provide Agencies with an inventory list of all Equipment, Hardware and Software produced, purchased or ordered from Suppliers for use in the O&M Work and not yet used in the O&M Work, including its storage location, as well as any documentation or other property required to be delivered under this Contract which is either in the process of development or previously completed but not yet delivered to Agencies, and such other information as Agencies may request. No fewer than 90 days prior to the Expiry Date (or within 30 days after receipt of a Notice of Termination during the O&M Term), TSP shall transfer title (or, with respect to any third party licensed Software, assign to Agencies all of TSP's and any TSP-Related Entity's license to such Software, or obtain a direct license in the name of Agencies for such Software on the same terms) and deliver to Agencies through bills of sale or other documents of title, assignment or license, as applicable, as directed by Agencies, the Toll Services in process, completed Toll Services, supplies, equipment, any Hardware, Software (other than Pre-Existing Software) and other material produced or acquired for the Toll Services terminated that has not already been provided to Agencies.

24.3.5 On or before the Expiry Date, subject to the provisions of Sections 29.7, 29.8 and 29.9 all TCS Documentation, Plans, manuals, training materials, procedures, programs, operating and financial records and accounts and other such materials used or developed in the performance of the Toll Services shall be delivered to Agencies and shall remain or become the property of Agencies. TSP also shall deliver or make available to Agencies all work product and all intellectual property rights TSP is required to deliver or make available in accordance with this Contract, and all records and archives of TCS Data.

24.3.6 At the request or direction of Agencies, TSP shall assist and cooperate with Agencies in the transitioning to replacement operating personnel of Agencies or any Successor, and shall assist in training and phasing in the services of such replacement operator or personnel. Agencies may make such a request or give such a direction through a Directive Letter or a Change Order. TSP shall implement the approved End of Contract Transition Plan, or if TSP has not already submitted such plan and obtained Agencies' approval, TSP shall diligently cooperate with Agencies upon request in developing the End of Contract Transition Plan, and such plan shall be incorporated into any Change Order concerning transition services. In the event of disagreement over the End of Contract Transition Plan, Agencies may unilaterally adopt and direct performance of an End of Contract Transition Plan as part of the Directive Letter or Change Order. Such End of Contract Transition Plan may include a scope of work and a schedule for training personnel in the architecture, management, operation and maintenance of the TCS, and in the performance of any other Toll Services. TSP shall be available and provide personnel to perform such transition and training services in accordance with the End of Contract Transition Plan for the period set forth in the plan, in any event not to extend beyond 120 Days following the Expiry Date.

24.3.7 Except in the event of termination in accordance with Section 23.3.1 for a TSP Event of Default, as compensation for the performance of the Transition Work necessary to transition operation of a system to a Successor, TSP shall be entitled to payment of the relevant component(s) of the Transition Work Cost specified in Price Sheet J-12 in Exhibit 3.

24.3.8 TCS Agreements

(a) Upon the Expiry Date, TSP shall immediately upon such termination (i) assemble at its offices in the State and make available for Agencies' and/or Agencies' successor(s) toll system provider's review during normal business hours all Subcontracts, contracts with suppliers, licenses and other TCS related agreements and amendments thereto which are then in effect, including warranties (collectively, TCS Agreements); (ii) deliver to Agencies and such successor(s), if any, true and complete originals thereof; (iii) execute and deliver to Agencies or such successor(s), as applicable, a written assignment and assumption agreement with respect to any such TCS Agreement(s) which Agencies or such successor(s) elects to assume; and (iv) terminate, or cause to be terminated, effective on the same date as the effective date of such termination, any such TCS Agreement(s) which neither Agencies nor such successor(s) elects, in their sole discretion, to assume.

(b) Agencies' or such successor(s)'s, as applicable, assumption of any TCS Agreements in accordance with clause (a) shall pertain only to obligations arising from and after the effective date of the termination of this Contract, and TSP shall remain liable for all obligations arising under this Contract prior to such effective date of termination.

SECTION 25 LIMITATION OF TSP'S LIABILITY

25.1 Limitation of TSP's Liability

25.1.1 Limitation of Liability Until TCS Acceptance

To the extent permitted by applicable Governmental Rule, TSP's liability under this Contract to RCTC for damages (including actual, indirect, special, consequential, multiple or punitive damages) (whether arising in contract, negligence or other tort, or any other theory of law) shall not exceed the sum of:

(a) an amount equal to 100% of the Total Capital Cost during the D&D Phase (which amount shall specifically include any Liquidated Damages paid under Sections 11.4.1(a) through 11.4.1(c) and exclude Lane Closure Charges); plus

(b) any amounts paid or payable by TSP which are covered by or should have been covered by insurance proceeds under this Contract; plus

(c) all Losses incurred by any Indemnified Party in connection with any illegal activities, fraud, recklessness, criminal conduct, gross negligence, or intentional misconduct on the part of any TSP-Related Entity in connection with the Toll Services; plus

(d) TSP's indemnification obligations under Section 26 regarding third party suits, actions, proceedings, judgments and claims; plus;

(e) Losses arising out of TSP Release of Hazardous Materials; plus

(f) Lane Closure Charges paid or payable by TSP.

For purposes of clarification, an event, occurrence or action that occurred during the D&D Phase, but which may become known or actionable during the O&M Term, is intended to fall under this Section 25.1.1. In addition, Liquidated Damages are also subject to certain limits in accordance with Section 11.

25.1.2 Limitation of Liability for O&M Term

To the extent permitted by applicable Governmental Rule, TSP's liability under this Contract to Agencies for damages (including actual, indirect, special, consequential, multiple or punitive damages) for the performance of its obligations during the O&M Term (whether arising in contract, negligence or other tort, or any other theory of law) shall not exceed the sum of:

(a) $8,500,000 (which amount shall be escalated annually on the anniversary of this Contract during the O&M Term by the Escalation Factor) (which amount shall specifically include any Liquidated Damages paid under Section 11.4.1(d) and exclude Lane Closure Charges); plus

(b) any amounts paid or payable by TSP which are covered by insurance proceeds; plus

(c) all Losses incurred by any Indemnified Party in connection with any TSP Fault in connection with the Toll Services; plus

(d) TSP's indemnification obligations under Section 26 regarding third party suits, actions, proceedings, judgments and claims; and plus

(e) Losses arising out of TSP Release of Hazardous Materials; plus

(f) Lane Closure Charges paid or payable by TSP.

For purposes of clarification, an event, occurrence or action that occurred during the D&D Phase, but which may become known or actionable during the O&M Term, is intended to fall under Section 25.1.2. In addition, Liquidated Damages are also subject to certain limits in accordance with Section 11.

25.2 Potential Increase in Limitation of TSP's Liability

In the event that ninety-five percent (95%) of the applicable limitation of TSP's liability described in Section 25.1.1(a) or 25.1.2(a) is reached and, accordingly, a default under Section 23.1.16 has occurred, TSP may cure such default if it agrees in writing to increase the amount in Section 25.1.1(a) or 25.1.2(a), as applicable, by an amount no less than twenty-five percent (25%) of the amount in Section 25.1.1(a) or 25.1.2(a), as applicable. TSP's cure, if any, must be implemented within five (5) Business Days after it receives notice of such default from Agencies. If TSP fails to respond during such five (5) Business Day period or elects not to increase the amount in Section 25.1.1(a) or 25.1.2(a), as applicable, has Agencies have all rights under this Contract, including Section 23.3. This Section 25.2 shall apply during any time in which there is a default under Section 23.1.16.

SECTION 26 INDEMNIFICATION

26.1 Indemnifications by TSP. Reference to "Agencies" in this section shall refer to both the Agencies, collectively, and to each individual Agency.

26.1.1 Subject to Section 25 and Section 26.1.2(c), TSP shall release, defend, indemnify and hold harmless the Indemnified Parties from and against any and all Claims and Losses incurred in connection with the following (each an "Indemnified Claim"):

(a) The breach or alleged breach of this Contract by any TSP-Related Entity;

(b) The failure or alleged failure by any TSP-Related Entity to comply with the Governmental Approvals or any applicable Governmental Rules;

(c) Any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions in connection with the I-15 Express Lanes Project or the 91 Express lanes Project, this Contract and the Toll Services and/or the system of methods, processes, Software, Hardware, designs, information, or other items furnished or communicated to Agencies or another Indemnified Party in accordance with this Contract provided that if infringement can be avoided by modification to the allegedly infringing article, Agencies agree to allow such modification, at TSP's sole cost and expense, unless the form, fit or function of the allegedly infringing article or the system is, in Agencies' sole determination, adversely affected; and further provided that this indemnity shall not apply to any infringement to the extent directly and solely resulting from (i) Agencies' material failure to comply with a material specific prior written instruction regarding use

provided to Agencies by TSP; (ii) compliance with written specifications prescribed by Agencies with respect to which (1) TSP has complied in full; (2) the reason for the infringement solely and directly arises out of Agencies' specifications, and (3) TSP has notified Agencies in writing in advance of potential infringement and Agencies have directed TSP to proceed and disregard the potential infringement, or (iii) material modifications to the deliverables directed by Agencies and not made by a TSP-Related Entity;

(d) The actual or alleged negligent act, error or omission, illegal activities, bad faith, gross negligence, fraud, recklessness, criminal conduct or intentional misconduct of any TSP Related Entity or any TSP Fault in or associated with performance of the Toll Services and/or this Contract;

(e) Any and all Claims by any governmental or taxing authority claiming taxes based on gross receipts, purchases or sales, the use of any property or income of any TSP-Related Entity or any of their respective agents, officers or employees with respect to any payment for the Toll Services made to or earned by any TSP-Related Entity;

(f) Any and all stop payment notices and/or liens filed in connection with the Toll Services, including all reasonable expenses and attorneys', accountants' and expert witness fees and costs incurred in discharging any stop payment notice or lien and any other liability to Subcontractors for failure to pay sums due for their work or services, provided that Agencies are not in default in payments owing to TSP with respect to the applicable Toll Services;

(g) Any TSP Release of Hazardous Materials;

(h) The claim or assertion by any other contractor, including DB Contractor or any Other Agency Contractor, that any TSP-Related Entity (i) interfered with or hindered the progress or completion of work being performed by such other contractor, so as to cause inconvenience disruption, delay, or loss, except where the TSP-Related Entity was not in any manner engaged in performance of the Work, or (ii) failure of any TSP-Related Entity to cooperate reasonably with other contractors in accordance therewith; and

(i) Subject to Section 25 and Section 26.1.2(c), Errors in the Toll Services regardless of whether such Errors were also included in any RCTC Design Documents or Reference Documents; except that the foregoing indemnity shall not apply to the extent that the Errors were the direct and sole cause of the Claims and Losses and specifically included in Reference Documents and this Contract expressly provides that TSP may rely on such Reference Documents).

26.1.2 The following restrictions apply to the indemnities in Section 26.1.1:

(a) Except as permitted by Civil Code Sections 2782.1, 2782.2 and 2782.5, such indemnities shall not inure to the benefit of an Indemnified Party so as to impose liability on TSP for the active negligence of Agencies, or to relieve Agencies of liability for such active negligence;

(b) In claims by an employee of TSP, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, such indemnities are not limited by a limitation on the amount or type of damages, compensation or benefits payable by or for TSP

or a Subcontractor under workers' compensation, disability benefit or other employee benefits laws; and

(c) Subject to the releases and disclaimers under this Contract, such indemnities shall not extend to any Claim or Losses to the extent that such Claim or Losses was directly caused by the gross negligence, reckless or willful misconduct, bad faith or fraud of an Indemnified Party.

26.2 Defense and Indemnification Procedures

26.2.1 If an Indemnified Party receives notice of a Claim or otherwise has Actual Knowledge of a Claim that it believes is within the scope of the indemnities under Section 26.1.1, the applicable Agency shall by Notice as soon as practicable after receipt of the Indemnified Claim: (a) inform TSP of the Claim, (b) send to TSP a copy of all written materials Agency has received asserting such Claim, and (c) notify TSP that should no insurer accept defense of the Claim, the Indemnified Party will conduct its own defense unless TSP accepts the tender of the Claim in accordance with Section 26.2.4. As soon as practicable after TSP receives Notice of a Claim or otherwise has Actual Knowledge of a Claim, it shall tender the Claim by Notice to the insurers under all potentially applicable insurance policies. The applicable Agency and other Indemnified Parties also may tender such Claims to such insurers.

26.2.2 If the insurer under any applicable insurance policy accepts the tender of defense, the applicable Agency and TSP shall cooperate in the defense as required by the insurance policy. If no insurer under potentially applicable insurance policies provides defense, then Section 26.2.3 shall apply.

26.2.3 If the defense is tendered to TSP, then within thirty (30) days after receipt of the tender, it shall notify the Indemnified Party whether it has tendered the matter to an insurer and (if not tendered to an insurer or if the insurer has rejected the tender) shall deliver a notice stating that TSP:

(a) Accepts the tender of defense and confirms that the Claim is subject to full indemnification under this Contract without any "reservation of rights" to deny or disclaim full indemnification thereafter;

(b) Accepts the tender of defense but with a "reservation of rights" in whole or in part; or

(c) Rejects the tender of defense based on a determination that it is not required to indemnify against the Claim under the terms of this Contract.

26.2.4 If TSP accepts the tender of defense under Section 26.2.3(a) and (b), TSP may select legal counsel for the Indemnified Party, subject to reasonable approval by the Indemnified Party, and TSP shall otherwise control the defense of such Claim including settlement, and bear the fees and costs of defending and settling such Claim; except that the applicable Agency has the right of prior approval of any settlement that relates to or may impact the Toll Services. During such defense:

(a) TSP shall fully and regularly inform the Indemnified Party in writing of the progress of the defense and of any settlement discussions; and

(b) The Indemnified Party shall fully cooperate in said defense, provide to TSP all materials and access to personnel it requests as necessary for defense, preparation and trial and which or who are under the control of or reasonably available to the Indemnified Party, and use reasonable efforts to maintain the confidentiality of all communications between it and TSP concerning such defense.

26.2.5 If TSP responds to the tender of defense as specified in Section 26.2.3(c), the Indemnified Party may select its own legal counsel and otherwise control the defense of such Claim, including settlement.

26.2.6 Notwithstanding TSP's acceptance of a tender of defense under Sections 26.2.3(a) and 26.2.3(b), the Indemnified Party may revocably assume its own defense at any time by delivering to TSP notice of such election and the reasons therefor, if the Indemnified Party, at the time it gives notice of the Claim or at any time thereafter, reasonably determines that:

(a) A conflict exists between the Indemnified Party and TSP which prevents or potentially prevents TSP from presenting a full and effective defense;

(b) TSP is otherwise not providing an effective defense in connection with the Claim; or

(c) TSP lacks the financial capacity to satisfy potential liability or to provide an effective defense.

26.2.7 If the Indemnified Party is entitled to and elects to conduct its own defense pursuant to Section 26.2.6 of a Claim for which it is entitled to indemnification, TSP shall reimburse on a current basis all reasonable costs and expenses the Indemnified Party incurs in investigating and defending. If the Indemnified Party is entitled to and elects to conduct its own defense, then:

(a) In the case of a defense that otherwise would be conducted under Section 26.2.6(a), the Indemnified Party may settle or compromise the Claim with each of TSP' relevant insurer(s)' prior written consent, which in each case shall not be unreasonably withheld or delayed;

(b) In the case of a defense that otherwise would be conducted under Section 26.2.6(b), the Indemnified Party and TSP shall consult each other on a regular basis to determine whether settlement is appropriate and, subject to the rights of any insurer providing coverage for the claim under a policy required under this Contract, and the Indemnified Party may settle or compromise the Claim with TSP's prior written consent without prejudice to the Indemnified Party's rights to be indemnified by TSP; and

(c) In the case of a defense conducted under Section 26.2.6(c), the Indemnified Party shall, subject to the rights of any insurer providing coverage for the Claim under a policy required under this Contract, have the right to settle or compromise the Claim without TSP's prior written consent and without prejudice to its rights to be indemnified by TSP.

26.2.8 A refusal of, or failure to accept, a tender of defense, as well as any Dispute over whether an Indemnified Party which has assumed control of defense is entitled to do so under Section 26.2.6 shall be resolved according to the dispute resolution procedures, but the foregoing shall

not preclude an Indemnified Party from preserving its rights or defending the Claim pending such resolution.

26.2.9 The Parties acknowledge that while Section 26.1 contemplates that TSP will have responsibility for certain Indemnified Claims, circumstances may arise where the Parties may share liability with respect to such Indemnified Claims. In such cases, where either Party believes that an Indemnified Claim or liability may entail shared responsibility and that principles of comparative negligence and indemnity are applicable, it shall confer with the other Party on management of the Claim or Loss in question. If the Parties cannot agree on an approach to representation in the matter in question, each shall arrange to represent itself and to bear its own costs in connection therewith pending the outcome of such matter. Within 30 days subsequent to the final, non-appealable resolution of the matter in question, whether by settlement, arbitration or by judicial proceedings, the Parties shall adjust the costs of defense, including reimbursement of reasonable attorneys' fees and other litigation and defense costs, in accordance with the indemnification arrangements of this Section 26.2, and consistent with the outcome of such proceedings concerning the respective Claims or Losses of the Parties.

26.2.10 In determining responsibilities and obligations for defending Indemnified Claims pursuant to this Section 26.2, specific consideration shall be given to the following factors:

(a) The party performing the activity in question;

(b) The location of the activity and incident;

(c) Contractual arrangements then governing the performance of the activity; and

(d) Allegations of respective fault contained in the Claim.

26.3 Indemnification by Agencies

The Parties acknowledge and agree that:

26.3.1 Agencies may assert that certain third persons or parties may rightfully bear the ultimate legal responsibility for any and all Hazardous Materials which currently present on the Site;

26.3.2 Certain State and federal statutes provide that individuals and firms may be held liable for Claims and Losses related to Hazardous Materials under such doctrines as joint and several liability and/or strict liability;

26.3.3 It is not the intention of the Parties that TSP be exposed to any Claim or Loss in connection with (a) proper Hazardous Materials management activities in connection with preexisting Site contamination, whether known or unknown (except as a result of TSP Release of Hazardous Materials, and/or (b) the activities of any Persons other than any TSP-Related Entity. Accordingly, Each Agency shall, to the extent permitted by applicable Governmental Rule, indemnify, defend and hold TSP harmless from, any and all Third Party Claims, and Losses incurred in connection with the items expressly described in clauses (a) and (b) above, but specifically excluding those conditions for which TSP has agreed to be responsible as described in Section 26.1.1(g) or elsewhere in this Contract. An Agency's obligation to indemnify TSP under this Section applies only to the extent the activities covered herein were performed by or on behalf of that Agency.

26.4 No Effect on Other Rights

The obligations in 26.1 through 26.3 shall not be construed to negate, abridge, or reduce other rights or obligations which would otherwise exist in favor of an Indemnified Party under this Contract.

26.5 CERCLA Agreement

The indemnities in Sections 26.1.1(g) and 26.3.3 are intended to operate as agreements in accordance with Section 9607(e) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)), 42 U.S.C. Section 9607(e), and Health and Safety Code Section 25364, to defend, indemnify and hold harmless the Indemnified Parties.

26.6 Intent of Indemnity for Breach of Agreement

The requirement to provide an indemnity for breach of contract in Section 26.1.1(a) and 26.1.1(g) is intended to provide protection to Agencies with respect to Third Party Claims associated with such breach. It is not intended to provide Agencies with an alternative cause of action for damages incurred directly by Agencies with respect to such breach.

26.7 Design Professionals Indemnity Obligation

With respect to Work performed by a design professional as defined in California Civil Code section 2782.8, the indemnities in this Section 26 shall apply only to the extent permitted by said Section 2782.8.

SECTION 27 DISPUTES

A. All claims and other disputes between TSP and Agencies or, if applicable, only one of Agencies, arising under this Contract, shall be resolved in accordance with this Section, Disputes, except those matters referenced in paragraph F below. All disputes shall be decided in accordance with this Contract and general principles of State law. Questions of fact and law may be considered in this dispute process; providing that nothing in this Contract shall be construed as making the final decision of any OCTA or RCTC official on a question of law. The Parties shall diligently cooperate with one another and with the person(s) appointed to resolve the dispute and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute.

B. Upon commencement of the dispute resolution process, the Parties shall first attempt to resolve the dispute between Agency Project Manager(s) and TSP's Project Manager. The Parties shall meet in good faith within five (5) Business Days after the date that the written request for dispute resolution is submitted and attempt to resolve it. There shall be at least one meeting to attempt Project level resolution. The Project level negotiation may be continued upon the agreement of all Parties. If the Agency''s Project Manager and TSP's Project Manager are able to resolve the dispute, the resolution shall be set forth in writing. If such resolution results in a Change, an Amendment shall be executed pursuant to the Changes provision. If the dispute cannot be resolved at the meeting or any continuance thereof, the following shall apply:

1. For a dispute involving Agencies the dispute shall be submitted to each Agency, using the respective processes identified for OCTA only and RCTC only disputes identified in items 2 and

3 of this paragraph B. Agencies will provide a joint written decision to TSP following completion of this process. A resolution of a dispute involving both Agencies must be Approved by both Agencies.

2. For an OCTA only dispute, the dispute shall be submitted to OCTA's Director of Contracts Administration and Materials Management (CAMM) within ten (10) Business Days of such meeting identified in paragraph B of this Article or continuance thereof. The Parties shall each submit the following written information to the Director of CAMM: (a) an explanation of the nature of the dispute; (b) the Party's position; (c) the dollar amount and/or schedule impact of the dispute; and (d) any supporting documents the Party believes will aid the Director of CAMM in arriving at a decision. The Director of CAMM will issue a written decision within ten (10) Business Days; provided that if no written decision is submitted within that time, or any agreed upon extension thereof, OCTA will have been deemed to have denied TSP's position. The decision of the Director of CAMM shall be the final and conclusive administrative decision of OCTA.

3. For an RCTC only dispute, the dispute shall be submitted to RCTC's Executive Director within ten (10) Business Days, of such meeting identified in paragraph B of this Article or continuance thereof. The Parties shall each submit the following written information to the Executive Director (a) an explanation of the nature of the dispute; (b) the Party's position; (c) the dollar amount and/or schedule impact of the dispute; and (d) any supporting documents the Party believes will aid the Executive Director in arriving at a decision. The Executive Director will issue a written decision within ten (10) Business Days; provided that if no written decision is submitted within that time, or any agreed upon extension thereof, RCTC will have been deemed to have denied TSP's position. The decision of the Executive Director shall be the final and conclusive administrative decision of RCTC.

C. If a dispute arises which must be resolved expeditiously in order to prevent serious damage to revenues, person or property, or serious interference with the Project Schedule, the disputing Parties shall make every effort to resolve such dispute immediately. If such dispute cannot be resolved immediately, OCTA and/or RCTC will issue a Work Directive, in accordance with the Changes provision, and TSP shall expeditiously proceed with the Work Directive. Once the urgent aspects of the dispute have been resolved, the Parties may continue with the remaining procedures for dispute resolution, in accordance with this Article 17, if necessary and to the extent applicable.

D. Nothing in this Contract, however, shall be construed as making final the decision of any OCTA or RCTC official or representative on a question of law, which questions shall be settled in accordance with the laws of the State of California.

E. If all other means of dispute resolution set forth above are not successful, any of the Parties may commence an action using the following jurisdictions: The action will take place in Orange County Superior Court for OCTA-only disputes, Riverside County for RCTC-only disputes, and in the sole determination of Agencies, either Orange County or Riverside County Superior Court for an Agencies' dispute. In lieu of litigation the Parties may upon terms agreed to by the Parties, elect mediation or arbitration, binding or otherwise. TSP shall as a condition precedent to commencing an action in Orange County Superior Court or Riverside County Superior Court for money or damages file a claim pursuant to the Government Claims Act, Government Code sections 900 et seq. For purposes of the claims filing requirement, the running of the time period in which a claim must be filed shall be suspended until OCTA's final

administrative decision by the Director of CAMM and/or or RCTC's Executive Director, as applicable.

F. The dispute resolution procedures set forth in this Article shall not apply to the following:

1. Any matters that the Contract Documents expressly state are final, binding or not subject to dispute resolution;

2. Any claim or dispute that does not arise under the Contract;

3. Disputes regarding compliance with Governmental Rules, liability or indemnification;

4. Any claim for injunctive relief;

5. Any claim against an insurance company, including any Subcontractor dispute that is covered by insurance;

6. Disputes regarding matters under the jurisdiction of Cal-OSHA;

7. Any claim or dispute that is the subject of litigation in a lawsuit filed in court to which the procedures established in this Article do not apply, including any effort to interplead a party into such a lawsuit in order to make the procedures established in this Article applicable;

8. Any claim for, or dispute based on, remedies expressly created by statute;

9. Any dispute that is actionable only against a Surety; and

10. Any claim arising from this Contract to which a third party is a necessary party and has not agreed to participate in the process; provided that the Parties shall nevertheless proceed with resolution of disputes in accordance with this Article to the maximum extent possible.

27.1 Provisional Remedies

No party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy which may be necessary, and which is not otherwise available under this Section 27, to protect its rights, including temporary and preliminary injunctive relief, attachment, claim and delivery, receivership and any extraordinary writ.

27.2 Continuing Performance

During any dispute resolution proceedings, TSP shall carry on its duties under this Contract, and Agencies shall continue to make undisputed payments in accordance with this Contract.

27.3 Participation in Proceedings; Joinder

TSP agrees that, (a) at Agencies' request, TSP shall take appropriate action to join any third parties and Subcontractors involved in the any part of the Toll Services as parties in dispute

resolution proceedings under this Section 27; and (b) TSP will allow itself to be joined as a participant in any Dispute, arbitration or other proceeding that involves Agencies and any other Person relating to the Toll Services (including under the DB Contract), and agrees to be bound by the procedures and decisions rendered in such proceeding. This provision is for the benefit of RCTC and not for the benefit of any other party.

27.4 Effect on Surety and Guarantor

Decisions made in accordance with this Section 27 which are binding on TSP shall also be binding on the Surety under the Performance Bond and any Guarantor; except that, unless the Surety or Guarantor, as applicable, is a party to such proceedings, such decisions shall not affect any defenses that are special to the Surety or Guarantor, as applicable (i.e. defenses available to the Surety or Guarantor, as applicable, which could not have been asserted by TSP in the underlying proceeding). In the event that the Surety or Guarantor, as applicable, is a party to any proceedings, it may, and must, assert any such special defenses therein or else such defenses are deemed waived.

27.5 Emergency Dispute Resolution

If a Dispute arises that must be resolved expeditiously in order to prevent serious damage to revenues, person or property, or serious interference with a Critical Path, the Parties shall make commercially reasonable efforts to resolve that Dispute quickly. In such case, if TSP's Representative and the Agencies' Representatives cannot reach a resolution of that Dispute within 24 hours, they must refer the Dispute to, as applicable, RCTC's Executive Director and/or OCTA's Chief Executive Officer and TSP's Chief Executive Officer (or other officer with authority to make final decisions subject only to board approval and any required third party approvals) for a meeting between RCTC's Executive Director and/or OCTA's Chief Executive Officer and TSP's Chief Executive Officer to occur within the following 24 hours. Once the urgent aspects of the Dispute have been resolved, the Parties may continue with the remaining procedures for dispute resolution if necessary and to the extent applicable.

27.6 Time Limitation

TSP acknowledges and agrees that Agencies are subject to substantial constraints that have resulted in limitations on their ability to increase the Contract Price or extend a Completion Deadline. TSP acknowledges and agrees that, due to limitations on funding for the Toll Services, prompt resolution of Disputes is of vital importance to Agencies. TSP agrees that the time limitations stated in this Contract for the filing of Claims and/or complaints with the Disputes Review Board are necessary and reasonable. TSP expressly waives any longer statute of limitations contained in any statute, including Government Code sections 900 et seq. that would otherwise be applicable.

27.7 Timely Payment of Undisputed Amounts of Any Claim

In accordance with Pub. Cont. Code § 9204, the applicable Agency shall conduct a reasonable review of any Claim by TSP subject to Pub. Cont. Code § 9204 within 45 days (or, if any determination requires approval from the applicable Agency's governing body, in which case within three days after the next duly publicly noticed meeting of such governing body after such 45 day period) and pay TSP within 60 days thereafter the undisputed portion of any Claim. The

applicable Agency shall provide TSP a written statement identifying what portion of any Claim is disputed and what portion is undisputed, if any. The applicable Agency may request additional evidence from TSP to aid Agency in identifying the disputed and undisputed portions of any Claim. TSP shall provide such evidence promptly thereafter. The applicable Agency will pay within 60 days after receipt of sufficient evidence, in Agency's discretion, further amounts of such Claim that Agency identifies as undisputed. The Parties may, by mutual agreement, extend these time periods. As part of any dispute resolution proceeding in this SECTION 27, TSP bears the burden of identifying the disputed and undisputed portions of the Claim and providing reasonable documentation in support thereof.

SECTION 28 RELATIONSHIP WITH AGENCIES

28.1 Performance as Directed

At all times during the Term, including during the course of any dispute, TSP shall (a) perform the Toll Services as directed by Agencies in a diligent manner and without delay, (b) abide by Agencies' decision, order or direction in accordance with this Contract, and (c) comply with all applicable provisions of this Contract. Subject to Section 1.7, if a dispute arises regarding such performance, order or direction, the dispute shall be resolved in accordance with Section 27.

SECTION 29 DOCUMENTS AND RECORDS, INSPECTION AND TESTING

29.1 Reporting Requirements

29.1.1 TSP shall provide, or cause to be provided to Agencies:

(a) Financial and narrative reports, statements, certifications, budgets and information as and when required in accordance with this Contract;

(b) Such information and statements as Agencies may reasonably request from time to time for any purpose in connection with the Toll Services and this Contract;

(c) The periodic updated financial information required in accordance with Section 16.4, and upon request of Agencies for particular fiscal quarters, copies of all other financial statements and information reported by TSP and the Guarantor to their shareholders generally and of all reports filed by TSP and the Guarantor with the United States Securities Exchange Commission under Sections 13, 14, or 15(d) of the Exchange Act to be provided to Agencies as soon as practicable after furnishing such information to TSP's and the Guarantor's shareholders or filing such reports with the Securities and Exchange Commission, as applicable;

(d) Such information as determined necessary or desirable by Agencies in connection with any I-15 Express Lanes Project or 91 Express Lanes financing, including any TIFIA loan or bonds issued by Agencies. Without limiting the generality of the foregoing, such information deemed necessary or desirable by Agencies for inclusion in Agencies' securities disclosure documents and in order to comply with Securities and Exchange Commission Rule 15c2 12 regarding certain periodic information and notice of material events. TSP shall provide customary representations and warranties to Agencies and the capital markets as to the correctness, completeness and accuracy of any information furnished; and

(e) Any information to assist or facilitate the submission by Agencies of any documentation, reports or analysis required by the State, Department, FHWA and/or any other Governmental Entity with jurisdiction over the Toll Services.

29.1.2 All information delivered by TSP under Sections 29.1.1(d) and 29.1.1(e) shall also be delivered electronically, to the extent electronic files exist, and be suitable for posting on the web.

29.2 Maintenance of, Access to and Audit of Books and Records

29.2.1 TSP shall maintain at the ROC or at its Toll Services administration office in Riverside County, California a complete set of all Books and Records, including copies of all original documents delivered to Agencies and/or the Department. TSP shall keep and maintain such Books and Records in accordance with applicable provisions of this Contract and of the Project Management Plan, and in accordance with Good Industry Practice. TSP shall grant to Agencies and its Representatives and legal counsel, Department, and FHWA such audit rights and allow such Persons such access to and the right to copy such Books and Records as such Persons may request from time to time in connection with the issuance of Change Orders and Contract amendments, the resolution of disputes and claims and such other matters as such Persons reasonably deem necessary for purposes of complying or verifying compliance with this Contracts and applicable Governmental Rule. The inspection and review rights shall be in effect at all times and such review and inspection may occur at any time during normal business hours, or at other reasonable times during the Term, in each case, without charge. Not more than twenty-four (24) hours' prior notice shall be required before an inspection or review and may be unannounced without prior notice where has Agencies have a good faith suspicion of fraud or other criminal activity or material breach of obligations under this Contract. The right of inspection includes the right to make copies and extracts and take notes.

29.2.2 Where the payment method for any Toll Services is on a time and materials basis, unit price basis or relating to Pass-Through Cost Items, such examination and audit rights shall include all Books and Records and other evidence and accounting principles and practices sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of such Toll Services. If an audit indicates TSP has been overcredited under a previous progress report or progress payment, that overcredit will, at the applicable Agency's sole option, be credited against current progress reports or payments or reimbursed to Agency by TSP upon demand therefor.

29.2.3 For cost and pricing data submitted in connection with pricing Change Orders or Contract amendments, unless such pricing is based on adequate price competition (as determined by the applicable Agency, in its sole discretion), established catalog or market prices of commercial items sold in substantial quantities to the public, or prices set by Governmental Rule, such Persons and their representatives have the right to examine all books, records, documents and other data of TSP related to the negotiation of or performance of Toll Services under such Change Orders and Contract amendments for the purpose of evaluating the accuracy, completeness and currency of the cost or pricing data submitted. The right of examination shall extend to all documents deemed necessary by such Persons to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

29.2.4 Agencies may review and audit TSP, its Subcontractors and their respective Books and Records as and when Agencies deem necessary for purposes of verifying compliance with this

Contract, the Governmental Approvals and applicable Governmental Rule. Without limiting the foregoing, Agencies may audit TSP's Project Management Plan and compliance therewith, including the right to inspect Toll Services and/or activities and to verify the accuracy and adequacy of the Toll Services Management Plan and its component parts, plans and other documentation. Agencies may conduct any such audit of Books and Records upon 24 hours' prior written notice, or unannounced and without prior notice where there is good faith suspicion of fraud or other criminal activity or breach of obligations under this Contract.

29.2.5 All Claims or Disputes filed against Agencies shall be subject to audit at any time following the filing of the Claim or Dispute. The audit may be performed by employees of the applicable Agency or by an auditor under contract with Agency. No notice is required before commencing any audit before 90 days after the TCS Acceptance Deadline. Thereafter, the applicable Agency shall provide ten (10) Business Days' notice to TSP, any Subcontractors or their respective agents before commencing an audit. TSP, Subcontractors or their agents shall provide adequate facilities, acceptable to Agency, for the audit during normal business hours. TSP, Subcontractors and their agents shall cooperate with the auditors. Failure of TSP, Subcontractors and their agents to maintain and retain sufficient records to allow the auditors to verify all or a portion of the Claim or Dispute or to permit the auditor access to the Books and Records of TSP, Subcontractors and their agents shall constitute a waiver of the Claim or Dispute and shall bar any recovery thereunder.

29.2.6 Full compliance by TSP with the provisions of this Section 29.3 is a contractual condition precedent to TSP's right to seek relief under Section 27.

29.2.7 Any rights of FHWA to review and audit TSP, its Subcontractors and their respective books and records are specified in Exhibit 5.

29.2.8 TSP represents and warrants the completeness and accuracy of all information it or its agents provide in connection with the audits identified under this Contract, and shall cause all Subcontractors to warrant the completeness and accuracy of all information such Subcontractors or their agents provide in connection with this Section 29.3.

29.2.9 TSP's internal and third party quality and compliance auditing responsibilities shall be specified in the Quality Management Plan, consistent with the audit requirements in TP Section 2.4.

29.2.10 TSP shall collect and preserve each of the following types of data in written form contemporaneously during TSP's performance of the Toll Services, all of which shall be in form approved by Agencies and in conformance with the requirements of the Department Cooperative Agreement, and index filed in accordance with Section 5-102 "Organization of Project Documents" of the Department Construction Manual:

(a) Monthly report of labor by classification of management, supervision, engineering and other technical personnel used on the job;

(b) Daily labor and equipment reports from TSP and each Subcontractor for construction related activities;

(c) Quality Control documentation as required by TP Section 2.4;

(d) A daily occurrence log (in the form of a bound book with entries in ink) for construction related activities which shall be maintained by TSP's Representative or his designee(s), in which shall be recorded daily in a narrative form all significant occurrences relating to the Toll Services, including permit problems, unusual weather, asserted Force Majeure Events, events and conditions causing or threatening to cause delay or disruption or interference with the progress of any of the Work, known injuries to person or property, a listing of each activity depicted on the Project Schedule which is being actively prosecuted; notifications given and received, and significant Toll Services related meetings; and

(e) A daily record recording all labor, materials and equipment expenses which are being incurred by reason of any event, condition or circumstance which TSP believes is or may become the subject of a Claim against Agencies. Any initialed or signed concurrence by the Toll Services and TSP Representative (or designees) will be for purposes of verifying physical labor, material and equipment count rather than validating TSP's Claims.

29.2.11 To the extent requested by Agencies, TSP shall provide Agencies, their consultants and auditors with access to all Books and Records (provided, however, that the provision of such information shall not constitute a TSP Change Request).

29.2.12 At a minimum, Agencies, their consultants and auditors shall have available to them the following books, records, documents, data and other evidence:

(i) With respect to proposed Change Orders and Directive Letters, all pricing and bid documents;

(ii) With respect to Change Orders that are priced by unit price, all information utilized by TSP to develop and determine the unit price, if not already part of the Price Sheets, and all information which Agencies determine necessary or useful to evaluate the accuracy of TSP's designation of quantities;

(iii) With respect to Change Orders that are priced at Cost plus fee and with respect to any other Work which is performed by TSP at Cost outside of the fixed price, all information which Agencies determine necessary or useful to evaluate the accuracy, completeness and currency of the Cost or pricing data submitted, the accuracy of TSP's designation of time and material quantities and the eligibility of such quantities as Costs;

(iv) All other information which Agencies deem necessary or useful to evaluate compliance with the terms and conditions of this Contract, or to determine that payments have not exceeded the fixed price or other applicable fixed price or lump sum amount. Where the payment method for any Work is by the fixed price or other applicable lump sum amount, no examination or audit rights shall extend to actual costs or expenditures incurred by TSP after the Parties have agreed upon such price or amount;

(v) All documents that relate to each and every claim together with all documents that support the amount of damages as to each claim; and

(vi) Work sheets used to prepare the claim establishing the cost components for items of the claim including labor, benefits and insurance, materials, equipment,

Subcontractors, all documents that establish the time periods, individuals involved, the hours for the individuals, and the rates for the individuals.

Until the expiration or earlier termination of this Contract, TSP shall provide documents, reports and information in addition to that specifically required in this Contract that may be reasonably requested by the Joint Board from time to time, provided such additional information involves no material additional cost to TSP.

29.2.13 TSP shall ensure that each Subcontract shall provide for the same audit rights by Agencies and the State Auditor in connection with such Subcontract as they have under this Section 29.3.

29.3 Retention of Records

29.3.1 TSP shall maintain all Books and Records, including copies of all original documents delivered to Agencies, in Riverside County, California until five years after the Expiry Date. TSP shall notify Agencies where such Books and Records are kept. Notwithstanding the foregoing, all records which relate to Claims being processed or Disputes brought under the dispute resolution provisions of this Contract shall be retained and made available until such Disputes and Claims have been finally resolved. Records to be retained include all books, electronic information, files and other evidence bearing on TSP's costs under this Contract. TSP shall make these records and documents available for audit and inspection to Agencies, their consultants and auditors, at TSP's offices in Riverside County, California, at all reasonable times, without charge, and shall allow Agencies to make copies of such documents (at no expense to TSP). If approved by Agencies, photographs, microphotographs or other authentic reproductions may be maintained instead of original records and documents.

29.4 Inspection and Testing of Toll Services and Site

29.4.1 TSP shall, at all times, permit Agencies and Agencies' designated personnel to have safe, free and unrestricted access to the Site for monitoring, inspection, testing, observation, traffic management and other purposes.

29.4.2 Agencies shall perform their inspections and reviews of the Toll Services and Site in compliance with TSP's reasonable safety and security procedures, and in a manner intended to reasonably minimize interference with the Toll Services.

29.4.3 If this Contract or any Governmental Rule requires any portion of the Toll Services or Site to be inspected, tested or approved, except as provided in this Section 29.5.3 with respect to inspections or tests performed more than 90 miles from the Site, TSP shall give Agencies the advance notice specified for such inspection, test or approval in this Contract, and at least 14 days advance Notice to Agencies of all other inspections or tests to be performed within 90 miles of the Site for which no particular notice period is specified, so Agencies may observe such inspection, testing or approval.

29.4.4 TSP shall give Agencies at least 30 days advance Notice of inspections, tests or approvals to be performed at a greater distance than 90 miles from the Site, unless a longer period of advance Notice is specified in the Contract for any particular test. Where the inspection, test or approval does not meet the requirements of this Contract or Governmental Rule, TSP shall be

required to provide further Notice to Agencies and re-perform the inspection, test or approval in accordance with this Contract as if it were the original inspection, test or approval.

29.4.5 TSP shall bear all of its costs of such inspections, tests, approvals and any repetition of any of the foregoing unless otherwise provided in this Contract.

29.5 Public Records Act

29.5.1 TSP acknowledges and agrees that all records, documents, drawings, plans, specifications and other materials in an Agency's possession, including materials submitted by TSP to Agencies , are subject to the provisions of the California Public Records Act (Government Code sections 6250 et seq.) (Public Records Act). If TSP believes information or materials submitted to Agencies constitute trade secrets, proprietary information or other information that is not subject to or excepted from disclosure under the Public Records Act, TSP shall be solely responsible for specifically and conspicuously designating that information by placing "CONFIDENTIAL" in the center header of each such document or page affected, as it determines to be appropriate. Any specific proprietary information, trade secret or other basis for exemption shall be clearly identified as such, and shall be accompanied by a concise statement of reasons supporting the claim including the specific Governmental Rule that exempts the material from disclosure under the Public Records Act. Nothing contained in this Section 29.6 shall modify or amend requirements and obligations imposed on Agencies by the Public Records Act or other applicable Governmental Rule, and the provisions of the Public Records Act or other Governmental Rules shall control in the event of a conflict between the procedures described above and the applicable Governmental Rule. TSP is advised to contact legal counsel concerning such Governmental Rule and its application to TSP.

29.5.2 If an Agency receives a request for public disclosure of materials marked "CONFIDENTIAL," the Agency will use reasonable efforts to notify TSP of the request and give TSP an opportunity to seek appropriate legal relief to protect its confidential materials at its sole expense. Under no circumstances, however, will an Agency be responsible or liable to TSP or any other Person for the disclosure of any such labeled materials, whether the disclosure is required by Governmental Rule, or court order, or occurs through inadvertence, mistake or negligence on the part of Agency or Agency Parties.

29.5.3 In the event of any proceeding or litigation concerning the disclosure of any material submitted by TSP to Agencies, the applicable Agency's sole involvement will be as a stakeholder retaining the material until otherwise ordered by a court or such other authority having jurisdiction with respect to the material, and TSP shall be fully responsible for otherwise prosecuting or defending any action concerning the materials at its sole cost and risk; provided, however, that the applicable Agency may intervene or participate in the litigation in such manner as it deems necessary or desirable. TSP shall pay and reimburse the applicable Agency within 30 days after receipt of written demand and reasonable supporting documentation for all costs and fees, including attorneys' fees and costs, Agency incurs in connection with any litigation, proceeding or request for disclosure.

29.6 Developed Intellectual Property

29.6.1 As between Agencies and TSP, and subject to Sections 29.8 and 29.9, all Intellectual Property created, authored, invented or collected under the terms of this Contract and produced

or provided by TSP, alone or in combination with Agencies and/or their employees, under this Contract (Developed Intellectual Property) shall be the property of Agencies.

29.6.2 TSP acknowledges and agrees that all Developed Intellectual Property, in any medium, is specially ordered or commissioned by the Agencies, including works made for hire in accordance with Section 101 of the Copyright Act of the United States, whether or not such Intellectual Property is incorporated into the Project Intellectual Property. TSP hereby assigns to the Agencies all rights, title and interest in and to the Developed Intellectual Property including any and all Software, work product and designs.

29.6.3 Except as otherwise provided in Sections 29.8 and 29.9, upon preparation or receipt of Developed Intellectual Property by TSP, Agencies (or their designees) shall receive ownership of the Developed Intellectual Property. Agencies shall own the copyrights in any Software that is Developed Intellectual Property (including both object code and Software Source Code) produced or provided by TSP, alone or in combination with Agencies and/or their employees, under this Contract (Custom Software), and Agencies grant TSP a worldwide, fully paid-up, nonexclusive, royalty-free license to the Custom Software and the other Developed Intellectual Property. TSP grants Agencies any permissions or licenses in accordance with copyright or other intellectual property laws to effectuate transfer of ownership in such Custom Software and Developed Intellectual Property.

29.6.4 TSP acknowledges and agrees that all TCS Documentation shall be owned by Agencies, regardless of location or possession of such TCS Documentation, including without limitation Software Source Code and related documentation and work product, in any medium.

29.6.5 Agencies may use, reproduce and make derivative works from Developed Intellectual Property (including licensed Software) or TCS Documentation in connection with the I-15 Express Lanes Project, the 91 Express Lanes project or design of future projects owned or operated by RCTC in Riverside County or OCTA in Orange County. TSP grants Agencies any permissions or licenses in accordance with copyright or other intellectual property laws to effectuate this grant of permission. Agencies similarly may distribute or make the Developed Intellectual Property (including licensed Software) available to third parties who will or may provide services to RCTC and its respective agents in connection with the I-15 Express Lanes Projects, to Agencies and their respective agents in connection with the 91 Express Lanes Project or future projects owned or operated by RCTC in Riverside County or OCTA in Orange County, subject to the execution of a Non-Disclosure and Confidentiality Agreement by such third party substantially in the form of Exhibit 21. Agencies' and their respective agents' use of the Developed Intellectual Property either by themselves or by distribution to third parties without TSP's involvement or on other projects is at Agencies' and their respective agents' sole risk.

29.6.6 Subject to any requirements in this Contract for TSP's delivery of specific documents, not less frequently than monthly, TSP shall provide Agencies with a detailed written list of all design-related, construction-related and installation-related TCS Documentation prepared or received by TSP, and TSP shall furnish Agencies with copies of any such TCS Documentation immediately upon Agencies' written request. TSP shall maintain all other documents described in this Section 29.7 and shall deliver copies to Agencies as required by this Contract or upon request if not otherwise required to be delivered, with an indexed set delivered to Agencies as a condition to TCS Acceptance. For the avoidance of doubt, such TCS Documentation shall exclude source code that is deposited in Source Code Escrow pursuant to Section 29.12.

29.6.7 TSP shall deliver the Software and the Custom Software Source Code to Agencies on an ongoing basis with each request for payment for a Payment Milestone. TSP shall deliver to Agencies, Software and Custom Software Source Code and updates developed as part of the O&M Work, (x) when required in connection with an O&M Payment request, or (y) at such time as the Software and updates are implemented. TSP shall cause the Software Supplier to keep the Software Source Code up-to date by delivering to RCTC at each Payment Milestone during the D&D Phase all enhancements and modifications developed, completed or implemented since the immediately preceding Payment Milestone, and by delivering to Agencies all enhancements and modifications developed, completed or implemented during the O&M Term as such enhancements and modifications are developed, completed or implemented.

29.7 Pre-Existing Software

29.7.1 Notwithstanding anything to the contrary in Section 29.7, the Software used in the Toll Services may include TSP's Pre-Existing Software. To the extent that TSP's PreExisting Software is included in the Software, TSP grants Agencies (as an exception to the transfer and assignment provided in Section 29.7), an irrevocable, perpetual, transferable, permanent, nonexclusive, world-wide, fully paid-up and royalty-free right and license to use, exploit, manufacture, adapt, execute, reproduce, display, perform, and distribute internally copies of, and prepare derivative works based upon, the Pre-Existing Software, the TCS design and technology and/or any other TCS idea, concept or deliverable (Pre-Existing Works License). Agencies may only use the Pre-Existing Works License as needed to manage, operate and maintain the TCS and carry out the Toll Services in connection with the I-15 Express Lanes Project or 91 Express Lanes and at any other future toll facility owned or operated by RCTC in Riverside County and OCTA in Orange County in which such Software, TCS design and technology and any other TCS idea, concept and deliverables are used in accordance with this Contract (whether by Agencies or any third party).

29.7.2 TSP shall identify and disclose all Pre-Existing Software contained, or included in the Project Intellectual Property including (when reasonably available): full and specific information detailing Intellectual Property claimed, date of authorship, creation and/or invention, date of application(s), application number(s) and registering entity(ies), date of registration(s), registration number(s) and registering entity(ies), if any, and owner including person or entity name and address. Subject to the TCS Documentation deposit requirements of Section 29.7, TSP shall not be required to identify or disclose Pre-Existing Software only to the extent that doing so would eliminate or substantially limit the legal protections for such Intellectual Property.

29.7.3 Agencies may assign or grant any rights necessary to TSP's Pre-Existing Software in accordance with this Contract, subject to the execution of a Non-Disclosure and Confidentiality Agreement by such third party substantially in the form of Exhibit 21 and provided such grant or assignment are limited to the purposes set out in Section 29.8.1.

29.7.4 The Pre-Existing Works License shall survive the expiration or termination of this Contract. All rights to TSP's Pre-Existing Software not granted under this Section 29.8 are reserved to TSP.

29.8 Third Party Intellectual Property

29.8.1 TSP shall secure perpetual, nonexclusive, transferable, irrevocable, unconditional, royalty-free license(s) in the name of the Agencies to use, exploit, manufacture, distribute,

reproduce, adapt and display the Third Party Intellectual Property in connection with the I-15 Express Lanes Projects or 91 Express Lanes or future projects owned or operated by RCTC in Riverside County or OCTA in Orange County, and shall pay any and all royalties and license fees required to be paid for any Intellectual Property incorporated into the Project Intellectual Property. In no event shall TSP incorporate Third Party Intellectual Property into the I-15 Express Lanes Project and 91 Express Lanes without first securing such licenses.

29.8.2 Subject to Section 29.10, TSP shall use reasonable efforts to:

(a) Obtain the RCTC's prior written approval of the terms and conditions of Third Party Intellectual Property licenses;

(b) Identify and disclose to the RCTC all Third Party Intellectual Property contained, or included, in the Project Intellectual Property, including (when reasonably available): full and specific information detailing Intellectual Property claimed; date of authorship, creation and/or invention; date of application(s); application number(s) and registering entity(ies); date of registration(s), registration number(s) and registering entity(ies), if any, and owner, including person or entity name and address; and

(c) Obtain from each owner of the Third Party Intellectual Property consent to have the relevant Third Party Intellectual Property deposited into the Source Code Escrow in accordance with Section 29.12, provided that no Third Party Intellectual Property shall be incorporated into the Toll Services without the RCTC's prior written approval to the extent the owner of the relevant Third Party Intellectual Property has not provided such consent.

(d) For any Third Party Intellectual Property acquired following the Effective Date of this Contract, the provisions above shall apply to both Agencies.

29.9 Commercial Off-the-Shelf Software

29.9.1 Agencies' interests in and obligations with respect to any COTS Software incorporated into the Toll Services or TCS shall be determined in accordance with the standard license terms applicable to such Software and TSP shall not be subject to the requirements of Section 29.7.4 and Section 29.12 regarding the delivery of Software Source Code or deposit into the Source Code Escrow.

29.9.2 TSP shall be solely responsible for all costs associated with such items and in no event shall TSP change the terms of such agreements without Agencies' written approval.

29.10 Payments Inclusive

TSP acknowledges and agrees that the payments include all royalties, fees, costs and expenses arising from or related to the Project Intellectual Property.

29.11 Source Code Escrow

29.11.1 Agencies and TSP acknowledge that TSP and/or TSP's Software suppliers may not wish to disclose directly to Agencies the Software Source Code for the Pre-Existing Software (not for Software owned by Agencies in accordance with Section 29.7), but that Agencies must

be assured access to such Software Source Code in certain circumstances to permit it to realize the benefits contemplated by this Contract.

29.11.2 As a condition to payment of invoices for Payment Milestones and TCS Acceptance, and as a condition to payment of monthly installments of the Total O&M Cost, TSP shall place all the Software Source Code for Pre-Existing Software owned by TSP, licensed to or by TSP or with respect to which TSP has a right to use in connection with the Toll Services in an escrow (the Source Code Escrow) with an escrow company designated by TSP and approved by RCTC in its reasonable discretion (Code Escrow Agent) engaged in the business of receiving and maintaining escrows of Software Source Code, related documentation, and other technology. For any Code Escrow Agent selected after the Effective Date of this Contract, said agent must be approved by both Agencies.

29.11.3 With regard to updates and upgrades to the Pre-Existing Software developed as part of the O&M Work and as part of TSP's work during the Software Maintenance Option Period, TSP shall disclose to Agencies and deliver to the Source Code Escrow as updates to the Software are implemented.

29.11.4 TSP shall identify any Pre-Existing Software updates and upgrades completed during the invoiced period, and shall include the Code Escrow Agent's confirmation that such Software and updates have been verified and deposited in the Source Code Escrow in each of its monthly invoices for payment of the Total Capital Cost and Total O&M Cost.

29.11.5 TSP shall cause all Software suppliers to keep the Software Source Code up-todate by depositing all enhancements and modifications into the Source Code Escrow during the term of its existence as such enhancements and modifications are developed, completed or implemented.

29.12 TCS Software

All TCS Software furnished as part of the Toll Services during the Term shall be suitable for its intended purpose and free from programming errors affecting performance and from Nonconformances in workmanship and materials and shall operate in conformity with the performance capabilities, specifications, functions and other applicable descriptions and standards specified in this Contract, and such Software shall conform to the standards generally observed in the industry for similar Software. All TCS Software shall be compatible with the TCS equipment. TSP expressly disclaims any and all warranties in connection with any derivative works or software modifications created by Agencies or any of their agents to the extent authorized in this Contract. THE SOFTWARE WARRANTIES SET FORTH IN THIS SECTION 29.13 ARE EXCLUSIVE AND ARE IN LIEU OF ANY IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

29.13 Infringement

If any service or product provided by TSP under this Contract is held to constitute an infringement of the patent rights or copyrights or other intellectual property rights of a third party and its use is enjoined, TSP shall promptly:

(a) Secure for Agencies, their representatives, agents, and designees the right to continue using the infringing item by suspension or removal of the injunction, or by procuring a perpetual, non-revocable, paid-up, royalty-free, assignable, non-exclusive license(s) to reproduce, publish, or otherwise use for Agencies' direct purposes;

(b) Replace the infringing item with a non-infringing substitute that meets or exceeds the requirements of this Contract; or

(c) Modify the infringing item so that it becomes non-infringing provided the resulting service or product meets or exceeds the requirements of this Contract.

If the amount of time necessary to proceed with one of these options is deemed excessive by Agencies, Agencies may direct TSP to select another option or alternatively TSP's failure may be considered an event of default.

SECTION 30 AGENCY SUBMITTAL PROCESS

30.1 Submittal Process

30.1.1 All documents, reports, tests, requests, determinations and consents required by this Contract to be submitted to Agencies for review, comment, approval and disapproval shall be subject to the applicable processes and provisions in this Section 30.1 (collectively, the Submittal Process).

30.1.2 TSP shall deliver the applicable document or request to the Applicable Agency with Notice stating that the document, request, determination or consent, as applicable, is subject to the Submittal Process.

30.1.3 The Applicable Agency Agencies has 20 Business Days after receipt of such submission or such other time period as Agency and TSP may agree, to issue written comments, proposed changes, approval, conditional approval, determination and/or disapproval of the submission (together Agency's Comments), provided, however, that such period shall be subject to extension at the election of the Applicable Agency if TSP delivers an unreasonable number of submissions for concurrent Agency's review.

30.1.4 If any provision of this Contract expressly provides a longer or shorter period for Agencies to act than as set forth in Section 30.1.3, such period shall control over the foregoing time period. If the time period for Agencies and/or Department to act should end on a day when Agencies or Department, as applicable, is closed or when, as to Department, Department employees are on furlough, the time period shall automatically be extended to the next day when both Agencies and Department are open or when, as to Department, such employees are no longer on furlough.

30.1.5 If the Applicable Agency's Comments are provided within such 20 Business Day period, TSP shall reflect the Agency's Comments in a revised draft of the submission (if such submission is a document, report or test), and shall deliver to Agency such revised draft within the earlier of the date in the Project Schedule, or 20 Business Days following TSP's receipt of Agency's Comments. If the submission is a request, determination or consent, Agency's denial or disapproval shall not be subject to a further submission but may be subject to dispute resolution as to whether Agency acted reasonably (if the standard for Agency's approval or consent rights

was reasonable discretion) or in good faith (if the standard for Agency'sapproval or consent rights was good faith discretion).

30.1.6 The Applicable Agency has ten (10) Business Days to issue further Agency Comments on each revised submission, provided that if Agency's Comments include any item that (i) reasonably could have been but was not raised or included in Agency's initial response, (ii) does not concern determining whether TSP adequately addressed Agency's Comments included in Agency'sinitial response and (iii) is not based on a failure of the revised draft to satisfy a standard or requirement set forth in this Contract, then such action by Agency shall be deemed to constitute an -Agency-Caused Delay. A comment will not be considered something that could have been raised or included in Agency's initial response if, among other things, TSP has materially changed all or any portion of the design, approach, Equipment, Hardware, Software or other element or component that was included in the initial submission or if the initial submission was at a conceptual or preliminary level of development, as reasonably determined by the Applicable Agency.

30.1.7 If the Applicable Agency's Comments are provided within such ten (10) Business Day period, TSP shall make further changes or revisions to reflect the Agency's Comments and submit the document to Agency, and the foregoing process shall continue in like fashion until either Agency issues written approval or the Parties submit any dispute to dispute resolution in accordance with Section 27.

30.1.8 The time periods for the Applicable Agency's Comments in this Section 30.1 shall be extended by the period of any delay due to an Excusable Delay.

30.1.9 Whenever an Applicable Agency is entitled to affirmatively approve a Submittal or other matter under this Contract, and the Applicable Agency delivers no approval, disapproval, consent, denial, determination, decision or other action within the applicable time period under this Section 30.1, then TSP may deliver to the Applicable Agency a Notice stating the date within which Agency was to have decided or acted and that if Agency does not decide or act within five (5) Business Days after receipt of TSP's notice, delay from and after such five (5) Business Day period may constitute an Agency-Caused Delay (for Agency's failure to decide or act) for which TSP may be entitled to relief under Section 20.10.

30.2 Role of FHWA and Department

TSP acknowledges and agrees that FHWA and Department may have approval rights with respect to the Toll Services (including rights to approve the TCS Documentation and Change Orders), as well as the right to provide oversight and technical services with respect to the Toll Services.

30.3 Role of PCM

30.3.1 RCTC's PCM is responsible for oversight of all Work on RCTC's behalf. PCM shall coordinate comments from RCTC to TSP with respect to the Work, and shall be the primary liaison between RCTC and TSP.

30.3.2 Further, RCTC may retain other consultants to provide services to RCTC relating to the Toll Services. TSP shall fully cooperate with PCM and RCTC's other consultants in the exercise of their respective duties and responsibilities in connection with the Project.

30.3.3 The PCM is not authorized to:

(a) Direct or suspend the performance of the Work, unless continued performance of Work will endanger the health, welfare, or safety of the public or any Project worker, or will damage or endanger environmentally sensitive areas;

(b) Approve Deviations from Contract requirements;

(c) Approve performance by TSP of extra Work or changed Work;

(d) Waive any Contract requirements or provisions;

(e) Issue Directive Letters; or

(f) Approve Change Orders or Contract amendments.

30.4 DB Contractor

If requested by RCTC, TSP shall (a) review and comment on submissions DB Contractor makes to RCTC as part of the DB Work or inspect work performed by the DB Contractor, and (b) provide written comments to RCTC, in the form requested by RCTC, no later than two Business Days before RCTC is required to respond to the applicable submission or inspect under DB Contract, or if the DB Contractor provides no applicable response time, ten Business Days after RCTC makes the request.

SECTION 31 MISCELLANEOUS PROVISIONS

31.1 Amendments

Except to the extent expressly provided otherwise in this Contract, this Contract may be amended only by a written instrument duly executed by the Parties.

31.2 Taxes

TSP shall pay, prior to delinquency, all applicable taxes, including its own income taxes, sales and use taxes. TSP accepts sole responsibility, and agrees that it has no right to a Change Order or to any other Claim, due to its misinterpretation of Governmental Rules respecting taxes or incorrect assumptions regarding applicability of taxes.

31.3 Waiver

31.3.1 No waiver of any term, covenant or condition of this Contract shall be valid unless in writing and signed by the obligee Party.

31.3.2 The exercise by a Party of any right provided under this Contract shall not waive or preclude any other or further exercise thereof or the exercise of any other right. No waiver by any

Party of any right under this Contract shall be deemed to be a waiver of any other or subsequent right under this Contract. The consent by one Party to any act by the other Party requiring such consent shall not create a course of conduct or be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent is given.

31.3.3 Either Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions or other provisions of this Contract at any time shall not in any way create a course of conduct or limit or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision, any course of dealing or custom of the trade notwithstanding. Furthermore, if the Parties make and implement any interpretation of this Contract without documenting such interpretation by an instrument in writing signed by both Parties, such interpretation and implementation thereof will not be binding in the event of any future Disputes.

31.4 Independent Contractor

31.4.1 TSP is an independent contractor, and nothing contained in this Contract shall be construed as constituting any relationship with Agencies other than that of independent contractor.

31.4.2 Both Parties, in the performance of this Contract, shall act in an individual capacity and not as agents, employees, partners, joint venturers or associates of one another. Nothing in this Contract is intended or shall be construed to create any partnership, joint venture or similar relationship between Agencies and TSP; and in no event shall either Party take a position in any tax return or other writing of any kind that a partnership, joint venture or similar relationship exists.

31.4.3 In no event shall the relationship between Agencies and TSP be construed as creating any relationship whatsoever between Agencies and TSP's employees or agents. Neither TSP nor any of the employees or agents of any TSP-Related Entity is or shall be deemed to be an employee or agent of Agencies. Except as otherwise specified in this Contract, TSP has sole authority and responsibility to employ, discharge and otherwise control its employees and has complete and sole responsibility as a principal for its agents, for all Subcontractors and for all other Persons that TSP or any Subcontractor hires to perform or assist in performing the Toll Services.

31.4.4 TSP shall defend, indemnify, and hold harmless Agencies (collectively or individually as may be applicable) with respect to any claims, causes of action, suits, judgements, liabilities, or legal or administration proceeding (collectively, "Claims") which arise out of (i) any assertion, whether by TSP, any of its employees or Subcontractors, any public employee retirement system, or any local, state or federal agency, that TSP, any of the TSP-Related Entities, or their respective Subcontractors or employees are in an employer-employee relationship with Agencies and thus, entitled to any compensation or benefits provided by Agencies to their own employees, including, but not limited to, benefits provided by Agencies under applicable Workers' Compensation laws, public employee retirement laws, Family Medical Leave Act, vacation, sick leave, etc.; (ii) any employment claims related to wages, hours, or employment terms and conditions raised or brought by any personnel TSP has engaged to perform Work under this Contract; or (iii) failure of TSP, TSP-Related Entities, or any of their employees or Subcontractors, to abide by applicable state and federal employment laws including, but not limited to, anti-

harassment and anti-discrimination obligations. In addition to any other remedies they may have, Agencies shall have the right to offset against the amount of any payments due to TSP under this Contract any costs or liabilities Agencies have incurred or will be reasonably expected to incur, due to TSP's failure to defend, indemnify and hold harmless Agencies as required in this paragraph.

31.5 Successors and Assigns

This Contract shall be binding upon and inure to the benefit of Agencies and TSP and their permitted successors, assigns and legal representatives.

31.5.1 Agencies may assign all or part of their right, title and interest in and to any Contract Document, including rights with respect to the Payment Bonds, Performance Bonds and the Guaranty, to any other Person.

31.5.2 TSP may not, without the prior written consent of Agencies, in their sole discretion, voluntarily or involuntarily assign, convey, transfer, pledge, mortgage or otherwise encumber its rights or interests under this Contract. No partner, joint venturer, member or shareholder of TSP may directly or indirectly assign, convey, transfer, pledge, mortgage or otherwise encumber its ownership interest in TSP without the prior written consent of Agencies, in Agencies' sole discretion.

31.5.3 TSP shall cooperate with Agencies and all representatives of Agencies designated as described above.

31.6 Gratuities and Conflicts of Interest

31.6.1 TSP shall not permit any officer, official or employee of either Agency to have any financial interest in the Contract prohibited by Sections 1090 et seq. and 87100 et seq. of the Government Code. In addition, TSP or its employees shall not enter into any contract involving services or property with a Person or business prohibited from transacting such business with either Agency, pursuant to Sections 1090 et seq. and 87100 et seq. of the Government Code. Except to the extent explicitly disclosed in TSP's Proposal, TSP affirms that no Agency officer, official or employee has any interest (whether contractual, non-contractual, financial, or otherwise) in this transaction or in the business of TSP. If any such interest becomes known to TSP at any time, TSP shall submit a full and complete written disclosure of such information to RCTC, even if such interest would not be considered a conflict under Sections 1090 et seq. and 87100 et seq. of the Government Code.

31.6.2 Neither TSP nor any of its employees, agents and representatives shall offer or give to an officer, official or employee of either Agency or Department gifts, entertainment, payments, loans or gratuities. Agencies may, by written notice to TSP, terminate the right of TSP to proceed under the Contract if it is found that gratuities (in the form of gifts, entertainment, or otherwise) were offered or given by TSP, or any agent of TSP, to any member of either Agency's 's Board of Directors or any officer, agent and/or employee of either Agency or Department.

31.6.3 Employment (whether as an employee, consultant, or independent contractor) of personnel on RCTC's payroll by any DB-Related Entity is not permitted in the performance of the Contract, even though such employment may be outside RCTC's employee's regular working

hours or on Saturdays, Sundays, holidays or vacation time; further, employment by any DB-Related Entity of personnel who have been on RCTC's payroll within one year prior to the date of Contract award is also prohibited, if such employment is caused by and/or dependent upon TSP securing this or a related Contract with RCTC.

31.6.4 The rights of either Agency specified in this Section 31.6 are not exclusive and are in addition to any other rights allowed under Governmental Rule.

31.7 Survival

TSP's representations and warranties, the dispute resolution provisions contained in Section 27, the warranties contained in Section 12, the indemnifications and releases contained in Section 24, the Software Maintenance Option, and all other provisions which by their inherent character or express terms should survive termination of this Contract, shall survive the termination of this Contract, the expiration of the O&M Term, and the expiration of any Software Maintenance Option Period.

31.8 Limitation on Third Party Beneficiaries

31.8.1 Department was an intended third party beneficiary to the Original Contract and will be a third party beneficiary to any additional Work that is subject to a Cooperative Agreement with the Department. The Indemnified Parties are intended third party beneficiaries of the indemnity provisions of this Contract. It is not intended by any of the provisions of this Contract to create any other third party beneficiary hereunder or to authorize anyone not a Party to this Contract (other than Department or the Indemnified Parties) to maintain a suit for personal injury or property damage pursuant to the terms or provisions hereof, except to the extent that specific provisions (such as the warranty and indemnity provisions) identify third parties and state that they are entitled to benefits hereunder. The Department is not a third party beneficiary to any provisions of this Contract that relate to the 91 EL Transition Work, or the O&M Work.

Except as otherwise provided in this Section 31.8, the duties, obligations and responsibilities of the Parties pursuant to this Contract with respect to third parties shall remain as imposed by Governmental Rule.

31.9 Tort Liability; Personal Liability of Agency Employees

31.9.1 RCTC's Representatives and OCTA's Representatives are acting solely as agents and representatives of RCTC or OCTA, respectively, when carrying out the provisions of or exercising any right under this Contract. They shall not be liable either personally or as employees of RCTC or OCTA, respectively, for actions in their ordinary course of employment.

31.9.2 The Parties agree to provide to each other's Representative(s) Notice of any Claim that either Party receives from any third party relating in any way to the matters addressed in this Contract, and shall otherwise provide Notice in such form and within such period as is required by Governmental Rule.

31.9.3 No agent, consultant, officer or authorized employee of Agencies nor any member of either Agency's Board of Directors, shall be personally responsible for any liability arising under this Contract.

31.10 Governing Law

This Contract shall be governed by and construed in accordance with the law of the State, without regard to conflict of law principles. The venue of any court, judicial or referee proceeding under this Contract shall be in San Diego County, California, unless changed by the judicial officer.

31.11 Notices and Communications

31.11.1 All notices, requests, demands, instructions, certificates, consents, explanations, agreements, approvals and other communications (each being a "Notice") required or permitted under this Contract shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, or (d) sent by telephone, facsimile or email communication followed by a hard copy and with receipt confirmed by telephone, to the following addresses (or to such other address as may from time to time be specified in writing by such Person):

All correspondence with TSP shall be sent to TSP's Representative or as otherwise directed by TSP's Representative. The address for such communications shall be:

Kapsch TrafficCom Transportation NA, Inc.
Attention: Brian Tom
2855 Premiere Parkway Duluth, GA 30097 United States of America
E-mail: brian.tom@kapsch.net

All communications to RCTC shall be marked as regarding this Contract and shall be delivered as directed by RCTC's Representative. The address for such communications shall be:

Riverside County Transportation Commission
Attention: _____
3850 Vine Street
Riverside, California
Phone: (951) 787-7141
Facsimile: (951) 787-7920
email address: _____

In addition, copies of all notices regarding disputes, termination and default notices shall be delivered to the following persons:

Riverside County Transportation Commission
Attention: Aaron Hake, Executive Director
4080 Lemon Street, 3rd Floor
Riverside, California 92501
Phone: (951) 787-7141
Facsimile: (951) 787-7920
email address: ahake@rctc.org

All communications to OCTA shall be marked as regarding this Contract and shall be delivered as directed by OCTA's Representative. The address for such communications shall be:

Orange County Transportation Authority
Attention: Kirk Avila, General Manager of Express Lanes Programs
550 South Main Street
Orange, California 92863-1584
Phone: (714) 560-5674
email address: Kavila@octa.net

31.11.2 Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U.S. Postal Service, private carrier or other Person making the delivery. Notwithstanding the foregoing, Notices sent by facsimile after 4:00 p.m. PT and all other Notices received after 5:00 p.m. shall be deemed received on the first Business Day following delivery (that is, in order for a fax to be deemed received on the same day, at least the first page of the fax must have been received before 4:00 p.m.). Any technical or other communications pertaining to the Toll Services shall be conducted by TSP's Representative or TSP's Key Personnel and technical representatives designated by each Agency..

31.11.3 TSP shall copy Agencies on all written correspondence pertaining to the Toll Services between TSP and any Person other than TSP's Subcontractors, consultants and attorneys. Notwithstanding the foregoing, TSP shall not be required to copy Agencies on standard written correspondence with Customers issued in accordance with the Business Rules and approved Plans, except as may be specifically requested by Agencies, or either of them..

31.12 Further Assurances

TSP shall promptly execute and deliver to Agencies all such instruments and other documents and assurances as are reasonably requested by Agencies to further evidence the obligations of TSP under this Contract, including assurances regarding the validity of (a) the assignments of Subcontracts contained herein and (b) any instruments securing performance hereof.

31.13 Severability

If any clause, provision, section or part of this Contract is ruled invalid under Section 27 or otherwise by a court having proper jurisdiction, then the Parties shall: (a) promptly meet and negotiate a substitute for such clause, provision, section or part, which shall, to the greatest extent legally permissible, effect the original intent of the Parties, including an equitable adjustment to the Contract Price to account for any change in the Toll Services resulting from such invalidated portion; and (b) if necessary or desirable, apply to the court or other decision maker (as applicable) which declared such invalidity for an interpretation of the invalidated portion to guide the negotiations. The invalidity or unenforceability of any such clause, provision, section or part shall not affect the validity or enforceability of the balance of this Contract, which shall be construed and enforced as if this Contract did not contain such invalid or unenforceable clause, provision, section or part.

31.14 Table of Contents and Headings

The table of contents and captions of the sections of this Contract are for convenience only, are not part of this Contract or to be considered in construing this Contract.

31.15 Entire Agreement

This Contract contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, statements, representations and negotiations between the parties with respect to their subject matter.

31.16 Counterparts; Electronic Signatures

This instrument may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be signed using an electronic signature.

31.17 Costs

(a) Each Party is responsible for paying its own Costs and expenses incurred in connection with the negotiation, preparation and execution and delivery of this Contract.

(b) Except as otherwise provided in this Contract, each Party shall perform its obligations in accordance with this Contract at its own Cost and risk.

SECTION 32 SIGNATURE WARRANTY

32.1 Signature Warranty

Each signatory to this Contract warrants that the signatory has necessary authority to execute this Contract on behalf of the entity represented.

[SIGNATURE PAGE TO FOLLOW]

DRAFT

IN WITNESS WHEREOF, this Contract has been executed as of _____, 2026.

TOLL SYSTEM PROVIDER

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CA Contractor License #: _____

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

Date: _____

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

Name: _____

DRAFT

Title: _____

APPROVED AS TO FORM

By: _____

Name: _____

Title: _____

Date: _____

DRAFT

EXHIBIT 1 AND EXHIBIT 2

[ATTACHED BEHIND THIS PAGE]

DRAFT

TABLE OF CONTENTS
Exhibits to Toll Services Contract

EXHIBIT 1	Abbreviations and Definitions
EXHIBIT 2	Contract Particulars
EXHIBIT 3	Price Sheets
EXHIBIT 4	Proposal Commitments
EXHIBIT 5	Federal Requirements
EXHIBIT 6	Form of Source Code Escrow Agreement
EXHIBIT 7	Pass-Through Cost Items
EXHIBIT 8	Preliminary Baseline Schedule
EXHIBIT 9	Not used
EXHIBIT 10	Labor Code Requirements
EXHIBIT 11	Form of Performance Bond
EXHIBIT 12	Form of Payment Bond
EXHIBIT 13	Form of Maintenance Performance Bond
EXHIBIT 14	Form of Maintenance Payment Bond
EXHIBIT 15	Toll Services Contract-Specific DBE Requirements
EXHIBIT 16	Form of Invoice Certification
EXHIBIT 17	Form of Guaranty
EXHIBIT 18	Pre-existing COTS, TSP-Developed Software List and Custom Software List
EXHIBIT 19	Payment
EXHIBIT 20	Disputes Review Board Agreement
EXHIBIT 21	Non-Disclosure and Confidentiality Agreement
EXHIBIT 22	Lane Closure Charges
EXHIBIT 23	Form of Change Response / TSP Change Request

EXHIBIT 1

ABBREVIATIONS AND DEFINITIONS

Unless the context otherwise requires, the abbreviations and capitalized terms used in this Contract have the meanings given below:

ACH	Automated Clearing House
ALPR	Automatic License Plate Reader
AVC	Automatic Vehicle Classification
AVI	Automatic Vehicle Identification
CALTRANS	California Department of Transportation
CD ROM	Compact Disc Read Only Memory
CDR	Critical Design Review
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
CFR	Code of Federal Regulations
CGL	Commercial General Liability
CHP	California Highway Patrol
CMS	Changeable Message Sign
CPM	Critical Path Method
CSC	Customer Service Center
CSR	Customer Service Representative
CTOC	California Toll Operators Committee
D&D	Design and Deployment
DB	Design Build
DBE	Disadvantaged Business Enterprise
DBMS	Database Management System
DC	Direct Current
DCS	Document Control System
DIR	Department of Industrial Relations

DLSE	Division of Labor Standards Enforcement
DMV	Department of Motor Vehicles
EIA	Electronic Industries Association
EL	Express Lanes
EMI	Electromagnetic Interference
EPD	Escrowed Proposal Documents
ETC	Electronic Toll Collection
FAT	Factory Acceptance Testing
FCC	Federal Communications Commission
FICA	Federal Insurance Compensation
FF&E	Fixtures, Furnishings and Equipment
FHWA	Federal Highway Administration
FONSI	Finding of No Significant Impact
FSP	Freeway Service Patrol
FTB	Franchise Tax Board
FTP	File Transfer Protocol
FUTA	Federal Unemployment Tax Act
GAAP	Generally Accepted Accounting Principles
GP	General Purpose
GPS	Global Positioning System
GUI	Graphical User Interface
HOV	High Occupancy Vehicle
IBT	Image Based Transactions
ICD	Interface Control Document
ID	Identification
IDD	Infrastructure Design Document
IDR	Infrastructure Design Review
IEEE	Institute of Electrical and Electronic Engineers
IP	Internet Protocol
ISO	International Standards Organization

IT	Information Technology
ITP	Instructions to Proposers
IVR	Interactive Voice Response
KPI	Key Performance Indicators
LAN	Local Area Network
LED	Light Emitting Diode
LOS	Level of Service
LPR	License Plate Recognition
MBPS	megabits per second
MOMS	Maintenance On-Line Management System
MOT	Maintenance of Traffic
MPH	miles per hour
MUTCD	Manual on Uniform Traffic Control Devices
NDTEV	Notice of Delinquent Toll Evasion Violation
NEC	National Electric Code
NEMA	National Electrical Manufacturers Association
NEPA	National Environmental Policy Act
NIST	National Institute of Standards and Technology
NMS	Network Management System
NTEV	Notice of Toll Evasion Violation
NTP	Notice to Proceed
O&M	Operations and Maintenance
OABL	Observation Area Beacon Light
OBL	Overhead Beacon Light
OCR	Optical Character Recognition
ODS	Occupancy Detection System
OFIT	Onsite First Installation Test
OJT	Federal on-the-job training
ORT	Open Road Tolling
OSHA	Occupational Safety and Health Administration

PCI	Payment Card Industry
PCI DSS	PCI Data Security Standard
PCM	Project and Construction Manager
PDR	Preliminary Design Review
PII	Personally Identifiable Information
PMP	Project Management Plan
PS	Price Sheet
PTZ	Pan/Tilt/Zoom
QA/QC	Quality Assurance/Quality Control
QMP	Quality Management Plan
RFC	Request for Comments
RFID	Radio Frequency Identification
RFP	Request for Proposals
RFQ	Request for Qualifications
RMON	Remote Monitoring
ROC	RCTC Operations Center
ROW	Right-of-Way
RTM	Requirements Traceability Matrix
RU	Rack Units
SDP	Software Development Plan
SMFO	Single Mode Fiber-Optic
SMON	Switch Monitoring
SNMP	Simple Network Management Protocol
SOP	Standard Operating Procedures
SOQ	Statement of Qualifications
SOV	Single Occupancy Vehicle
SSH	Secure Shell
SSL	Secure Socket Layer
SUCA	State Unemployment Compensation Act
TCP	Transmission Control Protocol

TCS	Toll Collection System
TFTP	Trivial File Transfer Protocol
TIA	Telecommunications Industry Association
TMS	Traffic Management System
TOC	Traffic Operation Center
TP	Technical Provisions
TSF	Tag Status File
TSP	Toll System Provider
UPS	Uninterruptible Power Supply
USDOT	United States Department of Transportation
US GAAP	United States Generally Accepted Accounting Practices
USPS	United States Postal Service
VAC	volts of alternating current
VDT	Vehicle Data Tag
VES	Violation Enforcement System
VLAN	Virtual Local Area Network
VPN	Virtual Private Network
VTMS	Variable Toll Message Signs
WAN	Wide Area Network
WBS	Work Breakdown Structure
WIC	Walk-In Center

91 Express Lanes means the State Route 91 Express Lanes, as defined herein.

91 EL Go-Live Date means the date on which the 91 EL Transition Work is substantially complete, and 91 Express Lanes revenue operations are commenced, all as further described in Exhibit 25.

91 EL Transition Work means the Work to complete the 91 Express Lanes Back Office System Transition, as detailed in Exhibit 25.

Acceleration Costs means those fully documented increased costs reasonably incurred by TSP (that is, costs over and above what TSP would otherwise have incurred) which are directly and solely attributable to increasing the performance and production levels of the D&D Work to complete necessary elements or segments of the D&D Work earlier than otherwise anticipated, such as for additional equipment, additional crews, lost productivity, overtime and shift premiums, increased

supervision and any unexpected material, equipment or crew movement necessary for resequencing in connection with accelerated efforts. Audited Overhead, TSP Margin and Margin in connection with acceleration efforts shall not exceed the amount allowed under Section 20.

Account means a unique record maintained by TSP for each customer and Violator which contains contact information, vehicle information, Transactions, financial information, and other data necessary to effectively and accurately post tolls, collect revenue, process violations, and perform customer and Violator relationship management. The following modifiers can be added to Account:

(a) Transponder: Accounts established through a mutual agreement between a 91 Express Lanes Project customer or I15 Express Lanes Project customer and the CSC or an Agency, excluding Retail Transponder Accounts, for the payment of tolls based upon the Transponder registered to the account holder;

(b) Violator: Accounts established through the processing of Image Based Transactions;

(c) Non-Revenue: Accounts established to provide free passage to approved EL users with or without a Transponder;

(d) Large: Accounts established to support customers with a large number of vehicles such as rental car companies, trucking fleets, and bus fleets;

(e) Closed Transponder Account: A Transponder Account that is no longer active or available for use by a customer; and

(f) Retail: Transponder Accounts established for distribution by a third party retailer before customer activation.

Active Transponder Account means a Transponder Account that allows for posting of Trip Transactions in accordance with the Business Rules and has had a Financial Transaction within the previous month.

Actual Knowledge means the facts and information actually known to and present in the mind of TSP's or an Agency Representative (as applicable), after due consultation with other personnel of such party directly involved with the Toll Services, as applicable.

Actual Measured Average Daily Traffic Trips means the total number of Trips occurring on the I-15 Express Lanes Project, over a 365 day consecutive period (or 366 day in a leap year), divided by 365 or 366 (as applicable).

Additional Repair Time has the meaning given in TP Section 16.6.

Administrative Hearing means a review initiated at the Violators request, of the results of the Investigative Review. The Administrative Hearing shall be conducted in accordance with CA Vehicle Code 40255.

Affiliate means: (1) any Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, TSP or any Equity Member, and (2) any Person for which 10% or more of the equity interest in such Person is held directly or indirectly, beneficially or of record by TSP, any Equity Member or any Affiliate of TSP

under clause (1) of this definition. For purposes of this definition the term "control" means the possession, directly or indirectly, of the power to cause the direction of the management of a Person, whether through voting securities, by contract, family relationship or otherwise.

Agency means either OCTA or RCTC.

Agencies means both OCTA and RCTC, except as otherwise indicated by the context and as further detailed in the Contract.

Anaheim Facility means OCTA's 91 Express Lanes administrative offices located at 180 N Riverview Dr, Suite 200, Anaheim, CA 92808

Annual Renewal Test(ing) has the meaning given in TP Section 5.7.

As-Built Technical Drawings means documents required to be prepared by TSP and delivered to RCTC in accordance with TP Section 15.4 that constitute a complete and accurate record of the TCS as designed, installed, integrated, deployed and tested in accordance with this Contract. A copy of the documents shall be provided to OCTA on request.

Audited Overhead means the applicable audited overhead rate in accordance with the Federal Acquisition Regulation ("FAR") provided by TSP for each year of the Term in accordance with Section 16.4.2 which shall include and constitute full compensation to TSP for all taxes, insurance, fringe benefits, labor burden and all other payments made to, or on behalf of workers, in excess of actual wages.

Automatic Vehicle Identification means a system consisting of radio frequency antenna and reader equipment and a compatible transponder mounted in a vehicle for automatic unique identification of the vehicle upon the electronic read of the transponder as it passes through the toll collection point of the lane**.**

Availability means, at any time after the CSC Commencement Date, that the TCS is operational for performance of the Toll Services and in the condition required by the Contract at that time.

Baseline Schedule means the approved project schedule developed and maintained by TSP as specified in Section 8.3.

Bond means each of the Proposal Bond, Performance Bond, Payment Bond, Maintenance Performance Bond and Maintenance Payment Bond, or all of them as the context requires.

Books and Records means any and all documents, books, records, papers, or other information relating to the I-15 Express Lanes Project and the 91 Express Lanes, this Contract and/or the Toll Services, including:

(a) all design and deployment documents, and operations and maintenance documents including drawings, specifications, submittals, subcontracts, subconsultant agreements, purchase orders, invoices, schedules, meeting minutes, budgets, forecasts, change orders, Plans, reports and manuals;

(b) daily time sheets and supervisor's daily reports, union agreements, insurance, welfare and benefits records, payroll registers, material cost distribution work sheet, Subcontractors' (including suppliers) invoices, Subcontractors' and agents' payment certificates, Project Schedules, earning records, payroll tax forms, invoices and requisitions, equipment records, payment certificates, cancelled checks, job cost reports, job payroll ledges, general ledger, cash disbursement journal;

(c) income statements, balance sheets, statements of cash flow and changes in financial position, details regarding operating income, expenses, capital expenditures and budgeted operating results;

(d) all budgets, certificates, Claims, contract agreements, correspondence, data (including test data), documents, expert analyses, facts, files, information, investigations, materials, notices, plans, projections, proposals, records, reports, requests, samples, schedules, settlements, statements, studies, surveys, tests, test results, traffic information (including volume counts, classification counts, origin and destination data, speed and travel time information and vehicle jurisdiction data) analyzed, categorized, characterized, created, collected, generated, maintained, processed, produced, prepared, provided, recorded, stored or used by any TSP-Related Entity; and

(e) with respect to clauses (a) - (d), any information that is stored electronically or on computer-related media, including in the electronic document management system; provided however, that nothing in this Contract shall require the disclosure by any Party of Books and Records that is protected by the attorney-client or other legal privilege based upon an opinion of counsel reasonably satisfactory to the other Party.

Budget means the annual budget for Pass-Through Cost Items approved through the Submittal Process or Section 18.17, subject to (i) amendment in accordance with Section 20, and (ii) in the case of the Budgets adopted for subsequent Fiscal Years, subject to being superseded by subsequent approved Budgets. The Budget shall be prepared in monthly detail with a breakdown approved by the applicable Agency and in current dollars for each year of expenditure with respect to all Fiscal Years.

Business Continuity Plan means the approved plan prepared by TSP in accordance with TP Section 17.

Business Day means Monday through Friday, excluding weekends and the holidays listed in TP Section 8.2.2.2.

Business Rules means the approved set of rules that details how TSP shall respond to various operating situations that occur during the toll collection process based on business case and policy decisions and the treatment of those transactions throughout the account maintenance, invoice, collection and violation and enforcement phases to be developed in accordance with TP Section 2.3 and Section 10.2.

California Toll Operators Committee means the organization and its members, including toll facility operators/owners and other agencies who work together to enable interoperability. CTOC includes operators/owners within California and may include

operators/owners in the western United States. CTOC is used to facilitate the exchange of transactions and monies.

Call Center means the physical location where CSRs respond to telephone calls from customers.

CCTV System(s) means closed circuit television system used to monitor the facilities within the TCS.

Certificate of End of O&M Term Acceptance means the Agencies' certificate issued in accordance with Section 13.2.

Change means:

(a) Any addition, decrease, omission, deletion or removal to or from the Toll Services or the Technical Provisions;

(b) Conversion of any Pass-Through Cost Items to a component of the Total O&M Cost, and any resulting adjustment of any annual Budget;

(c) Any addition, omission or change to Policy limits or deductibles of the insurance policies; and

(d) Other changes to this Contract or other items the Parties agree to be a Change or which this Contract states to be a Change, excluding,

(e) Minor Revisions;

(f) Any Change resulting from delay by the DB Contractor in achieving any Package Turnover Deadline by the Package Turnover Date which does not change the applicable minimum timeframe for TSP to complete the applicable Package as set out in Section 8.9.9;

(g) Any addition, decrease, omission, deletion or removal to or from the Toll Services as a result of a change in the number of Active Transponder Accounts in years 1 or 2 of the O&M Term.

Change in Law means the enactment, adoption, modification, repeal or other change in any Governmental Rule that occurs after the Setting Date, including any change in the judicial or administrative interpretation of any Governmental Rule, or adoption of any new Governmental Rule, which is materially inconsistent with any Governmental Rule in effect on the Setting Date, but excluding:

(a) a change in or new Governmental Rule which was passed or adopted but not yet effective as of the Setting Date;

(b) a Change in a Referenced Standard;

(c) a change in the way a Governmental Rule is applied or interpreted as a result of:

(i) the failure of any TSP-Related Entity to comply with a Governmental Rule or any Governmental Approval;

(ii) an illegal act or omission of any TSP-Related Entity; or

(iii) any breach of this Contract by TSP;

(d) a change in any Governmental Rule relating to taxes; or

(e) a change in Governmental Rule which was not in force at issuance of NTP1 but which (i) had been published by a draft bill or draft statutory instrument or otherwise specifically referred to prior to the issuance of NTP1; (ii) a party experienced and competent in the implementation of work or services similar to the Toll Services would have reasonably foreseen or anticipated prior to the issuance of NTP1, including adoption of a national interoperability standard ; or (iii) is substantially the same as a Governmental Rule in force prior to issuance of NTP1.

Change Notice means a Notice issued by Agencies, or by an Agency, in accordance with Section 20.4.1.

Change Order means a written amendment to the terms and conditions of this Contract issued by Agencies, or by an Agency, to TSP with respect to a Change in accordance with Section 20.5, and shall include a "claim" from TSP, as that term is defined in Pub. Cont. Code § 9204.

Change Order Notification Process means the applicable procedural requirements specified in Section 20, including timely delivery of Notices to Agencies of Changes or Eligible Changes, timely submittal of Change Responses and TSP Change Requests.

Change Order Response Form means Attachment 1 to Exhibit 23.

Change Response means a Notice issued by TSP to Agencies in accordance with Section 20.4.3 and consistent with the form of Exhibit 23.

Check 21 means the Check 21 Act which allows the recipient of a paper check to create a digital version of the original paper check, eliminating the need for further handling of the physical document and speeding the processing of paper checks.

Civil Site Acceptance Checklist means the checklist prepared by TSP and submitted as part of the Installation Plan that TSP shall use to verify that all DB Civil Toll Infrastructure elements at roadside equipment locations where TSP will install TCS equipment are accepted by TSP and suitable for proper execution of the Toll Services in compliance with the requirements of the Contract.

Claim means any claim, proceeding, action, cause of action, demand, judgments, investigations or suit (including by way of contribution or indemnity) made:

(a) in connection with this Contract, the Toll Services, the Site, the I-15 Express Lanes Project or 91 Express Lanes;

(b) at Governmental Rule or in equity; or

(c) for specific performance, restitution, payment of money (including damages), an extension of time, or any other form of relief.

Code Escrow Agent means the escrow company that TSP designates and approved by RCTC or Agencies, as applicable, to hold the Source Code Escrow.

Co-located Office means the shared office space procured by RCTC or the DB Contractor for TSP for use during the D&D Phase in accordance with Section 7.5.

Collection System means the toll collection system for State Route 91 or the TCS for the I-15 Express Lanes Project (as applicable).

Commercial Off-the-Shelf (COTS) means commercially available off-the-shelf Hardware and Software that is sold to the general public in the same precise form and requires little to no modification to use that is supplied by TSP as part of the TCS.

Commissioning Test(ing) means testing performed by TSP to demonstrate that the TCS is fully installed, integrated, and functioning in accordance with the TPs and approved design documentation to test all TCS functionality, including any and all equipment, software, and internal and external interfaces under controlled test conditions.

Communication Network means Software and Hardware used to transmit and receive data between various components internal and external to the TCS.

Communications Network Acceptance Checklist means the checklist prepared by TSP and submitted as part of the Installation Plan that TSP shall use to verify that all communications network elements where TSP will install TCS equipment are accepted by TSP and suitable for proper execution of the D&D Work in compliance with the requirements of this Contract.

Completion Deadline(s) means each of the following:

(a) CSC Commencement Deadline;

(b) Revenue Service Commencement Deadline; and

(c) TCS Acceptance Deadline, or all of them as the context requires.

Following issuance of NTP3, Completion Deadline(s) means each deadline identified in Exhibit 25 as subject to liquidated damages if TSP fails to meet such deadline.

Completion Milestone(s) means each of the following:

(a) CSC Commencement;

(b) Revenue Service Commencement; and

(c) TCS Acceptance,

or all of them as the context requires.

Following issuance of NTP3, Completion Milestone(s) means each milestone identified in Exhibit 25 as a completion milestone.

Components means all spare parts, supplies, consumables, tools and other operating items that are required for the continuous operation and maintenance of the TCS in accordance with this Contract during the Term.

Configurable means, with respect to the Business Rules or any other aspect of the TCS, that TSP may change the relevant rule or aspect of the TCS without material modification of Software code.

Configurable Parameter means, with respect to the Business Rules or any other aspect of the TCS, that TSP may change within a specified range the relevant value or aspect of the TCS without modification of the Software code.

Configuration Management Plan means the approved plan prepared by TSP as specified in TP Section 2.11.

Contaminated Groundwater means any extracted, pumped and/or ponded groundwater that contains Hazardous Materials.

Contract means this Amended and Restated Toll Services Contract entered into [DATE] by and between RCTC, OCTA and TSP.

Contract Price means, as to each Agency individually, the total 91 EL Transition Work Cost to be paid by the applicable Agency, plus the Total O&M Cost to be paid by the applicable Agency, subject to adjustment in accordance with Section 20.

Corridor means a continuous stretch of the EL roadway operated by the same operator and containing predefined start and end points as described in TP Section 1.1.

Costs means costs which are incurred or expended, reported and documented by TSP in accordance with generally accepted accounting principles, to the extent applicable, to perform the Toll Services in accordance with this Contract, excluding:

(a) unrealized losses;

(b) Costs of criminal proceedings if the result is a conviction;

(c) executive compensation and gifts, gratuities and entertainment to the extent the same would not be deductible from TSP's adjusted gross income (assuming TSP were a stand-alone for-profit corporation) under the Internal Revenue Code;

(d) legal penalties or fines assessed under applicable Governmental Rules, except penalties and/or fines (other than with respect to late payment of taxes) assessed on the basis of negligence or strict liability;

(e) default rates of interest;

(f) interest charges and penalties for late payment;

(g) prepayment premiums and penalties, except to the extent the prepayment results in lower subsequent costs determined on a net present value basis;

(h) travel costs that would not be allowable under 48 CFR 31.205-46(d), if it were applicable;

(i) training costs that would not be allowable under 48 CFR 31.205-44, if it were applicable;

(j) trade, business, technical and professional activity costs that would not be allowable under 48 CFR 31.205-43, if it were applicable;

(k) fines and penalties, including late penalties on taxes, as defined under 48 CFR 31.205-15, if it were applicable except penalties and/or fines (other than with respect to late payment of taxes) assessed on the basis of negligence or strict liability;

(l) losses on other contracts as defined under 48 CFR 31.205-23, if it were applicable;

(m) independent research and development costs except to the extent that such costs are incurred for the benefit of the Toll Facilities or are otherwise approved by RCTC in writing;

(n) excessive contributions or donations under 48 CFR 31.205-8, if it were applicable;

(o) compensation incidental to business acquisitions as defined under 48 CFR 31.205-6(I), if it were applicable;

(p) employee Stock Ownership Plan (ESOP) costs to the extent disallowed under 48 CFR 31-205-6(j)(8), if it were applicable;

(q) unreasonable post-retirement benefits other than pensions as defined under 48 CFR 31.205-6(o), if it were applicable;

(r) employee rebate and purchase discount plans as defined under 48 CFR 31.205-6(n), if it were applicable;

(s) unallowable public relations and advertising costs as defined under 48 CFR 31.205-1(f)(3) and 48 CFR 31.205-1(f)(4)(i), if it were applicable;

(t) unallowable lobbying and political activity costs under 48 CFR 31.205-22(1), (2) and (6), if it were applicable;

(u) costs which are more than the costs for similar goods and services specified in generally available commercial list prices, taking into account reasonable seasonal variations; and

(v) costs which are not justifiable by life cycle analysis, accelerated delivery or accelerated completion of goods or services (as used herein “life cycle analysis” means an analysis indicating that costs relating to the construction, installation, modification, maintenance or provision of services, parts, supplies, equipment or materials to the Toll Facilities or any or all parts or components thereof which are higher than the cost of functionally equivalent construction, installation, modification, maintenance service, part, supply, equipment or material are

justified because such increased cost will result in a lowering of costs to be incurred in the future equal to or greater than the difference between the cost incurred and the cost of its functional equivalent; such analyses being typically performed using a net present value methodology).

CPI Factor means the CPI for the then most recent full calendar year (January – December) rounded to the nearest whole cent.

Critical Design Document means the design documents updated from PDR as described in TP Section 4.4.

Critical Design Review means the review of the Critical Design Document as described in TP Section 4.4.

Critical Failure means any failure of the TCS that would result in material consequences including any loss of transactions, loss of revenue, or degradation of express lane operations.

Critical Path means each critical path on the Project Schedule (including the schedule for the 91 EL Transition Work), which ends on a Completion Deadline (i.e. the term shall apply only following consumption of all available Float in the schedule for such Completion Deadline).

Critical Path Method (CPM) means a method for scheduling the work where all major components of the Work are laid out in a diagram to show the proper sequencing of tasks and the necessary time required for each task, showing which tasks are critical to each other.

CSC Commencement means the stage in the D&D Work when the following requirements have been satisfied by TSP in accordance with this Contract:

(a) completion of all of the D&D Work included within Payment Milestones 1-13;

(b) TSP has completed and passed the Factory Acceptance Test, Installation Test, CSC System Commissioning Test and Interface Test and obtained RCTC's written approval of the test results, and all of the requirements specified in TP Section 5.5 are satisfied;

(c) TSP has furnished the ROC with all Equipment required to achieve CSC Commencement;

(d) CSC Software Source Code and other documentation has been provided to TSP as required by Section 29.12 and TP Section 16.5;

(e) TSP has secured and trained all personnel necessary to perform the CSC Commencement Toll Services;

(f) TSP has completed any other conditions required for CSC Commencement identified as a condition of or in this Contract; and

(g) TSP has completed the CSC Commencement Checklist.

CSC Commencement Checklist means a document prepared by TSP and submitted to RCTC that TSP shall use to verify that all personnel, equipment, systems, and procedures within

the CSC are reasonably suitable for proper execution of the CSC Commencement Period Work in compliance with the requirements of the Contract as described in TP Section 8.2.1.1.

CSC Commencement Period Cost means the Unit Price specified in Price Sheet Form J-3- Line Item 59.

CSC Commencement Date means the day on which TSP achieves CSC Commencement, as certified by RCTC's issuance of a Notice of CSC Commencement.

CSC Commencement Deadline means:

(a) Prior to NTP2, the anticipated date that is sixty days prior to the Revenue Service Commencement Deadline, as set out in the Project Schedule; and

(b) After NTP2, the date for the CSC Commencement Deadline, as set out in RCTC's Notice under Section 8.3.3.

CSC Commencement Period means the time period commencing on the authorized date that TSP begins performing the CSC Commencement Period Toll Services and ending on the Revenue Service Commencement Date.

CSC Commencement Period Toll Services means the Work specified in TP Section 8.2.1.1 that TSP performs to operate the CSC prior to the Revenue Service Commencement Date.

CSC Installation Test means the testing of the CSC described in TP Section 5.5.2.

CSC System Commissioning Test means the testing of the CSC described in TP Section 5.5.3.

CSC Software means the Software that enable computers, servers, and other computing Hardware to perform the Toll Services associated with the CSC which requires such Hardware.

CSC System means the Software, Hardware, third party services, processes, databases, and interfaces used to perform the CSC Work and Toll Services as described in the TPs and Contract.

CTOC Technical Specifications means the most recent documents approved by CTOC governing the exchange of data between CTOC member toll operators and business rules.

Custom Software means the Software described in Exhibit 18 as Software that TSP expects to develop for the Toll Services.

Customer Service Center means the toll collection customer and violation account management system and services.

Customer Website means the website to be used by the public as described in TP Section 8.6.8.

D&D Monthly Progress Report means a single monthly submission and compilation of all monthly reports required by this Contract during the D&D Phase and for review at monthly progress meetings.

D&D Phase means the time period commencing upon NTP1 and ending upon TCS System Acceptance**.**

D&D Quality Manager means the individual responsible for TSP's overall QA/QC program for the D&D Work.

D&D Work means all Work required to design, install, integrate, deploy and test the TCS that TSP is required to perform to achieve TCS Acceptance, including Configuration Work, all physical structures and improvements to be developed by TSP, and all labor, management, supervision, materials, equipment, tools, Software, licenses, utilities, transportation and other facilities and services and efforts necessary for proper completion of the D&D Work, as well as the TSP Insurance and the increased Proposal Bond, Payment Bond and Performance Bond required under this Contract.

Database Management System means the database management system complying with the requirements in TP Section 8.3.1.

Data Mart means a separate copy of all Lane, ETC Host, and CSC Host data to be available to and used by RCTC.

Data Security Plan means the approved plan prepared by TSP describing policies and procedures for the protection of data for the I-15 Express Lanes Project as specified in TP Section 2.8.

DB Civil Toll Infrastructure means the elements of the Toll Infrastructure built by DB Contractor and provided to TSP for installation of the TCS as part of each Package Turnover in accordance with the TCS Infrastructure Design Document.

DB Contract means the agreement between RCTC and the DB Contractor for design and construction of the civil infrastructure for the I-15 Express Lanes Project.

DB Contractor means the design-build contractor for the I-15 Express Lanes Project.

DB Work means the civil infrastructure for the Toll Services to be performed by the DB Contractor under the DB Contract.

DBE Performance Plan means the approved plan prepared by TSP describing methods to be employed for achieving RCTC's DBE Goals for the Toll Services, including TSP's exercise of good faith efforts.

DBE Regulations has the meaning given in Section 15.8.

Delay Liquidated Damages means the amount(s) that TSP is required to pay to RCTC for delay in meeting certain Completion Deadlines in accordance with Section 11.4, or in accordance with Exhibit , as applicable.

Deliverable means all requirements for work products, end products and other items, elements and submissions specified in this Contract and that TSP is required to prepare and submit to Agencies for their review, comment, disapprove and/or approve as specified in this Contract.

Demarcation Matrix means the table setting out the responsibilities of DB Contractor and TSP with respect to the I-15 Express Lanes Project set out in TP Section 19.3.

Department means CALTRANS.

Department-Caused Delays means unavoidable delays from Department failure or inability to:

(a) respond to Deliverables for which an affirmative response by Department is required; or

(b) provide design and construction oversight, materials inspection and material and engineering testing services, in each case, within the time periods indicated in this Contract Department Cooperative Agreement has the meaning given in Recital B.

Department of Motor Vehicles (DMV) means the agency in California that provides vehicle registration information for Image Based Transactions and supports the collection of penalties against toll violators referred to as the Department of Motor Vehicles.

Design and Deployment Phase (or D&D Phase) means the time period commencing on issuance of NTP1 and ending on the Revenue Service Commencement Date.

Developed Intellectual Property has the meaning given in Section 29.7.1.

Deviations means any change, deviation, modification or alteration from the requirements this Contract, applicable Governmental Rule and the Governmental Approvals.

Directive Letter means a written direction signed by Agencies, or the applicable Agency as appropriate, directing a change (including a Change) that complies with the requirements of Section 20.3.

Disadvantaged Business Enterprise or DBE has the meaning given in 49 CFR Part 26.

Disaster Recovery Plan means the approved plan that documents the TSP's facilities and operations, assesses the hazards and vulnerabilities that the TSP's facilities and operations could face, and describes how TSP shall maintain or recover its operations in the event of a business interruption from a disaster as specified in TP Section 17.1.1.

Disaster Recovery and Back-Up Test has the meaning given in TP Section 5.6.2.

Dispute means a disagreement between the Parties as to the merits, amounts, or remedy arising out of an issue in controversy, including a disagreement regarding a Claim.

Document Control Work Plan means the approved plan prepared by TSP outlining document control processes that will be employed throughout the Term as specified in TP Section 2.5.3.2.

Dynamic Pricing means a toll rate structure that fluctuates based on traffic conditions to manage congestion through a supply/demand model.

Effective Date means _____, 2026.

Electronic Toll Collection means the collection of tolls based on the automatic identification of vehicles using electronic systems.

Eligible Change means a Force Majeure Event, Package Turnover Delay, Excusable Delay or O&M Relief Event or all of them as the context requires.

Eligible Surety means a bonding surety licensed in the State, listed on the U.S. Department of the Treasury's "Listing and Approved Sureties" (found at www.fms.treas.gov/c570/c570.html), rated "A" or higher by at least two nationally-recognized rating agencies (Fitch Ratings, Moody's Investor Service and Standard & Poor's) or rated at least A-, X or higher according to A.M. Best's Financial Strength Rating and Financial Size.

Emergency means any situation, event, or circumstance:

(a) Which constitutes or may constitute an immediate or imminent threat to the long term integrity of any part of the TCS or to the safety of users or the traveling public;

(b) Which is recognized by Agencies as an emergency or is recognized or declared by the Governor of the State, the Federal Emergency Management Administration (FEMA), the U.S. Department of Homeland Security or other Governmental Entity with authority to declare an emergency; or

(c) That requires the immediate use of the I-15 Express Lanes Project or the 91 Express Lanes as an emergency evacuation route.

End of Contract Transition Plan means the approved plan prepared by TSP describing the transition of the O&M Work to the Successor without disruption to users as specified in TP Section 18.1.

End of O&M Term Acceptance means the occurrence of all of the events and satisfaction of all of the conditions in Section 13.1.

Environmental Approvals means all Governmental Approvals arising from or required by any Environmental Law in connection with the Toll Services.

Environmental Law means (a) all Governmental Rule applicable to the Toll Services now or relating to, or imposing liability or standards of conduct concerning the environment or to emissions, discharges, releases or threatened releases of Hazardous Materials into the environment including into the air, surface water or ground water or onto land, and (b) any requirements and standards that pertain to the protection of the environment, or to the management of Hazardous Materials or emissions, discharges, releases or threatened releases of Hazardous Materials into the environment, contamination of any type whatsoever, or health and safety matters with respect to Hazardous Materials, specified in any Governmental Approval, or other criteria and guidelines promulgated, in accordance with Governmental Rule applicable to the Toll Services, including those relating to:

(a) The manufacture, processing, distribution, use, re-use, treatment, storage, disposal, transport or handling of Hazardous Materials;

(b) The protection of public health, public welfare or the environment (including protection of nonhuman forms of life, land, surface water, groundwater and air);

(c) Air, soil, surface and subsurface strata, stream sediments, surface water, and groundwater;

(d) Release of Hazardous Materials;

(e) Protection of wildlife, endangered, threatened, and sensitive species, wetlands, water courses and water bodies, parks and recreation lands, cultural, historical, archeological, and paleontological resources and natural resources;

(f) The operation and closure of underground or aboveground storage tanks;

(g) Health and safety of employees and other persons with respect to Hazardous Materials; and

(h) Notification, documentation and record keeping requirements relating to the foregoing.

Without limiting the above, the term "Environmental Laws" shall also include the following:

(a) The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA");

(b) The Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. ("RCRA");

(c) The Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. §§ 11001 et seq.;

(d) The Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.;

(e) The National Environmental Policy Act, 42 U.S.C. §§ 4321 et seq.;

(f) The Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.;

(g) The California Occupational Safety and Health Act of 1973, Lab. Code §§63000 et seq.;

(h) The Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.;

(i) The Endangered Species Act, 16 U.S.C. §§ 1531 et seq.;

(j) The Clean Water Act, 33 U.S.C. §§ 1251 et seq.;

(k) The Clean Air Act, 42 U.S.C. §§ 7401 et seq.;

(l) The Federal Water Pollution Control Act, as amended by the Clean Water Act, 33 U.S.C. §§ 1251 et seq.;

(m) The Oil Pollution Act, 33 U.S.C. §§ 2701, et seq.;

(n) The Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.;

(o) The Federal Safe Drinking Water Act, 42 U.S.C. §§ 300 et seq.;

(p) The Federal Radon and Indoor Air Quality Research Act, 42 U.S.C. §§ 7401 et seq.;

(q) The Fish and Wildlife Coordination Act, 16 U.S.C. §§ 661 et seq.;

(r) The Coastal Zone Management Act, 33 U.S.C. §§ 1451 et seq.;

(s) The Rivers and Harbors Act of 1899, 33 U.S.C. §§ 401 et seq.;

(t) The Migratory Bird Treaty Act, 16 U.S.C. §§ 703 et seq.;

(u) The Marine Mammal Protection Act, 16 U.S.C. §§ 1361 et seq.;

(v) Section 4f of the Department of Transportation Act, 49 U.S.C. § 303;

(w) The National Historic Preservation Act, 16 U.S.C. § 470;

(x) 33 C.F.R. §§ 114 and 125;

(y) The California Environmental Quality Act, §§ 21000 et seq. of the California Public Resources Code;

(z) The California Clean Air Act of 1988, §§ 39000 et seq. of the California Health and Safety Code;

(aa) The California Porter-Cologne Water Quality Act, §§ 13000 et seq. of the California Water Code;

(bb) The California Coastal Act, §§ 30000 et seq. of the California Public Resource Code;

(cc) The Integrated Waste Management Act, §§ 40000 et seq. of the California Public Resources Code;

(dd) The California Safe Drinking Water and Toxic Enforcement Act, §§ 25249.5 et seq. of the California Health and Safety Code;

(ee) The California Hazardous Waste Control Act, Chapter 6.5 of Division 20 of the California Health and Safety Code, §§ 25100 et seq.;

(ff) The California Hazardous Substance Account Act, the California Health and Safety Code, §§ 25330 et seq.;

(gg) Health and Safety Code §§ 25280 et. seq. (Underground Storage of Hazardous Substances);

(hh) The California Hazardous Waste Management Act, the California Health and Safety Code §§ 25170.1 et seq.;

(ii) Health and Safety Code §§ 25501 et. seq. (Hazardous Materials Response Plans and Inventory);

(jj) Fish and Game Code §§ 1600 et seq., §§ 1360 et seq., §§ 2050 et. seq., and §§ 2080 et seq., and

(kk) California Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act, all as amended.

Equipment means all equipment, supplies, materials, tools, and spare parts required for performance of the Toll Services.

Equity Member means (a) each entity with a direct equity interest in the Proposer (whether as a member, partner, joint venture member, or otherwise), and (b) each entity proposed to have a direct equity interest in TSP.

Error means an error, omission, inaccuracy, deficiency or other defect.

Escalation Factor has the meaning given in Section 3.2.4(b).

ETC Site Commissioning Test means the test of all the installed ETC subsystem in accordance with TP Section 5.4.4.

ETC Software means the Software that enables computers, servers, and other computing Hardware to perform the Toll Services associated with the ETC which requires such Hardware.

ETC System has the meaning given in TP Section 7.1.

Event Transaction means any data produced by the TCS or an operator that describes the status of the Hardware, Software and any processes within the TCS. An Event Transaction provides data that can be used to determine the operational status of the system including any errors, outages or faults.

Excusable Delay means each of the following events:

(a) material changes to the TPs necessary to conform the Toll Services to RCTC-approved material changes in the DB Work from the Effective Date; or material changes in the TPs related to the 91 EL Transition Work following issuance of NTP3 and directed, in writing, by Agencies, to the extent such changes impact the Critical Path;

(b) Change in Law that (i) requires a material modification in the design of the D&D Work; or (ii) result in imposition of material additional mitigation requirements for the Toll Services due to impacts on archaeological, paleontological, biological or cultural resources;

(c) court orders which enjoin, restrain or stay performance of the D&D Work or which directly impose or require changes in the D&D Work or the Project Schedule (as it relates to the D&D Work);

(d) subject to TSP complying with all obligations under Sections 4.2, 7.3, 8.6 through 8.8, delay by the DB Contractor in achieving any Package Turnover Deadline by the Package Turnover Date which reduces the minimum timeframe for TSP to complete the applicable Package set out in Section 8.8.8; subject to Section 20.10.3, a Department-Caused Delay; RCTC or OCTA-Caused Delay;

(e) subsurface conditions existing at the Site which differ materially from any conditions specified in the information made available to TSP by RCTC prior to the Effective Date and which could not have reasonably been anticipated by TSP as of the Effective Date in the exercise of Good Industry Practice as a result of the review and due diligence conducted by TSP; a binding decision of a court of competent jurisdiction in relation to Claims relating to the RFID Patent which has a material adverse impact on the performance of the D&D Work relating to interoperability and integration of the TCS with 6C; and

(f) a change in Referenced Standards that TSP is required to implement by Agencies in accordance with Section 1.6.2 that materially modifies or impacts the TPs, Business Rules (except for those items that are Configurable), or the approved Plans.

Existing Department ROW means the real property, currently owned by Department, which RCTC intends to make available for permanent improvements included in the Project which is shown graphically in the ROW Acquisition Maps. The limits of Existing Department ROW permitted for use for the Project will be (a) all real property shown in layer A of the "Approximate Department ROW Limits" in TP Attachment 19-2; and (b) all real property 10 feet within the boundary line shown in layer B of the "Approximate Department ROW Limits" shown in TP Attachment 19-2.

Expiry Date means the earlier of:

(a) the last day of the O&M Term; and

(b) any date upon which this Contract is terminated in accordance with this Contract.

Express Lane means a travel Lane or shoulder that passes through a Segment that shall be equipped with ETC equipment and has all necessary Hardware, and Software to meet all requirements of the ETC System.

Express Lanes Performance Monitoring Plan means the approved plan prepared by TSP detailing the management, monitoring and reporting of Dynamic Pricing and performance of the ELs as described in TP Section 2.15.

Factory Acceptance Test(ing) means the test(ing) performed by TSP to verify that functional elements of the TCS are in conformance with the Technical Provisions.

Federal Requirements means the provisions required to be part of federal-aid construction contracts, including Exhibit 5.

Final Design Document means the design documents updated from the CDR as described in TP Section 4.5.

Final Design Review means the review of the Final TCS Design Document as specified in TP Section 4.5.

Final Payment means final payment by RCTC with respect to either the D&D Work or the O&M Work and final payment by OCTA with respect to the O&M Work in accordance with Section 18.6 or Section 18.10 (as applicable).

Financial Control Plan means the approved plan prepared by TSP documenting the internal controls in place for the tracking, reconciliation, and audit of all Transactions associated with the TCS as specified in TP Section 8.8.3.1.

Financial Transaction means financial data related to the credits, debit, adjustments and reversals made within the TCS and made by any external service provider.

Financing Entities means shall the financial institution(s) and federal agencies (including their respective agents and participants) providing RCTC with construction, term and/or equity financing or refinancing with respect to the I-15 Express Lanes Project or any activity related thereto, including any financial institution(s) (including their agents or participants) providing any credit enhancement and/or liquidity with respect to or financing (including interest rate swap or cap agreements) to pay interest on or to repay bonds, notes or other obligations issued to finance design and construction of the I-15 Express Lanes Project. In the event that financing is provided through means other than a credit-enhanced or equity facility, the term "Financing Entities" shall include the bond trustee (including successors thereto and co-bond trustees), paying agent or other designated representative of the bondholders. TSP is specifically excluded from the term.

Fiscal Year means the RCTC adopted financial calendar, July 1 through June 30, or any other consecutive 12-month period selected by TSP and approved by Agencies.

Float means generally the difference between early completion times and late completion times for activities as shown on the Project Schedule, and shall include any float contained within an activity as well as any period containing an artificial activity (that is, one which is not encompassed within the meaning of “work”).

Force Majeure Event means any of the events listed in clauses (a) through (f) below, subject to the exclusions listed in clauses (i) through (vii) below, which materially and adversely affects TSP’s obligations under this Contract:

(a) any earthquake, tornado or other natural disaster;

(b) any epidemic, blockade, rebellion, terrorism, war, riot, act of sabotage or civil commotion;

(c) any spill of Hazardous Material by a third party which occurs after the date upon which NTP1 was issued and is required to be reported to a Governmental Entity and which renders use of the roadway or construction area unsafe absent assessment, containment and/or remediation;

(d) issuance of a temporary restraining order or other form of injunction by a court that prohibits prosecution of a material portion of the Toll Services, except to the extent in connection with the delay, act, omission, negligence, willful misconduct, recklessness or breach of contract or Governmental Rule by any of TSP-Related Entities;

(e) a traffic incident caused by Agencies or a third party that causes physical damage to the O&M Work or Toll Infrastructure; and

(f) from and after TCS Acceptance, malicious or other acts by third parties that TSP is not required to control or supervise causing physical damage or similar occurrence to the O&M Work or Toll Infrastructure, including intentional acts of sabotage.

"Force Majeure Event" excludes:

(i) any fire or other physical destruction or damage, or delays to the Toll Services which occur by action of the elements, including lightning, explosion, drought, rain, flood, snow, storm, except as specified in clause (a);

(ii) except as provided in clause (e), malicious or other acts intended to cause loss or damage or other similar occurrence, including vandalism or theft;

(iii) any strike, labor dispute, work slowdown, work stoppage, secondary boycott, walkout or other similar occurrence; the suspension, termination, interruption, denial, failure to obtain, non-renewal or change in any requirements of any Governmental Approval, except for any such matter falling within the scope of clause (d);

(iv) any increased costs or delays related to failure to obtain any approval, work or other action from a Utility owner;

(v) the presence at, near or on a Site, as of the date upon which NTP1 is issued, of any Hazardous Material, including substances disclosed in documents made available or provided to TSP by RCTC prior to the date upon which NTP1 is issued, as well as any substances contained in any structure required to be demolished in whole or in part or relocated as part of the work;

(vi) any TSP Release of Hazardous Materials; and

(vii) any matters not caused by Agencies or beyond the control of Agencies and not listed in clauses (a) through (f).

Freeway Service Patrol means a joint program provided by the California Highway Patrol and RCTC. The FSP program is a free service of tow trucks that patrol designated routes on congested urban California freeways.

Further Repair Period has the meaning given in TP Section 13.5.

General Purpose Lane means all mixed-flow travel Lanes and auxiliary Lanes on State Route 91 or Interstate 15 (as applicable), excluding the Express Lanes.

Generally Accepted Accounting Principles means such accepted accounting practice as, in the opinion of the accountant, conforms at the time to a body of generally accepted accounting principles.

Good Industry Practice means the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from time to time from a skilled and experienced professional systems integrator, engineer, constructor, installer, toll collection and violations enforcement operator or maintenance provider seeking in good faith to comply with its contractual obligations, complying with all applicable Governmental Rules and Governmental Approvals, using accepted systems design, integration, configuration, installation, deployment, testing, commissioning, construction and maintenance standards, and toll collection and violations enforcement standards, processes, procedures and criteria normally used on similar projects in the United States, and engaged in the same type of undertaking in the United States under similar circumstances.

Governmental Rule means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Entity, which is applicable to the Toll Services or the Site, including Environmental Laws.

Governmental Approval means any permit, license, consent, authorization, waiver, variance or other approval, guidance, mitigation agreement, or memoranda of agreement/understanding, and any amendment or modification of any of them provided by Governmental Entities including State, local, or federal regulatory agencies, agents, or employees, which authorize the Toll Services, but excluding any such approvals given by or required from any Governmental Entity in its capacity as a Utility owner.

Governmental Entity means any federal, State or local government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity other than Agencies.

Graphical User Interface means a software screen and menu representation that allows users to input, retrieve, add, and change data.

Gross Revenues means all revenues from whatever source received or collected, or caused to be collected, by TSP as agent for each Agency under this Contract, including all revenues and receipts from users of I-15 Express Lanes Project and 91 Express Lanes (e.g. collections from AVI users, deposits for transponders, daily toll collections, collections of fees, and of fines and penalties from violators). Gross Revenues include unearned revenues received as prepaid amounts for customer accounts.

Guarantor means Kapsch TrafficCom AG**,** or any other party who provides a guaranty with respect to TSP's obligations under this Contract.

Hardware means the physical, tangible and permanent components of the TCS.

Hazardous Materials means (i) any chemical, material or substance at any time defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "bio-hazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment (including harmful properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP" toxicity" or "EP toxicity" or words of similar

import under any applicable Environmental Laws); (ii) any oil, petroleum, petroleum fraction or petroleum derived substance; (iii) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (iv) any flammable substances or explosives; (v) any radioactive materials; (vi) any asbestos-containing materials; (vii) urea formaldehyde foam insulation; (viii) electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls; (ix) pesticides; and (x) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Entity or which may or could pose a hazard to the health and safety of the owners, operators, users or any Persons in the vicinity of the Toll Services or to the indoor or outdoor environment.

Hazardous Materials Management means sampling, stock-piling, storage, backfilling in place, asphalt batching, recycling, assessment, containment, treatment, clean-up, remediation, transportation and/or off-site disposal of Hazardous Materials, whichever is the most cost-effective approach authorized under applicable Governmental Rule.

Hazardous Materials Management Plan means TSP's approved Plan for Hazardous Materials Management if Hazardous Materials or recognized Potential Environmental Conditions are encountered.

HM-1 means Hazardous Material that may require removal and disposal in accordance with Governmental Rules, whether disturbed by the Toll Services or not.

HM-2 means Hazardous Material that may require removal and disposal in accordance with Governmental Rules only if disturbed by the Toll Services.

Holiday means the holidays listed in the table in TP Section 8.2.2.2.

Host means the portion of the TCS that receives and processes data to form transactions, assign toll rates, determine pricing, build Trip Transactions, and report on TCS data. The Host includes the TCS and user interfaces with Agencies' systems and system and user interfaces with third party systems. The Host also includes all functions to support the CSC including user interfaces for customer service representatives, QA/QC, reporting, account management, and other functions. There are Hosts for both ETC and CSC.

I-15 Corridor means Interstate-15, generally between the I-15 / Cajalco Road interchange and the I-15 / State Route 60 interchange through the cities of Corona, Norco, Eastvale, Jurupa Valley, and portions of unincorporated Riverside County.

I-15 Express Lanes Project means the design, construction, operation and maintenance of civil infrastructure and a toll collection system, customer service system and traffic management system for one to two tolled express lanes in each direction within the I-15 Corridor.

Image Based Transaction means any Lane Transaction with which the Lane Controller does not associate a valid transponder. The Lane Transactions will go through Trip Building and the resulting Image Based Transaction will post to an account in accordance with the Business Rules.

Incident Management Plan means the plan in TP Section 2.14.
Indemnified Claim has the meaning given in Section 26.1.1.

Indemnified Parties means RCTC, the members of RCTC's Commission, OCTA, the members of OCTA, the PCM, Department, City of Corona, City of Norco, City of Eastvale, City of Jurupa Valley, County of Riverside and their respective officers, directors, board members, employees, consultants, representatives and agents, or each of them as the context requires.

Individual Test Plans means the approved description of the scope, approach, resources, and schedule of intended testing activities, including test items, the features to be tested, the testing procedures and set of execution conditions, predicted results, and any risks requiring contingency planning for each of the major tests, including the ETC FAT, OFIT, ETC Site Commissioning Test, CSC FAT, CSC Installation Test, CSC System Commissioning Test, TCS Disaster Recovery and Back-up Test, TCS Operations Test, TCS Acceptance Test and Annual Renewal Test.

Installation Drawings means the TCS installation drawings to be provided to the DB Contractor for submission to RCTC and to the Department in accordance with TP Section 4.6.2

Installation Plan means the approved plans prepared by TSP detailing the sequence and schedule for installation of the roadside portions of the ETC and TCS as described in TP Section 4.6.1.

Intellectual Property means all current and future legal and/or equitable rights and interests in know-how, patents (including applications), copyrights (including moral rights), trademarks (registered and unregistered), service marks, trade secrets, designs (registered and unregistered), utility models, circuit layouts, plant varieties, business and domain names, inventions, solutions embodied in technology, and other intellectual activity, and applications of or for any of the foregoing, subsisting in or relating to the Site, the Toll Services or the Toll Services design data. Intellectual Property includes Software and Software Source Code used in connection with the Toll Services. Intellectual Property is distinguished from physical embodiment of, and documentation disclosing, Intellectual Property.

Interface Control Document means a document that defines the file formats and related business rules for exchanging or processing data between two or more interfacing systems as described in TP Section 6.1.

Interface Testing means testing performed by TSP to verify establishment of communications as well as operational processing with each of the required interfaces, both internal and external.

Internet Protocol a communications protocol for computers connected to a network, especially the internet, specifying the format for addresses and units of transmitted data.

Investigative Review means a review initiated at a Violators request and conducted by TSP of CSC and ETC System records and the materials provided by the Violator. The review shall be conducted in accordance with CA Vehicle Code 40255 and result in a determination of whether TSP is satisfied that the Violation did not occur or that the alleged Violator was not responsible for the Violation.

Key Performance Indicators or KPIs means requirements of the Technical Provisions with respect to which TSP's performance is measured and reported on a regular basis and which subject TSP to the imposition of Performance Liquidated Damage or Performance Stipulated

Damages for failures to meet the specified minimum standards for performance, as set forth in the KPI Table.

Key Personnel means those TSP personnel positions specified in Exhibit 2, as amended from time to time in accordance with Section 15.6.

Key Personnel Liquidated Damages means the amount(s) that TSP is required to pay to Agencies in accordance with Section 15.7.

KPI Reporting and Management Plan means the approved plan prepared by TSP detailing the management of KPIs as described in TP Section 2.16.

KPI Table means the table set forth in TP Section 19-4, Table 19-2, "Key Performance Indicators".

Lane means any traffic lane including main lanes, ramps, direct connectors, frontage roads and cross roads.

Lane Closure means a Permitted Lane Closure or an Unpermitted Lane Closure, or both, as the context requires.

Lane Closure Charges means the liquidated damages and/or Stipulated Damages described in Section 11.1 as owing from TSP to an Agency for Lane Closures.

Lane Closure Charts means TP Attachment 19.5.

Lane Controller means the component of the TCS that manages and automates the real-time control of Read Point equipment and receives data from related equipment, systems and subsystems.

Lane Mode means the lane modes described in TP Section 7.6.

Lane Transaction means a uniquely identified record of activity, including transponder reads, license plate images, and other event data created as a result of a vehicle traveling through a Read Point.

Lien means any pledge, lien, security interest, mortgage, deed of trust or other charge or encumbrance of any kind, or any other type of preferential arrangement (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a security instrument and the filing of or agreement to file any financing statement under the Uniform Commercial Code of any jurisdiction).

Line Items means the itemized line item Costs listed in the individual Price Sheets in

Exhibit 3.

Liquidated Damages means Delay Liquidated Damages, Performance Liquidated Damages, Performance Stipulated Damages, Key Personnel Liquidated Damages, Lane Closure Charges and any other liquidated damages payable under this Contract, or each of them as the context requires.

Losses includes any loss, damage (including personal injury, property damage and natural resource damages), injury, expense, compensation, debt, obligation, charge, liability, cost, expense (including attorneys' fees, expert witness fees and expenses, deductibles or increased premiums (including those incurred in connection with the enforcement of any provision of this Contract)), fee, charge, demand, investigation, proceeding, action, suit, claim, judgment, penalty, fine or Third Party Claims, actual, prospective or contingent and whether or not currently ascertainable .

Lump Sum means a single price for the Work specified in a Line Item of the Price Sheets and the related Technical Provisions for such Work.

Mail Date means the date that a notice or correspondence is delivered to the United States Postal Service (USPS) for sending.

Maintenance Online Management System (MOMS) means an automated, fully integrated system that monitors the status of operational equipment in real-time, records equipment and process failures, notifies maintenance personnel, generates and tracks work orders, maintains preventative maintenance schedules, generates repair history, provides alerts for hot listed vehicles, maintains parts inventory and asset management, and allows communication between TSPs and Agencies.

Maintenance Payment Bond has the meaning given in Section 16.1.5(b).

Maintenance Performance Bond has the meaning given in Section 16.1.5(a).

Maintenance Plan means the written maintenance plan that details how maintenance activities will be performed including a plan for preventive maintenance and a preventive maintenance schedule and is developed by TSP and approved by Agencies as provided in TP Section 16.1.

Maintenance Work means all Work (including preventive maintenance, routine maintenance and making all adjustments, repairs, overhauls, rehabilitations and replacements) required to maintain and keep the TCS operational to collect revenue and in good working order for the duration of the O&M Term and to ensure the TCS meets the KPIs, including all labor, management, supervision, Equipment, tools, Software, licenses, utilities, transportation and other facilities (including the TCS) and services and efforts necessary for such Work, as well as the TSP Insurance and the Payment Bond and Performance Bond obligations required under this Contract, including all repairs to the pavement necessitated by TSP's sensor maintenance and repair activities, and maintenance of the ROC.

Major Subcontract each contract entered into between TSP and a Major Subcontractor.

Major Subcontractor means:

(a) The lead toll lane system provider;

(b) The lead toll lane system installer;

(c) The lead CSC provider;

(d) The lead CSC operator;

(e) The Dynamic Pricing system provider; and

(f) Each other Subcontractor that will perform work valued at 10% or more of the Toll Services.

Margin means any amount on account of off-site and on-site overheads and administrative, general administrative, corporate and other like costs and profit.

Master Test Plan means the approved plan prepared by TSP establishing the systemwide framework for testing activities by integrating functional, system, and performance of TCS components, subsystems, interfaces, and the overall TCS, as specified in TP Section 5.2.

Minor Revisions means changes that are primarily aesthetic in nature, do not involve material changes in system or database architecture, and are not based on Technical Provisions for the Configuration Work or statutory and non-discretionary standards relating to public health, safety and welfare. Minor Revisions include changes or additions to Configurable Business Rules, Configurable Parameters, configurable logic, display items that can be derived from already captured data, and screen and report layouts, data inclusions, title, colors, graphics and fonts.

Monthly Progress Schedule means the monthly schedules specified in TP Section 2.6.4.3.

National Change of Address Service means the United States Postal Service product provided to service providers and mailers to provide update and accurate addresses for individuals, and businesses.

National Electric Safety Code means the model code covering the installation of electrical conductors, equipment, and raceways; signaling and communications conductors, equipment, and raceways; and optical fiber cables and raceways published by the IEEE Standards Association.

National Electrical Manufacturers Association (NEMA) means the association that defines standards for various grades of electrical enclosures typically used in industrial applications. Each is rated to protect against designated environmental conditions. A typical NEMA enclosure might be rated to provide protection against environmental hazards such as water, dust, oil, coolants, or atmospheres containing corrosive agents. A full list of NEMA enclosure types is available at http://www.nema.org.

Noncompliance O&M Event means (a) any Priority O&M Event which is not Responded to within the applicable Response Time or Repaired within the applicable Repair Time or (b) any failure to meet any KPI for which there is no Response Time or Repair Time in the KPI Table.

Nonconformance means:

(a) any aspect of the Toll Services which does not comply with this Contract; or

(b) any fault, or omission in the TCS that is not consistent, or is incompatible with, its age, function, performance and use when properly maintained in accordance with Good Industry Practice and this Contract.

Non-Disclosure and Confidentiality Agreement means a non-disclosure agreement in the form of Exhibit 23.

Notice or (Notify) has the meaning given in Section 31.11.1.

Notice of CSC Commencement means a Notice from RCTC to TSP establishing the CSC Commencement Date in accordance with Section 8.11.3(i) and the date on which TSP will begin CSC Commencement Period Toll Services in accordance with TP Section 8.2.1.1.

Notice of Delinquent Toll Evasion Violation (NDTEV) has the meaning specified in TP Section 8.7.4.2.

Notice of Revenue Service Commencement means a Notice from RCTC to TSP establishing the Revenue Service Commencement Date and the date on which tolling will commence in accordance with Section 8.13.2(c)(i).

Notice of Toll Evasion Violation (NTEV) has the meaning specified in TP Section 8.7.4.2.

Notice to Proceed or NTP means Notice to Proceed 1 (NTP1),Notice to Proceed 2 (NTP2), or Notice to Proceed (NTP3) as the context requires.

Notice to Proceed 1 or NTP1 means the Notice issued by RCTC to TSP authorizing TSP to proceed with Work in accordance with Section 6.2.

Notice to Proceed 2 or NTP2 means the Notice issued by RCTC to TSP authorizing TSP to proceed with Work in accordance with Section 6.4.

Notice to Proceed 3 or NTP3 means the Notice issued by Agencies to TSP authorizing TSP to proceed with Work in accordance with Exhibit 25.

NTP1 Work means the preparation, delivery and approval in accordance with the Submittal Process and prior to NTP2 of the (i) Preliminary Baseline Schedule, (ii) Project Management Plan, (iii) Quality Management Plan (D&D Work and O&M Work), (iv) Document Control System, (v) Document Control Work Plan, (vi) Baseline Schedule, (vii) Monthly Progress Schedule, (viii) Four Week Look-Ahead Schedule, (ix) Health and Safety Plan, (x) DBE Program Performance Plan, and (xi) TCS Infrastructure Design Document as described in TP Section 4.2.

NTP1 Work Completion Deadline means the date on which RCTC is prepared to issue NTP2, or on which RCTC otherwise would be prepared to issue NTP2 but is unable to do so due to an act or omission of a TSP-Related Entity or any TSP Fault.

NTP2 Work means the D&D Work excluding the NTP1 Work.

NTP3 Work means the 91 EL Transition Work to be completed in accordance with Exhibit 25.

O&M Monthly Progress Report means a single monthly submission and compilation of all monthly reports required by the TPs and Contract during the O&M Phase for use in review of KPIs and at monthly meetings.

O&M Priority 1 has the meaning given in TP Section 16.16.

O&M Priority 2 has the meaning given in TP Section 16.16.

O&M Priority 3 has the meaning given in TP Section 16.16.

O&M Quality Manager means the individual responsible for TSP's overall QA/QC program for O&M Work.

O&M Relief Events means any of the following events:

(a) Agencies Directive Letter issued that relates to a Change or Agencies -Initiated Change Order;

(b) Emergencies during the O&M Term;

(c) Changes in Law impacting the O&M Work that materially modify or materially impact the TPs, Business Rules, or the approved Plans;

(d) a binding decision of a court of competent jurisdiction in relation to Claims relating to the RFID Patent which has a material adverse impact on the performance of the O&M Work relating to interoperability and integration of the TCS with 6C;

(e) commercially unreasonable lease terms for the ROC having a material adverse impact on the performance of the O&M Work, which a party experienced and competent in the provision of services similar to the O&M Work would not have reasonably foreseen or anticipated prior to the Effective Date;

(f) a change in Referenced Standards that TSP is required to implement by Agencies in accordance with Section 1.6.2 and which materially modify or materially impact the TPs, Business Rules (except for those items that are Configurable), or the approved Plans; and

(g) court orders which enjoin, restrain or stay performance of the O&M Work or which directly impose or require changes in the O&M Work.

O&M Term means the term of the Contract, commencing on the Effective Date, and continuing in effect through April 31, 2041. Notwithstanding the foregoing, the O&M Work for the 91 Express Lanes shall not commence until the 91 EL Go Live Date.

O&M Work means the Maintenance Work and the Toll Operations, or either of them, as the context requires.

Occupancy Detection Review means manual review of images and data produced by the ODS.

Occupancy Detection System means the TCS subsystem that automatically detects the occupancy in a vehicle for use of verifying transponder switch settings in accordance with TP Section 7.2.7.

Office Safety Plan means the approved plan prepared by TSP describing policies, plans, training programs, emergency response plans and enforcement of safety throughout the O&M Term in accordance with TP Section 2.7.3.1.

Onsite First Installation Test (OFIT) means verification of proper system operation and functional elements in compliance with the requirements of the Contract with test vehicles while operating the first installed site equipment with the Host. Test objectives are similar to the Factory Acceptances Tests.

Open-Book Basis means providing Agencies all underlying assumptions, price quotes and data associated with pricing or compensation (whether of TSP or Agencies) or adjustments, including assumptions as to costs of the Toll Services, schedule, composition of Equipment spreads, Equipment rates, labor rates, productivity, estimating factors, design and productivity allowance, contingency and indirect costs, risk pricing, discount rates, interest rates, payroll, procurement and purchasing records and subcontractor invoices and other items reasonably required by Agencies to satisfy themselves as to the reasonableness and accuracy of the amount.

Operations Plan means the approved plan prepared by TSP documenting the approach to all aspects of the operation of the TCS as specified in TP Section 2.10.

Operations Tests means performance tests that TSP is required to successfully conduct before the Revenue Service Commencement Date in accordance with TP Section 5.6.3.

Optical Character Recognition means a software process that automatically recognizes license plate characters without requiring human intervention and which, in this application, extracts and provides the license plate numbers and jurisdiction from the image of the license plate.

OCTA means the Orange County Transportation Authority, a public entity of the State.

Other Agency Contractor means a contractor under contract to RCTC to design, build, operate and/or maintain any part of I-15 Express Lanes Project or adjacent roadway, including the DB Contractor which for the avoidance of doubt excludes BNSF, or a contractor under contract to RCTC or OCTA for work related to the 91 Express Lanes.

Other Agency Contractor Work has the meaning given in Section 4.2.1.

Package means each of Package 1, Package 2, Package 3, Package 4 or all of them as the context requires.

Package 1 means one Turnover Area determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 1 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 1.

Package 1 Turnover Date means the date on which Package 1 Turnover is achieved.

Package 1 Turnover Deadline means the anticipated date180 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under Section 8.9.

Package 2 means three Turnover Areas determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 2 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 2.

Package 2 Turnover Date means the date on which Package 2 Turnover is achieved.

Package 2 Turnover Deadline means the anticipated date 120 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under Section 8.9.

Package 3 means two Turnover Areas determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 3 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 3.

Package 3 Turnover Date means the date on which Package 3 Turnover is achieved.

Package 3 Turnover Deadline means the anticipated date 90 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under Section 8.9.

Package 4 means two Turnover Areas determined by the DB Contractor in accordance with Sections 8.8.3 and 8.8.4.

Package 4 Turnover means the stage in the DB Work under the DB Contract where Package Turnover has been achieved for Package 4.

Package 4 Turnover Date means the date on which Package 4 Turnover is achieved.

Package 4 Turnover Deadline means the anticipated date 60 days prior to the Substantial Completion Deadline and confirmed by Notice from the DB Contractor under

Package Turnover means, for each Package, the stage in the DB Work where DB Contractor has completed design and construction of the following elements:

(i) infrastructure for the Read Point, including gantry, pads, conduit, power and communication to support AVI, LPR, beacons, and all ETC components;

(ii) 3000-foot long paved and striped ELs section including the shoulders, 2 ELs, and 2-foot wide buffer to perform drive tests for each of the relevant Turnover Area(s) with the toll gantry approximately centered within the 3000-foot long section;

(iii) infrastructure for CCTV, CMS and Traffic Monitoring Station, including poles, pads, conduit, power and communication;

(iv) infrastructure for VTMS, including poles, pads, conduit, power and communication and the installation of signs;

(v) communications (temporary or otherwise) from the relevant Turnover Area(s) to the ROC;

(vi) commercial power to all of the infrastructure within the relevant Turnover Area(s) and other TCS equipment locations applicable to the Turnover Areas;

(vii) in the case of Package 4 Turnover only, a fully tested Fiber Optic Backbone Communication Network from the I-15 Corridor to the ROC junction box, ELs paved and striped end to end (including the shoulders, 2 ELs, and 2-foot wide buffer), bridge structures and any remaining DB Civil Toll Infrastructure elements on the I-15 Corridor; and

(viii) all other requirements set out in the DB Contract for each Package.

Package Turnover Checklist means a checklist completed by RCTC and TSP in their inspection of a Package Turnover Area to determine whether Package Turnover is achieved.

Package Turnover Date means each of the Package 1 Turnover Date, the Package 2 Turnover Date, the Package 3 Turnover Date and the Package 4 Turnover Date, or all of them as the context requires.

Package Turnover Deadline means each of the Package 1 Turnover Deadline, the Package 2 Turnover Deadline, the Package 3 Turnover Deadline and the Package 4 Turnover Deadline, or all of them as the context requires.

Package Turnover Delay means, subject to TSP complying with all obligations under Sections 4.2, 7.3, 8.8 and 8, delay by the DB Contractor in achieving any Package Turnover Deadline by the Package Turnover Date which would cause the period allotted for TSP's performance of its work specified in Section 8.8.8 to extend past the Revenue Service Commencement Deadline.

Party means TSP, RCTC or OCTA, as the context may require, and **Parties** means TSP, RCTC and OCTA, collectively.

Pass-Through Cost Items means those items and categories of items specified in Exhibit 7.

Payment Bond has the meaning given in Section 16.1.4.

Payment Milestone means each set of completed D&D Work for which TSP may submit an invoice to RCTC, as specified in Exhibit 19.

PCI Data Security Standard (PCI DSS) means the guideline to help organizations that process card payments prevent credit card fraud, hacking, and various other security vulnerabilities and threats. A company processing, storing, or transmitting payment card data must be PCI DSS compliant and will be audited to ensure compliance. Failure to meet PCI Data Security Standards can lead to loss of ability to process credit card payments and fines. PCI DSS can be found at: https://www.pcisecuritystandards.org

Performance Bond has the meaning given in Section 16.1.3.

Performance Liquidated Damages means the amount specified in the KPI Table with respect to each applicable Priority O&M Event or Noncompliance O&M Event.

Performance Stipulated Damages means an amount to be calculated by Agencies in accordance with Section 11.6 with respect to State Route 91 or the Interstate 15 (as applicable).

Permanent Repair means Repair where a Temporary Repair has been permitted and carried in accordance with TP Section 16.16.

Permitted Lane Closure means (1) a full or partial closure of any portion of a General Purpose Lane or Express Lane by TSP in connection with Toll Services, or (2) ingress to or egress from a General Purpose Lane or Express Lane is completely or partially blocked by TSP in connection with the Toll Services, and which is approved in advance by the applicable Agency in accordance with TP Section 4.7.2 and occurs wholly within the time period set out in TP Attachment 19.5.

Persistent Breach means (i) if a Tolling Zone fails to meet or exceed any one or more of the KPIs defined in TP Table 19-2 with respect to any Mission Critical TCS each day for more than 5 consecutive days, with compliance measured on a daily basis, or each day for more than 10 (consecutive or non-consecutive) days in any calendar quarter (3 month period), with compliance measured on a daily basis, or (ii) if a Tolling Zone fails to meet or exceed any one or more of the KPIs with respect to any other matter, function or system that is not a Mission Critical TCS each day for more than 10 consecutive days, with compliance measured on a daily basis, or each day for more than 15 (consecutive or nonconsecutive) days in any calendar quarter (3 month period), with compliance measured on a daily basis.

Person means any individual, corporation, joint venture, limited liability company, company, voluntary association, partnership, trust, unincorporated organization or Governmental Entity.

Personally Identifiable Information (PII) means information that identifies an individual who is a patron of the I-15 ELs and/or the 91 ELs and that must be protected from disclosure under California Streets and Highways Code Section 31490 and other applicable laws, including any information collected or received from or about any person who is assessed a toll, including things such as names, addresses, Social Security numbers, e-mail addresses, telephone numbers or other contact information, payment information, financial profiles, credit card information, driver's license numbers, license plate numbers, law enforcement records, trip data and any other information that relates to any of these types of information.

Planned ROW Limits means (a) Existing Department ROW, (b) permanent easements within BNSF property that RCTC intends to acquire and make available for the Project shown in Layer C of the "Approximate Department ROW Limits" in TP Attachment 19-2, and (c) any other real property that RCTC acquires in connection with an RCTC-Initiated Change.

Plans or plans means all Agency-approved plans required to be developed by TSP in accordance with the TPs as prepared and updated in accordance with this Contract.

Pre-Existing Software means all "Pre Existing" Software listed in Exhibit 18, including COTS and TSP's own Software that it owns or has developed as of the date of this Contract and that it intends to use in connection with the Toll Services.

Pre-Existing Works License has the meaning given in Section 29.8.1.

Preliminary Baseline Schedule means the draft project schedule submitted by TSP with the Proposal and included in Exhibit 8.

Preliminary Design Document means the initial design document prepared by TSP describing all the functions, applications, systems, and methods proposed for the I-15 Express Lanes Project as described in TP Section 4.3.

Preliminary Design Review means the review of the preliminary design documents as specified in TP Section 4.3.

Price Proposal means TSP completed Price Sheets submitted with its Proposal and all other components noted as being part of the Price Proposal in the ITP.

Price Sheet means the completed pages of Form J detailing the compensation to be paid to TSP for completing the Toll Services in accordance with Section 18 as included in Exhibit 3.

Priority O&M Event means each of O&M Priority 1, O&M Priority 2 and O&M Priority 3, or all of them as the context requires.

Priority Level means a status established in order of impact to the operation and customer importance or urgency.

Project and Construction Manager means Parsons Transportation Group or such other Person as may be designated by an Agency at any time as its Project and Construction Manager.

Project Intellectual Property means all Pre-Existing Software, Third Party Intellectual Property and Developed Intellectual Property incorporated into the Toll Services.

Project Management Plan means the approved plan prepared by TSP defining the project management effort as specified in TP Section 2.1.1.

Project Schedule means a schedule of activities assigned a duration and sequenced in logical order for undertaking the D&D Work, consistent with the requirements in TP Section 2.6 as prepared and updated in accordance with this Contract.

Proposal means the proposal submitted on the Proposal Date by TSP to RCTC in response to the RFP for the Original Contract.

Proposal Bond means the bond provided as part of TSP's Proposal and increased in accordance with Section 16.1.1.

Proposal Date means the date of the Proposal submitted pursuant to the RFP for the Original Contract, which was October 18, 2016.

Public Records Act has the meaning given in Section 29.6.1.

Punch List means the list of Work remaining to be completed with respect to the ROC, CSC Commencement, Package Turnover or Revenue Service Commencement (as applicable), or the the 91 EL Transition, which shall be limited to items of the applicable Work or RCTC ROC

Responsibilities that are necessary to remedy minor Nonconformances, but which have no material or adverse effect on the use, safety or operability of the Toll Services.

Quality Control means the total of all activities performed by TSP to assess design, deployment, installation, operations and maintenance processes so as to control the level of quality being provided in the end product. Components may include design reviews and checks, establishing procedures, calibrations and maintenance of equipment, shop drawing review, document control, process control, and any sampling, testing, and inspection done for these purposes.

Quality Management Plan means the approved plan, developed by TSP, which identifies TSP's overall framework for implementation of its Quality Assurance/Quality Control program across all aspects of the Work and quality program for the Toll Services, as specified in TP Section 2.4.1.

Radio Frequency Identification means the technology used at the lane level to communicate between a transponder and a roadside reader to identify the transponder's unique identification number and other information from the transponder.

Ramp Up means the six month time period commencing on Revenue Service Commencement.

RCTC means the Riverside County Transportation Commission, a public entity of the State.

Agency-Caused Delays means each of the following events:

(A) Agencies Directive Letter that relates to a Change or Agencies -Initiated Change;

(B) Suspension of D&D Work for convenience ordered under Section 21.1 to the extent such suspension is not attributable to a suspension for cause pursuant to Section 21.2, excluding any suspension which is less than 48 hours or the first 96 hours of any combination of suspensions;

(C) RCTC requires additional testing of the D&D Work beyond that which is required by this Contract and no Nonconformance is detected as a result of such tests;

(D) Failure or inability of Agencies to provide responses to Deliverables and matters for which response is required, within the time periods (if any) indicated in this Contract, or other failure of Agencies to act within a reasonable time period with respect to actions which it is required to take under this Contract, including failure to provide TSP with access to the Site in accordance with the Project Schedule, following delivery of Notice from TSP reasonably requesting such action in accordance with this Contract; and

(E) Uncovering, removing and restoring Work, if such Work exposed or examined is in conformance with this Contract, the Governmental Approvals and applicable Governmental Rule, unless such conforming

Work was performed or materials used without adequate notice to and opportunity for prior inspection by Agencies.

Any suspension of Toll Services arising from litigation shall not be considered an Agency-Caused Delay (although it may qualify as a Force Majeure Event under clause (d) of the definition of "**Force Majeure Event**") despite the fact that Agencies may specifically direct TSP to suspend the Work

Agencies Comments has the meaning given in Section 30.1.3.

Agency-Initiated Changes means any Change in the Toll Services which Agencies have directed TSP to perform or evaluate as described in Section 20.4.

Agency Parties means officers, directors, board members, employees, consultants, representatives and agents of Agency, or each of them as the context requires.

Agencies-Provided Approvals means the following Government Approvals;

(A) For RCTC, Biological Opinion (Federal Endangered Species Act, Section 7) from United States Department of the Interior Fish and Wildlife Services, dated April 20,2016;

(B) For RCTC, Multiple Species Habitat Conservation Plan Consistency Determination (Federal Endangered Species Act, Section 10) from Western Riverside County Regional Conservation Authority, dated April 14, 2016;

(C) For RCTC, Interstate 15 Express Lanes Project Final Initial Study with Mitigated Negative Declaration/Environmental Assessment with Finding of No Significant Impact, dated May 4, 2016; and

(D) For RCTC, RCTC NEPA/CEQA Re-Validation.

(E) Any other approvals to be provided by either Agency, as identified in Exhibit 25.

Agency Representative means the Person designated as the applicable Agency's Representative(s) in Exhibit 2 as amended in accordance with this Contract.

RCTC ROC Responsibilities means RCTC's responsibilities specified in TP Section 10.2.1.

Read Point means a location where the TCS detects vehicles, reads transponders, and captures images in order to create Lane Transactions.

Ready for Construction Plans means the last set of Design Builder's 100% final design documents to be submitted to RCTC and Department for approval prior to commencing construction of the I-15 Express Lanes Project elements shown in such plans.

Reasonable Investigation means the following activities by appropriate, qualified professionals prior to the date on which TSP submitted its Proposal:

(a) visit and visual, non-intrusive inspection of the Site and adjacent locations, except areas to which access rights were not made available by the date on which TSP submitted its Proposal;

(b) review and analysis of all Reference Documents;

(c) review and analysis of RCTC-Provided Approvals available prior to the date on which TSP submitted its Proposal;

(d) reasonable inquiry with Utility owners;

(e) review and analysis of Governmental Rules applicable to the Toll Services, as of the Proposal Date; and

(f) other activities sufficient to familiarize TSP with surface and subsurface conditions affecting the Site or surrounding locations; except that none of the foregoing activities includes conducting field studies, geotechnical investigations, or original research of private records not contained or referenced in the Reference Documents or Technical Provisions.

Recommendation has the meaning given in Section 27.3.3.

Recovery Plan means the approved schedule TSP is required to provide under Section 8.5.

Recovery Priority means the level of priority for restoring TCS functions after a catastrophic event. Priority may be modified by the numbers 1, 2 and 3 to represent levels as defined in TP Section 17.2.

Reference Documents means the documents and information included in Volume IV of the RFP, which are located at https://projects.parsons.com/sites/I15/Bidders.

Referenced Standard means any standard applicable to the Toll Services established by reference contained in this Contract to a described publication.

Registered Professional Engineer means a person who is duly licensed and registered by the California Board of Professional Engineers to engage in the practice of engineering in the State.

Regulations has the meaning given in Section 27.6.3

Release of Hazardous Materials means any actual or threatened spill, leak, emission, release, discharge, injection, escape, leaching, dumping or disposal of Hazardous Materials into the soil, air, water, groundwater or environment, including any exacerbation of an existing release or condition of Hazardous Materials contamination.

Relevant Event has the meaning given in Section 19.1.1.

Relevant Event Notice has the meaning given in Section 19.4.1.

Repair means following the occurrence of a Priority O&M Event, remedying the Priority O&M Event in a way that TSP is in full compliance with this Contract.

Repair Time with respect to each Priority O&M Event, the relevant period within which TSP shall Repair a Priority O&M Event as specified in the KPI Table.

Representative means the individuals authorized to make decisions and bind the parties on matters relating to this Contract in accordance with Exhibit 2.

Request for Proposals or **RFP** means the Request for Proposals issued by RCTC on June 10, 2016 with respect to the Toll Services for the Original Contract, including all attachments thereto and any subsequent addenda.

Requirements Trace Matrix means the document developed by TSP that shows how each requirement in the Technical Provisions is being met by the design and how and when each requirement will be tested and/or demonstrated to RCTC as described in TP Section 4.1.

Respond means, following the occurrence of a Priority O&M Event:

(a) restoring the TCS to the condition required by this Contract;

(b) where applicable, restoring the surrounding area to a state or condition such that in the reasonable opinion of the Agency Representative, the area is free of conditions which might otherwise create a safety hazard for drivers, pedestrians or other Customers; and

(c) sufficiently reducing the risk during the Response Time and Repair Time that further damage, nonperformance, safety hazards or adverse consequences caused by the Priority O&M Event might occur.

Response Time means, with respect to each Priority O&M Event, the relevant period within which TSP shall Respond to a Priority O&M Event as specified in the KPI Table.

Revenue Day means the 24-hour toll collection day expressed from 00:00:00 to 23:59:59 in military time.

Revenue Service Commencement means the point at which TSP has satisfied the following conditions precedent to Revenue Service:

(a) TSP, has disposed of all its surplus materials and rubbish, removed all Equipment belonging to TSP, and left the Site and all structures occupied by TSP in a neat, clean and safe condition;

(b) the D&D Work is in a condition to safely commence Revenue Service and safely accept and continue normal, uninterrupted flow of traffic;

(c) TSP has achieved CSC Commencement;

(d) TSP has completed and passed all OFIT testing, Commissioning Testing, On-Site Disaster Recovery and Back Up Test and Operations Test and obtained RCTC's written approval of the test results, and all of the requirements specified in TP Section 5 are satisfied;

(e) TSP has secured and trained all personnel necessary to perform all O&M Work;

(f) TSP has completed all D&D Work in accordance with this Contract with the exception of Punch List items;

(g) TSP has delivered to RCTC all original equipment and manufacturer's warranty certificates covering all Equipment furnished in connection with the D&D Work;

(h) TSP has delivered to RCTC of a final version of all document deliverables required by the TP except for any documents specifically required to be delivered only after the Revenue Service Commencement Date and lapse, without disapproval, of the period for RCTC approval thereof in accordance with the Submittal Process;

(i) TSP has delivered to RCTC all updated Software and all Software Source Code Documentation and receivables, except for with respect to the COTS Software; and

(j) TSP has completed all other Work required under this Contract as a condition of Revenue Service Commencement.

Revenue Service Commencement Date means the calendar date on which TSP achieves Revenue Service Commencement, as certified by RCTC's issuance of a Notice of Revenue Service Commencement.

Revenue Service Commencement Deadline means:

(a) Prior to NTP2, the anticipated date that is 60 days after the Package 4 Turnover Date as set out in the Project Schedule; and

(b) After NTP2, the date for Revenue Service Commencement set out in the Notice under Section 8.3.3.

RFP Documents means all of the information and materials supplied to TSP in connection with the issuance of the RFP, including Instructions to Proposers, this Contract, the Reference Documents and any subsequent addenda.

Right of Way or ROW means the area available to TSP for the performance of the Toll Services.

Roadside Safety Plan means the approved plan prepared by TSP describing policies, plans, training programs, emergency response plans and enforcement of safety for all roadside maintenance activities as specified in TP Section 2.7.3.2.

ROC means the operations center for the Express Lanes that will house the personnel, fixtures, furnishings and equipment (other than roadside equipment), systems and services necessary for the operations and maintenance of the TCS.

ROW Acquisition Maps means the right of way maps included in the Project Schematics.

RTM means a document that is used to ensure the traceability of all TCS requirements with design and testing and assist in verification that the TCS requirements are met.

Savings means the amount of any costs, including any TSP Margin or Margin avoided or otherwise reduced in connection with a Change or Eligible Change.

Segment means a subset of a Corridor that is priced.

Setting Date means the date that is 60 days prior to the Proposal Date.

Sign Controller means the component of the TCS that controls what is displayed on VTMS panels that broadcast tolling information to motorists and manage communications with the Host.

Site means, depending upon the context, the ROW on which any part of the D&D Work, the TCS or the ROC is to be located, and any temporary rights or interests that TSP may acquire at its own cost and expense in connection with such ROW, and the Anaheim Facility.

Software is a general term referring to computer software consisting of the instructions or programs that are executed by a computer.

Software Development Plan means the approved plan prepared by TSP that establishes the framework used for the Software development for the TCS as specified in TP Section 2.9.

Software Maintenance means performance of all the activities to service and maintain the Software including all of the Software in TP Section 16.12.

Software Maintenance Option means Agencies' option to extend the time period during which TSP is required to service and maintain the Software for a maximum period of 5 years, including providing updates and upgrades, from and after the termination of this Contract, whether at the end of the O&M Term, or as a result of an earlier termination, for so long as Agencies desires to continue to use the Software in connection with the Toll Services.

Software Maintenance Option Period means the time period for which Agencieselect to require TSP to service and maintain the Software, including providing updates and upgrades as set out in a Notice under Section 3.3.2.

Software Source Code means the Software written in programming languages, such as C and Fortran, including all comments and procedural code and configuration code, such as job control language statements, in a form intelligible to trained programmers and capable of being translated into object or machine readable code for operation on computer equipment through assembly or compiling, and accompanied by documentation, including flow charts, schematics, statements of principles of operations, and architectural standards, describing the data flows, data structures, and control logic of the Software, including TSP's version of compilers used in connection with the Software in sufficient detail to enable a trained programmer through study of such documentation to maintain and/or modify the Software without undue experimentation, and such other documentation and executables required to independently maintain the Software, and necessary information to build and replicate any specialized hardware, but excludes source code for COTS unless such source code is available to TSP.

Source Code Documentation means all documentation reasonably necessary or desirable to allow for compiling and testing of the Software Source Code, including without limitation a list of applicable proprietary software development tools, license(s) to all applicable Intellectual Property, detail on any permitted third party commercially available Software used in

conjunction with the system (including name, version, sub-version number and release date), documentation on how any permitted third party commercially available Software is linked to the TCS Software, and documentation showing the identities of and most current available contact information for one or more qualified programmers who had or have responsibility for creation of the Software Source Code at issue and the methodology such that they can explain the source code and the methodology and otherwise be used as system references.

Source Code Escrow has the meaning given in Section 29.12.2.

Staffing Plan means approved plans as described in TP Section 2.1.1.

Standard Operating Procedures means the document prepared by TSP detailing all procedures necessary for administration and operations of the TCS, including the ETC system, CSC system and TMS as specified in TP Section 2.10.1.

State means the State of California.

State Arbitration Act has the meaning given in Section 27.6.3.

State Route 91 Express Lanes (or State Route 91) means approximately eighteen miles of tolled express lanes on State Route 91 (SR 91) between the State Route 55 and State Route 91 interchange and the Interstate 15 and State Route 91 interchange from the toll express lanes to and from the I-15.

Stipulated Damages means an amount calculated by Agencies under Section 11.2 with respect to State Route 91 or the Interstate 15 (as applicable).

Structured Query Language means a standard interactive and programming language for getting information from and updating data held in a relational database management system.

Subcontract (or subcontract) means any agreement by TSP with any other Person to perform any part of the Toll Services or provide Equipment for, or any such agreement at a lower tier, between a Subcontractor and its lower tier Subcontractor or a Supplier and its lower tier Supplier, at all tiers.

Subcontractor (or subcontractor) means any Person, subcontractor or supplier with whom TSP has entered into any Subcontract and any other Person with whom any Subcontractor has further subcontracted any part of the Toll Services, at all tiers.

Submittal Process means the process specified in Section 30 for Agency review, comment, approval and disapproval under this Contract.

Substantial Completion Deadline means the date upon which substantial completion is scheduled to be achieved under the DB Contract, as extended under the terms of the DB Contract.

Successfully-Mailed NTEV means a mailed NTEV containing one or more Violation Transactions, excluding any NTEV returned as undeliverable or mailed to the wrong customer due to an erroneous license plate identification.

Successor means the entity which undertakes the responsibilities for Toll Services at the Expiry Date.

Supplier (or supplier) means any Person not performing work at or on the Site which supplies machinery, equipment, materials, Hardware, Software, systems or any other appurtenance to any portion of the Toll Services to TSP or to any Subcontractor in connection with the performance of the Toll Services. Persons who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from a Site shall not be deemed to be performing Toll Services at the Site.

Surety means each properly licensed surety company, insurance company or other Person approved by the California State Insurance Commissioner to do business in the State and approved by Agencies, which has issued the Bond.

Suspended Transponder Account means a Transponder Account that has restrictions or limitations on the types of Financial Transactions and Trips permitted to post per the Business Rules.

System means all systems and subsystems that TSP is required to provide to Agencies pursuant to the Contract.

Tag Status File means the file sent from the ROC to the Host containing the status of all home and CTOC transponders.

TCS Acceptance means the stage of the D&D Work when the following requirements have been satisfied by TSP:

(a) Revenue Service Commencement has been achieved;

(b) TSP has complete all Punch List items in accordance with Section 8.13.3, except for non-material Punch List items the aggregate value of which (as reasonably determined by RCTC) is less than $50,000;

(c) All Liquidated Damages payable in accordance with Section 11 have been paid by TSP;

(d) The TCS Acceptance Test has been satisfactorily conducted and completed by TSP in accordance with TP Section 5.6 and a final test report of the results has been received and approved by RCTC;

(e) The Source Code Escrow Agent has confirmed in writing to RCTC that all Software Source Code that is required to be in the Source Code Escrow has in fact been delivered to the Source Code Escrow by TSP;

(f) RCTC has approved all Deliverables required under TP Section 3;

(g) No remedied failure of any equipment or Work provided by TSP to comply with the TCS Documentation or this Contract or required submittal shall exist and be continuing;

(h) TSP has demonstrated compliance with all KPIs; and

(i) All other conditions to TCS Acceptance in this Contract have been satisfied.

(j) **TCS Acceptance Date** means the calendar date when TCS Acceptance is achieved.

TCS Acceptance Deadline means:

(a) Prior to NTP2, the anticipated the date that is 120 days after Revenue Service Commencement as set out in the Project Schedule; and

(b) After NTP2, the date for the TCS Acceptance Deadline set out in the Notice under Section 8.3.3.

TCS Acceptance Test(ing) means the testing of the TCS after Revenue Service Commencement under live conditions to ascertain that the TCS meets the Contract requirements for a period of 45 days in order to achieve TCS Acceptance as set forth in TP Section 5.6.

TCS Documentation means all drawings (including plans, profiles, cross-sections, notes, elevations, sections, details and diagrams), specifications, reports, studies, calculations, electronic files, records and submittals, including Plans, System Design Document Software (including both Source Code and object code) and other physical or electronic materials with respect to Intellectual Property, Software, Software Source Code or required to adequately document the TCS as configured, and necessary for, or related to, the configuration, installation, integration, testing, maintenance and operation of the Toll Services in accordance with this Contract, the Governmental Approvals and applicable Governmental Rule includes all relevant commentary, explanations and instructions to compile source code, and all modifications, additions or substitutions made to such materials.

TCS Infrastructure Baseline Requirements means the requirements for the Toll Infrastructure set forth in TP Section 19.7.

TCS Infrastructure Design Document has the meaning given in TP Section 4.2.

Technical Proposal means TSP's completed Technical Proposal submitted in response to the RFP for the Original Contract.

Technical Provisions (TP) means the document entitled Volume III, Technical Provisions constituting the document describing the scope of the Toll Services and related standards, criteria, requirements, conditions, procedures, specifications and other provisions for the I-15 Express Lanes Project, and for the 91 Express Lanes as such provisions may be changed, added to, deleted or replaced in accordance with this Contract.

Technology Errors and Omissions Liability Insurance means the insurance required to be obtained and maintained by TSP under Section 17.2.1.5.

Temporary Repair means, where a O&M Priority Event occurs, work of a temporary nature that are undertaken in accordance with TP Section 16.16 and do not constitute Repair but substantially make good the relevant O&M Priority Event until a Permanent Repair can be undertaken.

Term means the period commencing on the Effective Date and ending on April 31, 2041.

Termination Date means the date of termination specified in the Termination for Convenience Notice or Termination for Default Notice (as applicable).

Termination for Convenience Amount has the meaning given in Section 22.4.1.

Termination for Convenience Notice has the meaning given in Section 22.1.

Termination for Default Notice has the meaning given in Section 23.3.1(a).

Termination Notice means the Termination for Convenience Notice and the Termination for Default Notice, or either of them as the context requires.

Testing Priority means the level of severity of system problems, errors, failures or malfunctions during the 45-day TCS Acceptance Test. Testing Priority may be modified by the numbers 1, 2, 3, and 4 to represent levels as defined in TP Section 5.6.4.

Third Party means any Person who is not a Party to the Contract.

Third Party Claims means any and all claims, disputes, disagreements, causes of action, demands, suits, actions, judgments, investigations or proceedings brought by a Person that is not a Party with respect to damages, injuries, liabilities, obligations, losses, costs, penalties, fines or expenses (including attorneys' fees and expenses) sustained or incurred by such Person.

Third Party Intellectual Property means any Intellectual Property owned by any Person unrelated to TSP or Subcontractors, and which is incorporated into the Toll Services.

Time and Materials Change Order means a Change Order issued under Section 20.13.5 or 20.14.4 (as applicable).

Time and Materials Work means Work performed pursuant to a Time and Materials Change Order.

TMS Software means the Software that enable computers, servers, and other computing Hardware to perform the Work under the Contract associated with the TMS which requires such Hardware.

Toll means the charge for use of RCTC's I-15 Express Lanes, the 91 Express Lanes in Riverside County or the 91 Express Lanes in Orange County, as applicable.

Toll Collection System (TCS) means all systems included in the Work, including the Electronic Toll Collection System, Customer Service Center System, Communication System, Traffic Management System and MOMs.

Toll Infrastructure means the facilities utilized in connection with the TCS both on-site at the Toll Zones and off-site at the ROC, toll plaza and related equipment, systems, areas adjacent to the toll plaza including the walkway to and from the toll lanes, the landscaping and related equipment, in the area of the toll plaza, the toll plaza canopy, the toll lanes, and the gantries, and all related systems and appurtenances.

Toll Gantry means a gantry or series of gantries comprised of a Toll Zone upon which TCS equipment is mounted.

Toll Operations means all day-to-day services required for the management operation of the TCS and toll processing, collection, violations processing and back-office violations

enforcement in accordance with the TP, revenue handling, TCS Documentation, Software, Hardware and accounting in accordance with the TP, including all labor, management, supervision, Equipment, tools, software, licenses, utilities, transportation, facilities support services, data services and connections and Equipment necessary to perform such Work.

Toll Services means the D&D Work, the 91 EL Transition Work, the CSC Commencement Period Toll Services and the O&M Work, or either, as the context requires.

Toll Services Data means all information and data concerning the TCS' operations, maintenance and performance, including customer information and data and Personally Identifiable Information collected by TSP or which TSP may have access to or may obtain in connection with performance of the Toll Services, and other Project information generated in connection with the Toll Services.

Toll Services Standards means all the applicable State, RCTC, OCTA and public works standards, criteria, requirements, building codes and/or regulations applicable to the Toll Services.

Toll System Provider (TSP) means Kapsch TrafficCom Transportation NA, Inc., a corporation organized under the laws of Michigan.

Toll Zone (or Tolling Zone) means a strategic location on the roadway where a gantry structure exists to collect AVI and Image data of passing vehicles.

Total Bonds and Insurance Cost means the amount payable to TSP to reimburse for bond and insurance premiums under Section 18.7.2.3.

Total Capital Cost means the Total D&D Cost, plus the Total Bonds and Insurance Cost, plus the Total CSC Commencement Period Cost, as set forth under the Original Contract, and applicable to RCTC.

Total CSC Commencement Period Cost means the total of the fixed price monthly compensation payable to TSP for CSC operations from CSC Commencement until Revenue Service Commencement payable in accordance with Section 18.2.5 through 18.2.7, as set forth under the Original Contract, and applicable to RCTC.

Total D&D Cost means amount set forth in Price Sheet Form J-1, Line Item 35, applicable to the Original Contract.

Total O&M Cost means, as respects each Agency, the total O&M Cost for the term for the applicable Agency. **Total O&M Pass Through Cost** means the sum of the Costs to be reimbursed by Agencies to TSP on an actual cost incurred basis for those Costs specified in Exhibit 7 and included in the approved Budget for the relevant year of the O&M Term.

Traffic Management System means the system to manage traffic including CCTVs, CMS and traffic detection.

Traffic Operation Center means the location at the ROC where staff will monitor the EL operations.

Training Plan means the approved plan prepared by TSP as specified in TP Section 15.1.1.

Transaction means Lane Transactions, Trip Transactions, and Financial Transactions and Event Transactions.

Transition Work means all Work necessary to transition the Work, or any portion thereof, to a Successor, including in accordance with the approved End of Contract Transition Plan.

Transponder means a radio frequency device mounted in or on a vehicle to provide a unique identifier to the TCS according to the specifications of Title 21, as it may be modified to include 6C.

Transponder Transaction means a Lane Transaction with a valid transponder as determined by the Lane Controller.

Transportation Management Plan means the approved plan prepared by TSP detailing the management of traffic as described in TP Section 4.7.1.

Trip means the formed Trip Transaction from Lane Transactions for a given vehicle making a trip through the I-15 EL or 91 EL which logically groups Lane Transactions transmitted from EL Read Points using the vehicle identifiers (Transponder number, and/or license plate number) for a specific Corridor in a single direction.

Trip Building means the process within the TCS at the Host where Lane Transactions are combined to create Trip Transactions in order to post a single Toll amount to customer or violator accounts due to use of the Express Lanes.

Trip Transaction means the package of information formed by the ETC Host identifying a Trip made by a vehicle and the Toll assigned to that Trip.

TSP Change Request means a request with respect to an Eligible submitted by TSP under Section 20.6 and consistent with the form of Exhibit 23.

TSP Event of Default means each of the events listed in Section 23.1.

TSP Fault means:

(a) a breach by TSP of any of its obligations under this Contract;

(b) a breach of any representation or warranty made by TSP under this Contract;

(c) a breach of Governmental Rule or any Governmental Approval by any TSP-Related Entity;

(d) gross negligence, fraud, criminal act or reckless or willful misconduct by any TSP-Related Entity; or

(e) a negligent or other culpable act or omission by any TSP-Related Entity.

TSP Margin means the percentage specified in Exhibit 2 that TSP may charge on labor and the Audited Overhead in accordance with Section 18 to cover all profit and other like costs of TSP).

TSP Ready For Construction Certification means TSP's certification to DB Contractor and RCTC, set forth in a certificate signed by TSP and provided to RCTC and DB Contractor pursuant to Section 8.7, certifying that (i) TSP has reviewed the elements of the DB Contractor's Ready For Construction Plans that reflect the TCS Infrastructure Design Document, (ii) such elements are consistent with TSP's Infrastructure Design Requirements set forth in the TCS Infrastructure Design Document, and (iii) if the DB Work is built in accordance with the Ready For Construction Plans, will be suitable for TSP's performance of the Toll Services.

TSP-Related Entities means (i) TSP, (ii) partners, joint venturers and/or members in or with TSP, (iii) Subcontractors (including Suppliers), (iv) any other Persons performing any of the Work, (v) any other Persons for whom TSP may be legally or contractually responsible, and (vi) the Agency Parties and invitees of any of the foregoing.

TSP Release of Hazardous Materials means any Release of Hazardous Material (i) brought onto the Site by any TSP-Related Entity, or (ii) attributable to the negligent acts, errors or omissions, gross negligence, willful misconduct, or breach of contract or Governmental Rule by any TSP-Related Entity.

TSP Representative means the Person designated as the TSP Representative(s) in Exhibit 2 as amended in accordance with this Contract.

Turnover Area means the area within each of the eight Project Segments consisting of a Toll Zone and other relevant equipment.

Uninterruptible Power Supply means the battery backup device, which maintains a continuous supply of electric power when utility power is not available.

Unit means the a quantity chosen as a standard in terms of which the Work described in a particular line item in the Price Sheets is measured.

Unit Price means the compensation to be paid to TSP for each Unit of Work specified in a Line Item in the Price Sheets or, where there is not applicable Unit Price, new unit prices agreed by the Parties which can be established and supported by substantiating data.

Unpermitted Lane Closure means a full or partial closure by TSP of any portion of a General Purpose Lane or Express Lane that is not a Permitted Lane Closure

Unpermitted Express Lane Closure means a full or partial closure by TSP of any portion of an Express Lane that is not a Permitted Lane Closure.

User Fee Processing Agreement means an agreement between two or more CTOC member agencies governing the process and business rules regarding reciprocal exchange of information and payment for Transactions from away agencies on home accounts and home accounts on away agencies' accounts.

User Role means a classification of authorized TCS users established to control access to specific functions or privileges within the TCS.

Utility Strip Map means a diagram depicting the location of utilities applicable to the Site.

Utility(ies) or **utility(ies)** means (1) a public, private, cooperative, municipal and/or government line, facility or system used for the carriage, transmission and/or distribution of cable television, electric power, telephone, telegraph, water, gas, oil, petroleum products, steam, chemicals, hydrocarbons, telecommunications, sanitation, sewage, storm water not connected with the drainage of the Toll Services, and similar substances that directly or indirectly serve the public, and/or (2) a private pipeline. The term "Utility" or "utility" specifically excludes (a) storm water facilities providing drainage for the ROW, and (b) street lights and traffic signals. The necessary appurtenances to each utility facility shall be considered part of such utility. Without limitation, any service line connecting directly to a utility shall be considered an appurtenance to that utility, regardless of the ownership of such service line.

Variable Pricing means a set of toll rates that change depending on the time of day.

Variable Toll Message Sign means an electronic dynamic message sign used along the EL to display the toll rate.

Violation means a Trip resulting from the use of the I-15 Express Lanes or 91 Express Lanes without a toll account with sufficient funds to pay the Toll or a Non-Revenue Account, or a valid CTOC account.

Violation Date means the date that a Violator used the ELs resulting in a Lane Transaction.

Violation Enforcement System means the system that captures images of vehicle license plates on the facility and associates them with the correct Lane Transactions, for vehicles without a valid transponder.

Violation Notice means a NTEV and a NDTEV, as appropriate in the context in which it such term is used.

Violator means a user of the ELs without a toll account with sufficient funds to pay the Toll or a Non-Revenue Account. The following modifiers can be added to Violator:

Violator Account has the meaning in TP Section 8.6.

Walk-In Center means the facility where customers may conduct business with the Customer Service Center as described in TP Section 8 and Section 10.

Week means 12:01 a.m. Monday through midnight. Sunday.

Weighted Wage Rate has the meaning in Section 20.13.2(a).

Work (or work) means all of the work required to be furnished and provided by TSP under this Contract, including all administrative, design, support services, procurement, professional, manufacturing, supply, design, installation, integration, deployment, testing, commissioning, construction, supervision, management, testing, verification, labor, materials, equipment, maintenance, documentation and other duties and services to be furnished and provided by TSP as required by this Contract, including all efforts necessary or appropriate to achieve TCS Acceptance and to operate and maintain the TCS in accordance with the standards in this

Contract during the Term, except for those efforts which this Contract expressly specifies will be performed by Persons other than TSP-Related Entities.

EXHIBIT 2

CONTRACT PARTICULARS

Zone means the area where the Toll Point is located.

No.	Clause References:	Issue:	
5.	**15.1**	**RCTC Representative**	Michael Blomquist
6.	**15.1**	**TSP Representative**	John Freund
7.	**15.5.1**	**Key Personnel**	
3.1		***Project Manager – D&D Work***	Peter Aczel
3.2		***Project Manager – O&M Work***	Peter Aczel
3.3		***Lead Systems Engineer - CSC***	Balaji Calluru
3.4		***Lead Systems Engineer - ETC***	Raymon Lange
3.5		***Operations Manager***	Rick Maharaj and Kristopher Larsen
3.6		***Test Manager***	Carlos Aguilera
3.7		***Quality Manager (O&M / D&D)***	Robert Erwin
3.8		***Maintenance Manager***	Gabriel Calvert and Kristopher Larsen
3.9		***Finance Manager***	Sue Cripe
3.10		***Installation Manager***	Mark Moser
1.	**15.4.1**	**Major Subcontractors**	BRIC-TPS, LLC
2.	**16.3**	**Guarantor**	Kapsch TrafficCom AG
3.	**15.5**	**Key personnel nominated for 24 hour availability**	Kristopher Larsen
4.	**16.1.1**	**Proposal Bond Increase Amount**	$10 million

8.	**16.1.2**	**Performance Bond Amount**	$18,704,144
9.	**16.1.3**	**Payment Bond Amount**	$18,704,144
10.	**16.1.4**	**Maintenance Performance Bond Amount**	$39,906,281
11.	**16.1.4**	**Maintenance Payment Bond Amount**	$39,906,281
12.	**16.1.5**	**Software Maintenance Option Performance Bond Amounts**	$2,930,521
13.	**16.1.5**	**Software Maintenance Option Payment Bond Amounts**	$2,930,521
14.	**18**	**TSP Margin**	10%
15.	**27.1.2**	**Facilitator for partnering meetings**	John Freund

EXHIBIT 3 THROUGH EXHIBIT 23, EXCLUDING EXHIBIT 7, INCORPORATED BY REFERENCE FROM ORIGINAL AGREEMENT

EXHIBIT 7 – [ATTACHED]

EXHIBIT 24- REFRESH SCOPE (FROM AMENDMENT NO. 4 OF ORIGINAL AGREEMENT) TO BE ATTACHED TO EXECUTION VERSION

EXHIBIT 25 – 91 EL TRANSITION WORK
[ATTACHED]

EXHIBIT 7
PASS THROUGH COSTS

Item	Description
Credit card transaction fees	Transaction processing fees excluding fixed fees for setup or management.
Bank Fees	Bank fees for all accounts
Check 21	Processing fees from financial institution
Violation Notice (NTEV and NDTEV) Postage	NTEV and NDTEV postage costs. All other NTEV and NDTEV costs including generation, printing, paper, envelopes and processing are included in the Violation Notice Fee.
Marketing Materials	Reproduction costs (OCTA/RCTC to provide print file)
Transponder Welcome Kit	Transponder Welcome Kit, Transponder mounting instructions, license agreement, how it works literature, and postage.
California DMV Registration Holds or Suspension	Fee charged by California DMV for registration of holds or suspensions.
Account Mailing and Postage	All mailing costs including postage, generation, printing, paper, and envelopes for Account related mailings. Account mailings include all mailed correspondence pertaining to the maintenance and use of a FasTrak account such as statements, account status and disputes for transactions posted to an account. Each month the amount of account pass-through costs will be reduced by 17,000 units to offset the amount included in the fixed CSC Fee prior to the addition of the 91 Express Lanes.
PayNearMe	If monthly volume does not cover the minimum of $1,000, the difference between actual charges and the minimum will be billed as a pass-through cost.
Toll-free Customer Phone line	Monthly phone usage bill associated with the toll-free number and other customer dedicated phone lines.
Administrative Hearings	Cost for the administrative hearing officer services.
Collection Agency	Costs related to collection agency fees.

* Pass-Through Cost Items are payable to TSP in accordance with Section 18.7.2.4 of the Contract.

Exhibit 25

Attachment 1

Scope of Work:

Updated Technical Provisions

[attached behind this page]

Volume III

TECHNICAL PROVISIONS

RCTC REQUEST FOR PROPOSALS RFP Number: 16-31-043-00 June 13, 2016
ADDENDUM #1 ISSUED AUGUST 11, 2016
ADDENDUM #2 ISSUED SEPTEMBER 19, 2016
ADDENDUM #3 ISSUED SEPTEMBER 30, 2016
NEGOTIATIONS #1 ISSUED NOVEMBER 28, 2016
ORIGINAL AGREEMENT EXECUTION ISSUED JANUARY 26, 2017

AMENDED AND RESTATED AGREEMENT AMONGST RCTC, OCTA AND KAPSCH XX, 2026

Table of Contents

1 GENERAL INFORMATION 1-1

1.1 Toll Operating Policies 1-1

1.2 Toll Collection System Architecture 1-3

1.3 Scope of Work Summary 1-5

2 PROJECT MANAGEMENT AND ADMINISTRATION 2-1

2.1 Project Management 2-1

2.2 Meetings 2-6

2.3 Business Rules 2-7

2.4 Quality Management 2-8

2.5 Document Control 2-10

2.6 Project Schedule 2-13

2.7 Health and Safety 2-23

2.8 Data Security Plan 2-28

2.9 Software Development Plan 2-28

2.10 Operations Plan 2-29

2.11 Configuration Management of Hardware and Software 2-30

2.12 Coordination of the Work 2-32

2.13 Disadvantaged Business Enterprises 2-36

2.14 Incident Management Plan 2-36

2.15 Express Lanes Performance Monitoring Plan 2-36

2.16 KPI Reporting and Management Plan 2-37

3 SUMMARY OF DELIVERABLES 3-1

3.1 List of Deliverables 3-1

4 DESIGN AND INSTALLATION 3-1

4.1 Design General 4-3

4.2 TCS Infrastructure Design Document/Review (IDD/IDR) 4-4

4.3 Preliminary Design Document/Review (PDD/PDR) 4-5

4.4 Critical Design Document/Review (CDD/CDR) 4-6

4.5 Final Design Document/Review (FDD/FDR) 4-7

4.6 Installation 4-8

4.7 Maintenance of Traffic during D&D Work 4-12

5 SYSTEM TESTING 5-19

5.1 General 5-19

5.2 Master Test Plan 5-20

5.3 Individual Test Plans 5-21
5.4 Electronic Toll Collection System Testing 5-22
5.5 Customer Service Center Testing 5-25
5.6 TCS Testing 5-28
5.7 Annual Renewal Testing 5-31
6 SYSTEM INTERFACES 6-1
6.1 General Requirements 6-1
6.2 ETC System to CSC 6-2
6.3 TMS to the Department Traffic Operations Center 6-2
6.4 CSC to ETC System Interface 6-2
6.5 California Toll Operators Committee (CTOC) and Interoperability 6-3
6.6 CSC to Banks 6-4
6.7 CSC to Credit/Debit Card Service Providers 6-4
6.8 CSC to Collection Agency 6-5
6.9 CSC to California DMV 6-5
6.10 CSC to Out-of-State DMVs/3rd Party Vehicle Registered Owner Data Aggregator(s) 6-5
6.11 CSC to Large Account Holders, Fleet Managers & Rental Car Companies/Representative Third Parties 6-5
6.12 CSC to Franchise Tax Board (FTB) 6-6
6.13 CSC to National Change of Address Service 6-6
6.14 CSC to Address Update Service 6-6
6.15 CSC to US Postal Service (USPS) Intelligent Mail Barcode (IMB) services 6-6
7 ELECTRONIC TOLL COLLECTION SYSTEM (RCTC Only) 7-1
7.1 General Requirements 7-1
7.2 Electronic Toll Collection System Equipment 7-3
7.3 ETC Host 7-10
7.4 Internal Data Flows 7-24
7.5 Violation Enforcement System 7-27
7.6 Lane Modes 7-28
7.7 Digital Video Auditing System 7-29
8 CUSTOMER SERVICE CENTER 8-1
8.1 General Description 8-1
8.2 General Technical CSC Requirements 8-2
8.3 CSC Host 8-7
8.4 IBT Image Review 8-12
8.5 Customer Service Center 8-13

8.6 Transaction Processing 8-32
8.7 TSP Financial Accounting 8-38
8.8 Communications 8-45
9 TRAFFIC MANAGEMENT SYSTEM (RCTC Only) 9-1
9.1 General 9-1
9.2 Traffic Detection and Sensors (RCTC Only) 9-2
9.3 Changeable Message Signs (RCTC Only) 9-2
9.4 Closed Circuit Television System (RCTC Only) 9-4
9.5 Traffic Operations Center (RCTC 15 EL) 9-7
9.6 Express Lane Operations/Traffic Operations Center 9-7
10 RCTC OPERATIONS CENTER 10-1
10.1 General Description 10-1
10.2 Facility Buildout 10-1
10.3 Physical Characteristics 10-5
10.4 Facility Management and Operations 10-6
11 COMMUNICATIONS NETWORK (RCTC Only) 11-1
11.1 General Requirements 11-1
12 SECURITY AND ACCESS CONTROL 12-1
12.1 System and Data Security 12-1
12.2 Security Audit 12-2
12.3 Physical Security 12-2
12.4 Personally Identifiable Information 12-2
12.5 Payment Card Industry Security Standards 12-3
12.6 DMV Security Standards 12-3
13 MAINTENANCE ONLINE MANAGEMENT SYSTEM 13-1
13.1 MOMS Functionality 13-1
13.2 Alarms and Alerts 13-1
13.3 Work Orders 13-2
13.4 Asset Inventory and Tracking (RCTC Only) 13-2
13.5 Noncompliance O&M Events 13-3
13.6 MOMS Reporting 13-4
14 REPORTING 14-1
14.1 Reporting Interface and General Requirements 14-1
14.2 Data Mart (Only CSC Host applies to OCTA) 14-1
14.3 Ad Hoc Reports 14-2
14.4 System Performance Monitoring 14-3

14.5 Specific Report Requirements 14-3
15 TRAINING AND DOCUMENTATION 15-1
15.1 Training 15-1
15.2 Documentation 15-2
15.3 User Manuals 15-3
15.4 As-Built Technical Drawings (RCTC Only) 15-4
15.5 List of Materials (RCTC Only) 15-4
15.6 Final Design Document (RCTC Only) 15-4
16 MAINTENANCE 16-1
16.1 Maintenance Plan (RCTC Only) 16-1
16.2 Asset Management (RCTC Only) 16-2
16.3 Warranties 16-3
16.4 Software Licenses 16-3
16.5 Source Code Escrow 16-3
16.6 Maintenance of Traffic during Operations (RCTC Only) 16-3
16.7 Preventative Maintenance (RCTC Only) 16-4
16.8 Remedial Maintenance (RCTC Only) 16-4
16.9 Unanticipated Maintenance (RCTC Only) 16-5
16.10 System Monitoring 16-5
16.11 Communication Network Support 16-6
16.12 Software Maintenance 16-6
16.13 IT Services 16-6
16.14 Back up and Archiving 16-8
16.15 Spare Parts (RCTC Only) 16-8
16.16 Maintenance Performance Requirements 16-8
17 BUSINESS CONTINUITY 17-1
17.1 Business Continuity Plan 17-1
17.2 Operations Recovery Requirements 17-2
18 END OF CONTRACT TRANSITION OR SUSPENSION 18-1
18.1 End of Contract Transition Plan 18-1
18.2 TSP Assisted Transition of All or Part of Operations to Successor 18-2
18.3 Transition Requirements 18-2
19 ATTACHMENTS 19-1
19.1 CTOC Technical Specifications 19-2
19.2 Planned ROW Limits 19-3
19.3 TSP/DB Contractor Demarcation Matrix and Figures (RCTC Only) 19-4

19.4 Key Performance Indicators 19-7
19.5 Lane Closure Charts (RCTC Only) 19-13
19.6 Applicable Standards (RCTC Only) 19-14
19.7 TCS Infrastructure Baseline (RCTC Only) 19-21
20 EXHIBITS 20-22

List of Figures

Figure 1-3: Toll Collection System Architecture 1-4
Figure 4-1: Express Lane Segment and Toll Zones 4-12
Figure 7-1: Sample VTMS 7-8

List of Tables

Table 3-1: List of Deliverables 3-1
Table 4-1 Permitted Lane Closures of SR 91 Express Lanes 4-16
Table 10-1: RCTC vs. TSP ROC Buildout Responsibilities 10-3
Table 10-2: ROC Elements 10-6
Table 17-1 Functional Priorities 17-2
Table 19-1 DB Contractor and TSP Demarcation Table and Figure 19-5
Table 19-2: Key Performance Indicators 19-8

1 GENERAL INFORMATION

The Toll System Provider (TSP) shall provide a comprehensive, turn-key Toll Collection System (TCS) including an Electronic Toll Collection (ETC) system, Traffic Management System (TMS), Communication Network and a Maintenance Online Management System (MOMS) for the RCTC 15 Express Lanes and RCTC 91 Express Lanes, including staff for ongoing O&M Work. The TSP shall provide Customer Service Center (CSC) system and staffing for the RCTC 15 Express Lanes and the OCTA and RCTC 91 Express Lanes as a joint operation.

Unless the context otherwise requires, capitalized terms which are used but not defined in these TPs have the meaning given in Exhibit 1 to the Contract, Abbreviations and Definitions.

1.1 Toll Operating Policies

1.1.1 Dynamic Pricing

The RCTC 15 and 91 ELs utilize Dynamic Pricing, which allows for real-time adjustment of toll prices in response to traffic conditions. The goal of Dynamic Pricing will be to optimize throughput in the corridor and to generate revenue to meet debt obligations. The OCTA 91 Express Lanes use time of day pricing.

1.1.2 Tolling Segments

The RCTC 15 ELs are divided into four (4) tolling Segments in each direction with separate toll rates applied to each Segment. The 91 Express Lanes are divided into two tolling segments in each direction: Orange County and Riverside County with separate tolls applied to each segment. In advance of the ingress location for each Segment, pricing signs will display the current toll rate for the upcoming Segment and on the RCTC 15 ELs the combined toll rate to travel through multiple Segments.

1.1.3 Tolling Points

A tolling point for the RCTC 15 Express Lanes is located within each Segment with equipment necessary to toll vehicles. The equipment is located on median-mounted gantries that span the ELs. The RCTC 91 Express Lanes will have a primary tolling point where occupancy can be declared and a secondary tolling point will provide the entry/exit location.

1.1.4 Toll Payment Method

All vehicles using the ELs will be required to carry a CTOC compatible Transponder for toll payment. License plate cameras will be installed at toll points to capture the rear license plates of vehicles without Transponders to build trips for IBT posting to Transponder Accounts, Non-Revenue Accounts, and Violation Accounts as appropriate.

1.1.5 Toll Discounts and Exemptions

See Business Rules Exhibit x for Toll Discount Rules. Note Toll Discounts may differ between the 91 and 15 Express Lanes and between the OCTA and RCTC 91 EL segments. The following types of vehicles will be exempt from paying a Toll at all times:

1) Mass transit, including buses and paratransit;
2) Motorcycles;
3) Qualifying emergency vehicles that are actively responding to an emergency and law enforcement vehicles per California Vehicle Code Section 23301.5; and
4) Maintenance vehicles working on the 15 Els and 91 ELs.

These exempt vehicles will be issued Transponders (hard case or sticker tag) where practical and cost effective. The sticker tags shall be associated with Non-Revenue Accounts as directed by Agencies and recognized as toll exempt by the back office system. Motorcyclists on the 81 Express Lanes are required to establish an account and may be processed by a specially issued motorcycle Transponder or the unique DMV motorcycle license plate format. All Non-Revenue Account transactions shall be formed into trips and accounted for by processing to a unique account to allow for reporting and validation of usage.

1.1.6 Hours of Operation

The Express Lanes will be in operation 24 hours per day, 7 days per week. This allows for the management of congestion at all times and is consistent with the Department established hours of operation for existing HOV lanes in Southern California..

1.1.7 Interoperability

The specifications for tolling in the state of California are governed by Title 21 of the California Code of Regulations. The current specification in use is commonly referred to as “Title 21” in the toll industry. The California Toll Operators Committee (CTOC), the entity that maintains toll interoperability throughout the state, has developed a transition plan to replace the existing Title 21 protocol with the ISO 18000-6C (6C) starting in 2018 with full transition by January 1, 2027. The TCS shall support the existing Title 21 and 6C protocols and shall be capable of processing existing Title 21 tags beyond the planned 2027 transition should it be delayed. The I-15 ELs will comply with whatever protocol is in place at the time of opening.

Interoperability will be performed through an IOP agreement which includes the 15 and 91 ELs (both Agencies).

1.1.8 Enforcement

The California Highway Patrol (CHP) will provide enforcement of the ELs. Enforcement beacons located at tolling points will alert CHP of the Transponder status of a vehicle passing through to aid with visual enforcement. License plate cameras will also be installed at Toll points to capture the license plate images of vehicles and to apply a Toll and possible Toll Violation for vehicles without a Transponder.

Enforcement on the RCTC 91 Express Lanes includes an Occupancy Detection System which will need to be integrated into the back-office system. The business rules and scope of work for the Occupancy Detection System are attached as Exhibit 20.1.

1.1.9 Express Lanes O&M Work

The O&M Work functions for the 15 ELs will take place out of a centralized facility referred to as the Regional Operations Center (ROC) and Facility and Maintenance (FAM). These functions include customer service, express lanes monitoring, incident management, equipment maintenance, and other back-office activities such as equipment and Transponder inventory management, Account management and license plate image review. The ROC will be located in close proximity to the ELs to provide ease of access for customers and maintenance activities. The ROC will include a single Walk-In Center and a Call Center where customers can obtain Transponders, make payments, resolve Violations, and manage their Accounts in person or by phone. A Traffic Operations Center (TOC) will also be located in the ROC where 15 Express Lane operators can monitor traffic conditions.

TSP shall ensure that the 91 Express Lanes Traffic Operations Center (TOC) and the associated data center are located in Anaheim Hills. TSP shall also support the establishment of a Walk-In Center located in Orange at the OCTA offices. The Walk-In Center shall be staffed and operated by OCTA.

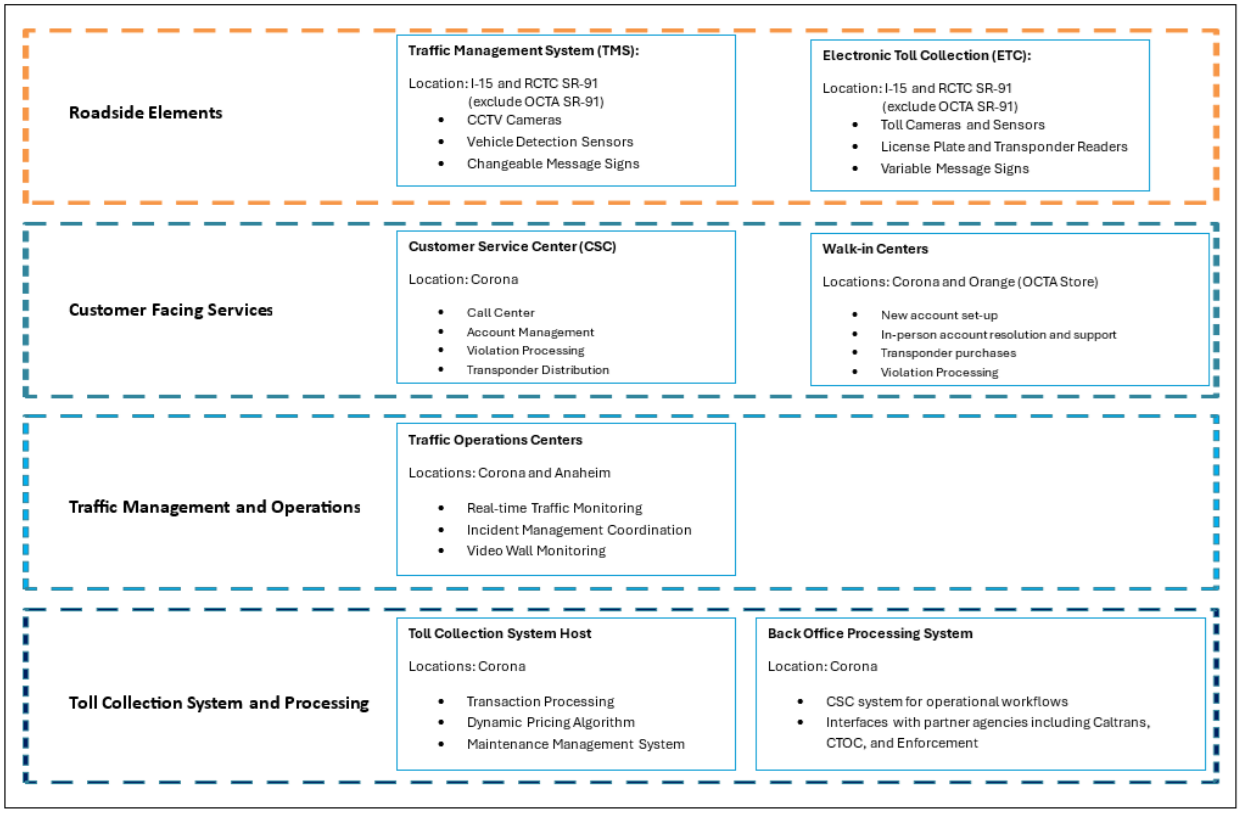
1.2 Toll Collection System Architecture

The TSP shall design, install, operate and maintain the entirety of the TCS, which includes the following components:

1) Electronic Toll Collection (ETC) system: Includes all Software and Hardware for the collection of tolls on the ELs;
2) Customer Service Center (CSC) system: Includes all Software, Hardware and personnel associated with managing EL Accounts and Violations; and
3) Traffic Management System (TMS): Includes all Software, Hardware and personnel to monitor and manage traffic performance of the ELs and respond as needed. Note that for the 91 Express Lanes Agencies will provide the traffic management system. See Exhibit 20.2 for the traffic operations center scope of work.

A logical architecture diagram for the TCS is shown below in Figure 1-3, followed by a description of each TCS element. The physical system architecture will be finalized during design and may differ from the logical architecture shown, so long as the physical system architecture is consistent with the requirements in these TPs.

Figure 1-1: Toll Collection System Architecture



1.2.1 Electronic Toll Collection (ETC) System (RCTC Only)

The ETC system includes all of the in-lane equipment used to collect Tolls and calculate and display Toll rates. This equipment is generally installed on median-mounted gantries that span above the ELs. The ETC in-lane equipment is connected to an ETC Host that serves as the central database and processor for the ETC system. The ETC Host receives data from the in-lane equipment to calculate Toll rates and builds Trip Transactions that can be billed to customers.

Operations of the ETC system will take place at the ROC, which will include workstations that provide real-time information for operators to respond to as needed, including the ability to override Toll rates.

1.2.2 Customer Service Center (CSC) System

Trip Transactions recorded by the applicable Agency's ETC systems are sent to the CSC system for financial processing. The CSC system handles Account management, payment and Violation processing, financial accounting, Transponder management and all other aspects of providing general customer service.

Customer service functions will include Walk-In Centers and Call Center to provide customer service in person and by phone during established business hours. Other activities such as license plate image review, Transponder distribution, mail sorting, financial accounting and administration will also take place at the ROC. Traffic Management System (TMS) (RCTC Only)

The TMS includes all of the equipment used to collect and monitor traffic data to support traffic management, incident management and performance monitoring. The TMS includes roadside vehicle detection and monitoring equipment that is connected to a TOC located at the ROC. Operators at the ROC will monitor EL traffic conditions in real time and shall coordinate with CHP, Department and other agencies as necessary. In addition, operators at the TOC will have the capability to post messages to information signs in the Corridor as appropriate.

1.3 Scope of Work Summary

This Section 1 provides a general overview of the Toll Services to be provided in accordance with the Contract. Specific requirements relevant to the Toll Services are set out in Sections 2 through 19 of these TPs. This general summary shall not limit the specific requirements and TSP shall be responsible for all Toll Services as specified in these TPs and the Contract.

The Toll Services are comprised of the D&D Work and the O&M Work.

TSP shall perform all D&D Work and all O&M Work for the RCTC 15 Express Lanes and OCTA and RCTC Express Lanes. D&D work related to ETC systems only applies to RCTC.

TSP shall be responsible for preparing and submitting all deliverables required by these TPs, and the Contract, and as otherwise necessary for completion of the Work. A non-exhaustive list of Deliverables is included in Section 3.

1.3.1 Design and Deployment (D&D)

TSP is responsible for all Work required to design, provide, configure, construct, install, integrate, fabricate, assemble and deploy the TCS, and to test and verify that the TCS meets all requirements in these TPs, and otherwise complies with the requirements of the Contract.

1.3.2 O&M Work

TSP is responsible for the operations and maintenance of the TCS, and shall perform the O&M Work at a high level of service, quality and efficiency with minimum disruption to 15 EL and 91 EL customers, in accordance with the Key Performance Indicators set forth in Section 19.4.

1.3.2.1 RCTC Operation Center (ROC)

TSP shall provide a fully integrated Regional Operations Center (ROC) that will serve as the centralized facility for all Operations and Maintenance (O&M) Work, excluding roadside maintenance. The 91 Express Lanes Traffic Operations Center (TOC) operations shall remain located at the Anaheim Office, and the OCTA Walk-In Center (WIC) shall continue to be supported at the OCTA store in Orange.

The ROC shall support and coordinate these functions, which include, but are not limited to, customer service, express lanes monitoring, incident management, equipment maintenance, and all other required back-office activities.

TSP shall provide the management, staff, system(s), furniture, equipment, services, supplies and facilities (except the ROC building and standard facility improvements to be provided by RCTC

as specified in Table 10-1) required to operate and maintain the ROC. All items purchased by TSP for the ROC will be owned by the applicable Agency**.** TSP shall provide qualified staff in adequate numbers to meet demand for the full operation of the ROC in accordance with the Contract, including these TPs. TSP shall provide all training and management of ROC staff.

1.3.2.2 Facilities and Maintenance (FAM)

TSP shall utilize the designated areas at 120 North Joy Street (FAM) for roadside maintenance services. TSP shall provide the management, staff, system(s), furniture, equipment, services, supplies and facilities (except the FAM building and standard facility improvements to be provided by RCTC as specified in Table 10-1) required to operate and maintain the FAM.

1.3.2.3 Anaheim Hills Office

TSP will initially be provided with approximately 11,985 square footage located on the second floor of building 180 North Riverview Drive Suite 200, Anaheim, California. OCTA maintains the lease for this facility and may reduce the square footage if the lessor is amenable. TSP shall be responsible for the network and equipment from the Anaheim Data Center (ADC) up to the TOC workstations.

All items in the matrix of responsibility table below shall be provided to TSP in its current condition. TSP will be responsible to maintain, upkeep, permit, refuel, repair and restore.

The following table is a matrix of responsibility.

Area of function	Responsible party
HVAC System in the ADC	TSP
HVAC system for the office space	Thru Agency (Building Landlord)
Power supplied to the building	OCTA
ADC Fire Suppression System	TSP
Maintain provided Generator	TSP
Server Racks within the ADC	TSP
Monitoring of doors/facility for break ins in accordance with SOP	TSP
Office Furniture	RCTC & OCTA
Office Network at Anaheim and Corona offices	TSP
Office ISP at Anaheim and Corona offices	TSP
Security System (camera and badge)	TSP
Anaheim facility plan	TSP

1.3.2.4 OCTA Store

The TSP shall support and operationally service the OCTA store located in the City of Orange/Santa Ana in Orange County. The OCTA store shall be staffed by OCTA personnel but operationally serviced by the contractor. The scope of services for the OCTA store are as follows:

1) The Contractor shall train and provide training materials to the OCTA store staff for implementation and for all system and process changes.
2) The contractor shall provide on-site and remote desktop and application support services at the OCTA store for contractor-provided equipment
3) The contractor shall provide real-time escalation and operations support for the OCTA employees and customer relations staff via chat or call feature.
4) The OCTA Store WIC shall be open 8 am- 5 pm Monday–Friday, Pacific Time.
5) The OCTA Store WIC shall observe the following Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Day, and any other designated Holidays by OCTA.
6) TSP shall provide operational and escalation support on all holidays during which the OCTA Store is open.
7) For any listed Holiday occurring on Saturday or Sunday, the OCTA WIC shall observe the Holiday on the same day as OCTA's other staff.
8) OCTA may close the OCTA Store WIC (for example, for emergency or weather conditions).
9) The contractor is responsible for the planning, initial set-up, replacement, and maintenance of all equipment provided at the OCTA store.
10) The contractor shall propose all recommended equipment and software to be located and used at the OCTA store, which shall be approved by OCTA.
11) The contractor shall furnish the necessary equipment for the staff to securely connect to the BOS, including but not limited to the following:
    a. Isolated ISP for the network traffic with sufficient bandwidth to prevent network degradation
    b. Secure dedicated and redundant interface connections for the OCTA store via a secure VPN or other approved interface, as approved by OCTA
    c. Firewall to secure network traffic
    d. Any necessary security and interfaces needed to protect network traffic and the BOS environment
    e. Desktops with technical specifications meeting BOS requirements (Desktops to be provided shall be based on available workstations and can be between 3-5)
    f. POS devices for each workstation meeting PCI requirements

12) The Contractor shall include the OCTA store in any PCI and PII assessment as applicable.

2 PROJECT MANAGEMENT AND ADMINISTRATION (The D&D portion of this section is not being updated as it may apply to the RCTC Roadside Update or the future 15 Expansion. The O & M sections related to the Back Office should be considered to apply to both OCTA and RCTC)

2.1 Project Management

The project management effort shall be organized to effectively manage all elements of the Toll Services. This project management effort shall be defined by and follow the Project Management Plan (PMP), which shall include management plan elements describing discrete elements of the Toll Services as provided in Section 2.1.1. The PMP shall be submitted to RCTC for review and approval prior to issuance of NTP2. TSP's management activities shall at a minimum include:

1) Management of the Toll Services;
2) Staffing and organization;
3) Monitoring and reporting during D&D Phase; and
4) Monitoring and reporting during O&M Term.

2.1.1 Project Management Plan

TSP shall prepare and submit a detailed PMP to RCTC for review and approval prior to issuance of NTP2. The PMP shall describe in detail the management techniques to be used by TSP during the D&D Phase and O&M Term. At a minimum, the PMP shall address the following with respect to the Toll Services:

1) TSP's overall project management approach during the D&D Phase and O&M Term;
2) Project organization and staff responsibilities (by both position title and employee name and their key roles and responsibilities);
3) TSP's approach to Subcontractor coordination;
4) TSP's approach to communication and coordination with RCTC, DB Contractor and PCM;
5) Development and use of a WBS;
6) CPM scheduling and progress reporting;
7) Quality assurance/Quality control (QA/QC);
8) Configuration/Change control management;
9) Document control and record keeping;
10) Development and use of a Requirements Trace Matrix;
11) Risk assessment and mitigation strategies; and
12) Issue resolution and escalation.

The PMP shall include a plan for staffing during the Term. TSP shall maintain adequate staffing throughout the Term to perform the Toll Services. The Staffing Plan shall address staffing for D&D Work separate from O&M Work. For D&D Work, the Staffing Plan shall at a minimum include data that supports the amount of staff required for a specific time frame tied to the Project Schedule and to any D&D Work related tasks. For O&M Work, the staffing plan shall be organized to show any staff that will be carried over from D&D Work to the O&M Work and details supporting proposed staffing for each element of O&M Work. The Staffing Plan relating to the O&M Work shall include the phased transition to opening which allows for training prior to the CSC Commencement Date throughout the CSC Commencement Period. Monthly staffing plans during the O&M Term will be provided in accordance with Section 8.2.3.

2.1.2 Key Personnel

Subject to Contract Sections 15.5 and 15.6, TSP shall assign Key Personnel to manage all aspects of the Toll Services in a quality, timely, and effective manner and shall work with RCTC or its designee in a cohesive, seamless manner. Key Personnel positions are:

1) Project Manager – D&D Work;
2) Project Manager – O&M Work;
3) Roadside and TOC Operations Manager;
4) Call Center Operations Manager;
5) Installation Manager;
6) Lead System Engineer – ETC;
7) Lead System Engineer – CSC;
8) Test Manager;
9) Quality Manager – D&D Work;
10) Quality Manager – O&M Work;
11) Maintenance Manager; and
12) Finance Manager.

TSP shall ensure that Key Personnel are available to work at the Co-located Office.

Key Personnel descriptions and requirements are listed below.

2.1.2.1 Project Manager - D&D Work

The Project Manager - D&D Work is responsible for the overall delivery of the D&D Work. The Project Manager - D&D Work shall have experience in a project manager role for a project of similar scope, size and complexity. The Project Manager - D&D Work shall be assigned to the D&D Work full time and is required to be on site in the Co-Located office with the DB Contractor (when it becomes available) at least fifty percent of the time during the D&D Phase. At all times, an individual identified as Key Personnel with authority to make decisions shall be located on site in the co-located office with the DB Contractor.

2.1.2.2 Program Manager - O&M Work

The Program Manager – O&M Work shall be responsible for the overall delivery, performance, and management of all Operations and Maintenance Work for the toll collection program, including toll collection operations, roadway maintenance, back-office services, customer service, traffic operations, financial management, and all related operational activities. The Program Manager – O&M Work shall possess demonstrable experience serving in a program management role on projects of similar scope, size, and complexity. In addition, the Program Manager – O&M Work shall be responsible for proactive resource planning and allocation, ensuring adequate staffing levels, managing subcontractor performance, and maintaining continuity of operations. The Program Manager shall serve as the primary day-to-day point of contact for both Agencies, ensuring effective communication, timely reporting, issue escalation, risk management, stakeholder coordination, contract compliance, and the delivery of high-quality services consistent with Agency objectives. The Program Manager shall also be responsible for establishing and maintaining strong client relationships, ensuring transparent decision making, resolving operational concerns promptly, and leading continuous improvement initiatives across all aspects of O&M Work.

2.1.2.3 Roadside and TOC Operations Manager

The Roadside and Traffic Operations Manager shall be responsible for the day-to-day management and performance of all electronic toll collection (ETC) and traffic management Operations and Maintenance (O&M) Work for the I-15 and 91 Express Lanes Project, including roadside systems, traffic monitoring and incident response coordination, field equipment operations, and associated customer-facing functions. The Roadside and Traffic Operations Manager shall have demonstrable experience managing operations for a project of similar scope, size, and complexity. The Roadside and Traffic Operations Manager shall also participate in toll system design activities and O&M planning as needed to ensure operational readiness and seamless integration into day-to-day operations. In addition, the Roadside and Traffic Operations Manager shall be responsible for resource planning, scheduling, and supervision of field technicians and traffic operations staff; monitoring asset and equipment performance; ensuring compliance with operational standards; coordinating with Agencies and traffic management stakeholders; and managing contractor and subcontractor activities related to roadside and traffic operations. The Roadside and Traffic Operations Manager shall ensure timely issue escalation, maintain accurate operational reporting, support incident management protocols, and lead continuous improvement initiatives to optimize system performance, roadway safety, and customer service outcomes.

2.1.2.4 Call Center Operations Manager

The Call Center Operations Manager shall be responsible for the day-to-day management, performance, and continuous improvement of all Call Center Operations for the tolling program, including customer service delivery, account management support, billing inquiries, dispute resolution, correspondence processing, and all front-line customer interaction channels. The Call

Center Operations Manager shall have demonstrable experience managing call center operations of similar scope, size, and complexity, including oversight of multi-channel environments such as phone, email, chat, IVR, and in-person customer support. The Call Center Operations Manager shall be located full time at the ROC, with routine presence and oversight at the Walk-In Center as needed throughout the Term. The Call Center Operations Manager shall be responsible for workforce management, staff training and certification, quality assurance, and compliance with established customer service standards, performance metrics, and service-level agreements. Additional responsibilities shall include scheduling and supervision of call center staff; monitoring call volumes, wait times, and service levels; ensuring accurate and timely handling of customer transactions; managing escalations and complaints; and coordinating with the Agencies regarding policy updates, customer messaging, and emerging operational issues. The Call Center Operations Manager shall also lead customer experience initiatives, maintain call center reporting and analytics, and support the integration of new systems, processes, and technologies to enhance operational efficiency and service quality.

2.1.2.5 Installation Manager

The Installation Manager has primary responsibility for the installation of the TCS throughout the D&D Phase. The Installation Manager shall have experience managing the installation of at least one project of similar scope, size and complexity. The Installation Manager shall be assigned full time by Final Design Review and is required to be available at the Co-Located office with the Design Build (DB) Contractor or the ROC until such time as TCS Acceptance has been achieved.

2.1.2.6 Lead System Engineer - ETC & Lead System Engineer - CSC

TSP shall provide two (2) qualified Lead System Engineers, one assigned to the ETC system and one assigned to the CSC system. The Lead System Engineers shall have experience overseeing design and installation of toll collection systems on at least one project of similar size and complexity and shall have experience with Maintenance Online Management Systems. The Lead System Engineers shall be available full time through TCS Acceptance and available part time to respond to requests for information and provide updates related to the D&D Work throughout the O&M Term.

2.1.2.7 Test Manager

TSP shall provide a qualified Test Manager assigned to oversee all the testing of the TCS. The test manager shall have knowledge of all elements of the TCS and have experience in the test manager role on at least one project of similar scope, size and complexity. The Test Manager is required to be at the test location during any testing of the TCS throughout the Term.

2.1.2.8 Quality Manager - D&D Work

TSP shall provide a qualified Quality Manager - D&D Work assigned the responsibility of the overall quality management of the D&D Work. The Quality Manager - D&D Work must have experience in a quality management role for toll collection system deployment on a project of similar size and complexity. The Quality Manager - D&D Work must work independently and shall not report to the Project Manager - D&D Work. The Quality Manager - D&D Work shall not be

assigned to any other duties or responsibilities for the D&D Work. The Quality Manager - D&D Work shall be available on-Site during the D&D Phase upon request of RCTC.

2.1.2.9 Quality Manager - O&M Work

TSP shall provide a qualified Quality Manager - O&M Work assigned the responsibility of the overall quality management of the O&M Work. The Quality Manager - O&M Work shall have experience in a quality management role for O&M Work on a project of similar scope, size and complexity. The Quality Manager - O&M Work must work independently and shall not report to the Project Manager - O&M Work. The Quality Manager - O&M Work shall not be assigned to any other duties or responsibilities for the O&M Work. The Quality Manager - O&M Work must have the authority to stop any and all O&M Work that does not comply with applicable standards, specifications or criteria. The Quality Manager shall be assigned full time two months prior to CSC Commencement through the Term and is required to be located full time at the ROC.

2.1.2.10 Maintenance Manager

TSP shall provide a qualified Maintenance Manager responsible for the Maintenance Work. The Maintenance Manager shall have experience in a maintenance management role on a toll services project of similar size and complexity. The Maintenance Manager shall be available at the first Commissioning Test for the TCS and assigned full-time from the CSC Commencement Date until the end of the Term.

2.1.2.11 Senior Finance Manager

TSP shall provide a qualified Senior Finance Manager responsible for the overall financial management of the Toll Services, including revenue accounting, reconciliation, financial reporting, internal controls, and audit compliance. The Senior Finance Manager shall have experience in a finance management role on a toll services project of similar size and complexity. A Certified Public Accountant (CPA) is preferred, but an individual with thorough knowledge of GAAP, financial reporting, and audit principles is acceptable. The Senior Finance Manager shall be available on site at the ROC for the duration of the Term. Responsibilities include oversight of daily, weekly, and monthly revenue reconciliation; coordination with payment processors and financial institutions; management of toll and violation revenue accounting; preparation of Agency financial reports; maintenance of financial controls; support of internal and external audits; supervision of finance operations; and coordination with Operations and Call Center functions to ensure accurate billing and customer account integrity.

2.1.3 Action Item Log

TSP shall maintain a log of all action items, including events, tasks, activities or actions that are identified during meetings and workshops and need to be accomplished or resolved. All action items shall have a responsible party assigned. No action item shall be assigned to RCTC or the PCM, without their knowledge and concurrence. Each action item in the log shall, at a minimum, contain:

1) Item number;

2) Description;

3) Requesting party;

4) Assigned party;

5) Status (open / closed / in progress / deferred / etc.);

6) Date opened; and

7) Date closed.

2.2 Meetings

TSP shall schedule and attend regular meetings with the applicable Agency and its consultants and stakeholders as required for resolution of design, installation, integration and/or O&M Work issues. TSP shall make available all relevant Key Personnel and other staff as appropriate. Unless otherwise specified, all meetings shall be held at a location in the Riverside area agreed to by the applicable Agency. Agencies have the right to hold informal meetings with TSP Representative and Key Personnel as requested from time to time. Some meetings may be held by teleconference or WebEx.

2.2.1 Contract Start-Up Meeting

Within 30 days after NTP1, a Contract start-up meeting shall be held. TSP shall provide the meeting location in the Riverside area and designated by RCTC. In attendance shall be RCTC and its invitees, the PCM, the TSP's Key Personnel and other TSP personnel. TSP shall distribute an agenda at least two (2) Business Days in advance of the meeting and shall send out meeting minutes within five (5) Business Days after the meeting. The Contract start-up meeting shall permit all parties to understand the Project Schedule, terms and conditions, scope of work and responsibilities.

2.2.2 D&D Progress Meetings

During the D&D Phase, TSP shall hold monthly progress meetings (or more frequently as reasonably necessary or as requested by RCTC). The primary purpose of the progress meetings shall be to review the Project Schedule, schedule milestones, and Completion Deadlines, and to examine and assess actual progress of the D&D Work, including the status of pending Change Orders and any other design, installation, or testing related issues which the parties may wish to discuss. TSP shall make available at a minimum the Project Manager - D&D Work and scheduler for the monthly progress meeting. Discussion of the D&D Monthly Progress Report during the monthly progress meeting is subject to Section 2.6.4.3.

TSP shall schedule all monthly progress meetings with RCTC at a date, time, and place in the Riverside area and designated by RCTC, shall provide RCTC with written notice and a meeting agenda at least two (2) Business Days in advance of each meeting. TSP shall cause its Subcontractors to be present at any progress meetings as reasonably requested by RCTC.

Prior to any progress meeting, TSP shall prepare a written summary of D&D Work from the previous month and a look ahead of D&D Work for the upcoming month. TSP shall provide a finalized summary to RCTC at least five (5) Business Days before the meeting. RCTC shall be

provided copies of all meeting handouts even if not in attendance. TSP shall take meeting notes and distribute meeting notes to all participants within five (5) Business Days.

2.2.3 Task Force Meetings

TSP shall attend the DB Contractor's weekly tolling task force meetings during the D&D Phase. The meetings will be held at the Co-located Office with the DB Contractor. The DB Contractor will be responsible for the agenda and meeting notes for the weekly tolling task force meetings. TSP shall cause its Subcontractors to be present at any tolling task force meetings as reasonably requested by RCTC.

2.2.4 O&M Meetings

During the O&M Term, TSP shall hold monthly (or more frequently as reasonably necessary or as requested by the applicable Agency) meetings with the applicable Agency to discuss the O&M Work. Items to be discussed shall include O&M Work during the previous month, including O&M Monthly Reports and any other O&M reports for which TSP is responsible for pursuant to these TPs.

TSP shall schedule all meetings with the applicable Agency in person or virtually at a date and time reasonably convenient to both parties and, except in cases of urgency, shall provide the applicable Agency with written notice and a meeting agenda at least two (2) Business Days in advance of each meeting. TSP shall cause its Subcontractors to be present at any O&M meetings as reasonably requested by the applicable Agency.

Prior to any O&M meeting, TSP shall prepare a written summary of O&M Work from the previous month and a look ahead of scheduled maintenance for the upcoming quarter. TSP shall provide a finalized summary to the applicable Agency at least five (5) Business Days before the meeting along with the O&M Monthly Progress Report. TSP shall prepare other meeting materials as directed by the applicable Agency. The applicable Agency shall be provided copies of all meeting handouts even if not in attendance.

2.2.5 Partnering Meetings

TSP Key Personnel shall attend all partnering meetings with DB Contractor and RCTC as scheduled by the DB Contractor. Partnering meetings shall be held quarterly at a site in Riverside County to be determined by RCTC.

TSP shall also comply with partnering provisions in Contract Section 27.

2.3 Business Rules

In accordance with the approved Project Schedule, the TSP shall hold workshops with Agencies to develop a draft of the proposed Business Rules for review and approval during the CDR. Final Business Rules will be approved at FDR. The Business Rules shall provide the policies and guidelines for TSP's performance of the O&M Work. The Business Rules, at a minimum, shall:

1) Cover all aspects of tolling operations and back office systems;
2) Be based on these Technical Provisions and the Concept of Operations included as part of the Reference Documents;

3) Establish procedures in accordance with which the TSP shall administer and process all Violation Notices, appeals, administrative hearings and collection efforts, including circumstances in which Agencies shall authorize the reduction, compromise and settlement of amounts owed to Agencies by Violators;

4) Be concise and link back to requirements as discussed in these TPs and Contract;

5) Be efficient at meeting the requirements of the Contract while minimizing costs and maintaining high quality customer service;

6) Be specific and include quantities, time frames, dates, durations, and other quantitative measures when applicable;

7) Indicate which variables or measures are Configurable, the valid range of the variable, and the initial value;

8) Be consistent with applicable Governmental Rules governing toll collection and enforcement of toll Violations, and collection and protection of customer information; and

9) Be consistent with CTOC procedures and requirements, and the requirements of any agreements between Agencies and interoperable agencies.

TSP shall implement changes in the Business Rules upon written direction from Agencies and subject to Contract Section 20. TSP shall not be entitled to additional compensation for implementing Configurable changes.

TSP is operating from Business Rules developed over the course of the Contract. The current business rules have been redlined to reflect changes needed to accommodate difference for the 91 Express Lanes. The amended Business Rules are attachment to the request for proposal letter as Attachment 2.

2.4 Quality Management

TSP shall be solely responsible for the overall quality of the Toll Services, including products of Subcontractors both on-Site and off-Site, and must make certain all materials, Equipment, and other elements of the TCS will perform satisfactorily for the purpose intended. Persons performing quality management functions shall have sufficient authority to identify quality problems and to initiate, recommend, provide and verify implementation of solutions.

2.4.1 Quality Management Plan

TSP shall prepare, implement and maintain a Quality Management Plan (QMP) that encompasses all elements of the Toll Services, including management, administration, design, installation, testing, commissioning, operations and maintenance and quality records. The QMP shall be submitted to RCTC for review and approval prior to issuance of NTP2. As separate components to the QMP, TSP shall prepare a D&D QMP and an O&M QMP.

The QMP shall be prepared under the direction of the Quality Manager, and shall include, at a minimum, the following:

1) A description of the quality management organization of TSP and contain, at a minimum, the following information:

    a. Organization charts that identify all TSP's quality personnel and the line reporting relationships within TSP's organization.
    b. Description of the roles and responsibilities of all TSP's quality personnel and those who have authority to stop D&D Work or O&M Work; and
    c. Resumes for all QA/QC personnel.

2) A detailed description of procedures and reporting for QA/QC review of all elements of the Toll Services.

TSP shall submit the QMP to RCTC for review and approval prior to issuance of NTP2.

2.4.1.1 D&D QMP

TSP is responsible for the professional quality, technical accuracy, and coordination of designs, drawings, specifications, manufacturing, installation, testing and other D&D Work under this Contract.

As a component of the QMP, TSP shall prepare a D&D QMP, which shall include at a minimum, the following:

1) A description of quality measures that encourage continuous improvement of the design submittals;
2) A description of processes used to confirm and verify that all Contract requirements have been fulfilled;
3) Key QA milestones and deliverables;
4) Processes for test scripts documentation, test execution and results tracking;
5) Processes for defects management, tracking and reporting; and
6) A description of QA/QC review processes for D&D Work.

2.4.1.2 O&M QMP

TSP is responsible for the professional quality and accuracy of the O&M Work, including TCS maintenance, customer service, TOC operations, Violation processing and all reporting under the Contract.

As a component to the QMP, TSP shall prepare an O&M QMP, which shall include at a minimum the following:

1) Identification of all Toll Services to be monitored during the CSC Commencement Period and the O&M Term, and acceptable quality standards;
2) Detailed description of all quality and audit methods and procedures including frequency of performance, sample size and reporting;
3) For each area monitored the following shall be identified:

a. Description of the work area monitoring process, including monitoring of in-bound and out-bound calls
b. Sample size
c. Monitoring forms
d. Frequency
e. Reporting methods
f. Production report accuracy/verification
g. Evaluation process
h. Performance calculation
i. Employee feedback and tolerance for discipline or remediation

4) Description of the process for calculating and auditing all KPIs

5) Description of TSP's quality training program, including a training syllabus, schedule, and methods of tracking the staff that have been trained; and

6) Description of procedures for identifying, controlling, and storing QA/QC documentation for the O&M Work

2.5 Document Control (this section is being left as is for future RCTC expansion work)

2.5.1 General

Document control is an integral part of RCTC's proactive project management process for all RCTC projects. TSP shall use an electronic document control system (DCS) to track and manage all Toll Services documentation. The DCS shall not be a proprietary system and RCTC and its agents shall be able to access it. The DCS shall ensure that all incoming and outgoing Toll Services documentation is electronically and physically accounted for and filed.

TSP shall work with RCTC to ensure that the RCTC and TSP systems and processes are compatible. TSP's DCS shall be subject to RCTC review and approval**.** TSP shall work with RCTC to create a format that works for both RCTC and TSP.

The TSP shall establish and maintain a DCS prior to issuance of NTP2 and shall maintain the DCS throughout the Term. The TCS shall be accessible to both the TSP and RCTC from the Project office and remote locations. The Parties shall use the DCS to exchange drawings, technical reports, specifications, submittals, calculations, control of materials, meeting minutes, correspondence to and from RCTC, and other Toll Services documents. The TSP shall also establish document routing, filing, control, and retrieval methods that are compatible with RCTC's DCS. Document control, storage, and retrieval methods shall include the use of both hard copies and electronic records. The TSP's DCS shall manage all of the documents for the Toll Services. The TSP's DCS shall be established and operational no later than 30 days after NTP1.

TSP shall provide training and DCS support to all RCTC employees and RCTC representatives who require access to the DCS, including all reviewers of project documents. If applicable, the TSP shall provide all licenses for RCTC use of the DCS.

In addition to TSP's obligations set forth in Contract Section 13, at the end of the Term, the TSP shall provide all paper copies and electronic files in an organized filing system broken down into the D&D Phase and O&M Term to RCTC within 60 days of the end of the Term.

2.5.2 Project File Format

Unless otherwise specified, files submitted to RCTC shall be subject to Section 2.5.2. Graphics shall be submitted in TIF, GIF, JPG, or PDF file formats (compressed image formats only). These formats are intended for photos, conceptual sketches, and other uses. Data files contained in a database or a spreadsheet shall be in one of the following formats:

1) Microsoft Access;
2) Microsoft SQL; or
3) Microsoft Excel.

All links between non-graphical data and graphic elements, relationships between database tables and report formats shall be maintained. TSP shall provide the database file in the preferred file format as directed by RCTC.

Any documents such as reports, photographs, and manuals that use a variety of Software packages and file formats shall be submitted as PDFs (version 7.0 or later), in addition to being submitted in the native editable file format.

2.5.3 Submittals

2.5.3.1 Submittals and Review Process

TSP shall prepare all required submittals in the form specified by these TPs and Contract Section 30.

All deliverables identified in these TPs shall be in the English language and all plans shall be submitted to RCTC for its review and approval. All plans and documentation shall be submitted within the times as specified in these TPs for RCTC review in accordance with the process specified in the Contract. Unless expressly stated otherwise in the Contract, RCTC shall have 20 Business Days for review of initial submittals.

Approval of documents by RCTC shall not relieve or limit TSP's obligation to provide a TCS in full compliance with the Contract. Deviations from the Toll Services requirements that may be contained within TSP submitted documents shall not modify Contract requirements even if the document is approved by RCTC unless TSP has specifically brought the Deviation to RCTC's attention in writing and RCTC has expressly provided its written approval of the Deviation in accordance with the process for approval of changes set forth in the Contract.

TSP shall maintain a complete library of all approved Toll Services documentation. Submittals shall not include changes to the Toll Services. RCTC's review, responses, and/or comments are not an authorization for changes in the Toll Services.

Submittals shall be in a format compatible with Adobe Acrobat, Microsoft Word, Primavera P6 and Microstation, as applicable. Unless otherwise agreed to by RCTC, TSP shall submit three (3) hard copies and one (1) electronic copy of each submittal package, including draft and final

versions. All submittals sent to RCTC shall contain the following information at the top or on the first page of the document being sent:

1) RCTC Project name and Contract number;
2) Document type, such as letter, letter of transmittal, deliverable, and submittal; and
3) Document number, unique for the type of document. If any revisions are made to the original document, the same unique number shall be used with a revision number added.

In the case of a submittal endorsed "Approved," by RCTC, TSP may proceed to implementation of the contents of the submittal package or further development, as applicable.

In the case of a submittal with comments, TSP shall be responsible for documenting all comments received from RCTC and the corresponding resolution. TSP may request a formal comment resolution meeting by notifying RCTC at least five (5) Business Days prior to the requested date of the meeting. Unless otherwise agreed to by RCTC, TSP shall update the submittal based on RCTC's comments and resubmit within 10 Business Days for RCTC review and approval**.**

RCTC may reject any submittal where information submitted is considered, by RCTC, in its sole discretion, insufficient to conduct a proper review or actions arising from the review require significant revisions or otherwise not in accordance with the Contract. TSP shall be responsible for making necessary corrections to the submittal and resubmitting it to RCTC. RCTC shall have 20 Business Days after receipt of the submittal, to approve, comment or reject the submittal. The process shall continue until the submittal is endorsed "Approved" by RCTC.

Supplemental supporting information to any submittal under review may be requested by RCTC. TSP shall supply such information in the form and within the timeframe requested by RCTC. RCTC may reject a submittal if supplemental supporting information requested by RCTC is not provided by TSP.

2.5.3.2 Document Control Work Plan

TSP shall prepare and submit a Document Control Work Plan to RCTC for review and approval prior to NTP2. The Document Control Work Plan shall describe how documents will be named, tracked, submitted, routed and reviewed and shall include the following, at a minimum:

1) File structure and relationship with the WBS;
2) Naming convention and resubmittal naming convention;
3) DCS procedures, including incorporation of documents into the DCS, document deletion procedures, and DCS backup and recovery;
4) Flow charts depicting the routing and processing of documents;
5) Persons involved in document control and their responsibilities;
6) The handling and filing of hard copy documents;
7) Review processes; and
8) Submittal log in DCS.

2.5.3.3 Project Completion

Prior to TCS Acceptance, TSP shall deliver to RCTC a full and complete backup of the DCS. This backup shall include all documents in electronic format.

TSP shall provide a final file structure and index for the electronic archived documents. Written instructions and procedures for use of the TSP's Software pertaining to the archived documents shall also be provided.

2.6 Project Schedule

2.6.1 General Requirements

The Project Schedule defines the timeframe for completion of the D&D Work and achievement of schedule milestones, Payment Milestones, and Completion Milestones, and is used to monitor progress and denote changes that occur during the D&D Phase. TSP shall undertake and perform the D&D Work in accordance with the Project Schedule, which shall form the basis for payment and invoicing for the D&D Work. There are 6 components of the Project Schedule listed below and more fully described in Section 2.6.4.

1) Preliminary Baseline Schedule
2) Baseline Schedule
3) Monthly Progress Schedule
4) Four-week look ahead schedule
5) Cost and schedule impact analysis, as needed
6) Recovery Plan schedules, as needed

2.6.2 Project Schedule Submission Process

The TSP shall prepare a single hard copy of all Project Schedules submitted to RCTC, sorted by work breakdown structure (WBS), on full-size (11 X 17) color plot sheets, along with an electronic version of the Project Schedule in both .xer and .pdf format. E-mail is an acceptable method for sending the electronic Project Schedule to RCTC.

TSP shall provide a separate narrative report that describes, in general fashion, TSP's proposed methods for performing the D&D Work required by the Contract.

RCTC's approval of a Project Schedule shall not:

1) Imply approval of any particular construction, installation or other methods or relieve TSP's responsibility to provide sufficient materials, Equipment, and labor to guarantee completion of the D&D Work in accordance with the Contract;
2) Attest to the validity of assumptions, activities, relationships, sequences, resource allocations, or any other aspect of the Project Schedule; or
3) Imply TSP is entitled to any Change Order extending a Completion Deadline or adjusting the Contract Price.

Failure to include any element of D&D Work required by the Contract in the Project Schedule shall not relieve TSP of its responsibility to perform such D&D Work; and the Project Schedule (including the Baseline Schedule) shall not modify the Contract.

2.6.3 Project Schedule Development

The Project Schedule shall reflect the following information, at a minimum:

1) *Work Breakdown Structure.* Project Schedule shall be organized in accordance with the WBS. Each Project Schedule activity shall be mapped to one and only one of the WBS elements.

2) *Activity Identification.* A unique identification number shall be used for each Project Schedule activity. Changes to activity IDs shall not be permitted. Consistent activity identification numbers, textual descriptions, and codes in all Project Schedule submittals shall be used, in a way acceptable to RCTC. Each Project Schedule submittal shall be clearly identified. Resubmissions of Project Schedules shall use the same revision number as the original submission individually identified by a sequential appended letter (A, B, etc.), as an indication of a revised version.

3) *Cost allocation.* All Payment Milestones must be represented by cost-loaded activities logically linked in the Schedule.

4) *Milestones.* Each schedule milestone and Payment Milestone shall be separately identified, conforming to the scheduling requirements set forth in the Contract.

5) *Activity Information.* D&D Work shall be divided into activities with appropriate logic ties to show TSP's overall approach to the planning, scheduling, and execution of the D&D Work. Duration and logical relationships of the activities shall be based upon the actual duration and relationships anticipated.

6) *Constraints.* Activities shall not be constrained unless accepted by RCTC. Calendar dates or constraints shall not be used to begin or complete any D&D Phase activity unless calendar dates are shown in these TPs or Contract. Unspecified schedule milestones, constraints, Float suppression techniques, or use of activity durations, logic ties, and/or sequences deemed unreasonable by RCTC, shall not be used in the Project Schedule. Any Project Schedule showing an early completion date shall show as Float the time between the scheduled completion date(s) and the applicable Completion Deadline(s).

7) *Progress.* Actual progress shall be shown in the Monthly Progress Schedule.

8) *Logic.* Only accepted logic changes and work changes shall be incorporated into the Project Schedule.

1) *Schedule Narratives*. TSP shall provide a stand-alone narrative with sufficient detail to explain the basis of each Project Schedule submittal. The narrative must describe the activities and how the activities interrelate and how activity durations were determined through TCS Acceptance. The schedule narrative shall include the following information:

   a. For the Baseline Schedule submittals, the design and deployment philosophy supporting the approach to the D&D Work, including the reasons for the sequencing

of D&D Work and descriptions of any limited resources, potential conflicts, and other salient items that may affect the Project Schedule and how they may be resolved.

b. For all subsequent Project Schedule submittals, TSP shall describe any changes to the approach to the D&D Work provided in the narrative for the Baseline Schedule, including the reasons for any re-sequencing of D&D Work.

c. Provide the justification for any activity with a duration exceeding 20 days.

d. Provide the justification for constraints used.

e. Provide the justification for all calendars used.

f. Describe the approach used to apply relationships between activities, including a list of activity relationships with lags and the justification for the use of each lag (e.g., all ties are based on physical relationships between D&D Work activities).

g. Identify challenges that may arise associated with Critical Path activities. Walk through, analyze, and describe the Critical Path elements. Advise why this path is critical and identify any near critical elements that may become Critical Path elements.

9) *Software.* TSP shall use scheduling software compatible with Primavera Project Planner (latest version).

10) *Calendars.* Calendars shall be provided by RCTC to the TSP for use in the scheduling software.

11) *Retained Logic*. TSP shall use the retained logic method of calculating the schedule to assure that the original Baseline Schedule logic is used as TSP executes the Work. This applies to all components of the Project Schedule.

2.6.4 Schedule Deliverable Requirements

TSP shall prepare and submit to RCTC the following Project Schedule deliverables:

1) Preliminary Baseline Schedule

2) Baseline Schedule

3) Monthly Progress Schedule

4) Four-week look ahead schedule

5) Recovery Plan, as needed

6) Cost and schedule impact analysis, as needed

2.6.4.1 Preliminary Baseline Schedule

TSP shall prepare and submit a Preliminary Baseline Schedule as part of its Proposal. The Preliminary Baseline Schedule shall include activities and milestones and their respective durations, sequences, and interrelationships that represent TSP's plan for completing the D&D Work. The Preliminary Baseline Schedule shall clearly show the durations, sequence and interrelationships from each of NTP1 and NTP2 by reference to the number of days from each of NTP1 or NTP2, as applicable (i.e. NTP1 or NTP2 plus "x" days). Upon issuance of NTP1, TSP

shall update the Preliminary Baseline Schedule to include revised hard dates for all activities required to be completed prior to NTP2 based on the actual date of issuance of NTP1 and the durations, sequence and interrelationships shown in the Preliminary Baseline Schedule. All other dates (i.e. for work to be done after NTP2) shall clearly show the durations, sequence and interrelationships from each of NTP1 and NTP2 by reference to the number of days from each of NTP1 or NTP2, as applicable.

The Preliminary Baseline Schedule forms the basis of the Baseline Schedule to be utilized during the Toll Services as defined in these TPs. Acceptance of TSP's Proposal and award and execution of the TSP Contract shall not be construed as RCTC approval of TSP's Preliminary Baseline Schedule or any subsequent Project Schedule submittal (including any assumptions made by TSP as to the actual dates of NTP1 and NTP2).

The Preliminary Baseline Schedule shall, at a minimum, include the following information and shall be limited to a maximum of 250 activities/milestones:

1) All key activities, milestones and deliverables relating to the D&D Work.
2) A summary of major risks to the Preliminary Baseline Schedule with an explanation of planned contingencies and an approach to dealing with these risks, should they arise.
3) Brief narrative description including:
    a. Description of system for preparing and updating the Baseline Schedule
    b. Description of the proposed plan to integrate design and Subcontract activities into its scheduling and reporting system.
    c. All planned key Interfaces with the DB Contractor, including TSP civil requirements, plan reviews, and Package turnover dates.

2.6.4.2 Baseline Schedule

TSP shall use the Preliminary Baseline Schedule submitted with the Proposal as a foundation to prepare the Baseline Schedule. TSP shall submit a draft Baseline Schedule, including D&D Work activities that complies with the requirements of this section, for review and approval by RCTC before issuance of NTP2.

The Baseline Schedule submitted prior to NTP2 shall include activities and milestones and their respective durations, sequences, and interrelationships from NTP2 by reference to the number of days from NTP2 (i.e. NTP2 plus "x" days). Upon issuance of NTP2, TSP shall update the Baseline Schedule to include revised hard dates for all activities based on the actual date of issuance of NTP2 and the durations, sequence and interrelationships shown in the Baseline Schedule. In addition, TSP shall also incorporate the Substantial Completion Deadline provided in the DB Contract at NTP2 into the Baseline Schedule provided that Substantial Completion Deadline shall be subject to adjustment as provided in notices from the DB Contractor under Sections 8.8 and 8.9 of the Contract.

The Baseline Schedule shall be used to coordinate all activities of the D&D Work, including those with other entities, such as Subcontractors, vendors and Suppliers, Utility Owners, Local Agencies, the Department, RCTC and the DB Contractor.

TSP shall address the following with as much detail as required to fulfill all the following requirements:

1) The proposed approach to accomplish the D&D Work shall be accurately reflected. All major D&D Work activities required under the Contract shall be included in sufficient detail to monitor and evaluate progress of the D&D Work. For each major activity, the duration, in days, required to perform the activity and the anticipated beginning and completion date of each activity shall be indicated. The sequence of performing each major activity and the logical dependencies and inter-relationships among the activities shall also be indicated. A complete and logical plan that can realistically be accomplished for executing the D&D Work defined in the Contract shall be defined. The Baseline Schedule shall comply with the phasing, D&D Work constraints, DB Contractor interfaces, schedule milestones, Completion Milestones, and Payment Milestones specified in the Contract, as well as other contractual terms and conditions. Sufficient activities for adequate D&D Work planning, including Subcontractor, third-party, vendor, and Supplier activities shall be included. The schedule shall contain activities to a level of detail acceptable to RCTC.
2) The Critical Path Method (CPM) Baseline Schedule resources shall contain hours and dollars.
3) TSP shall be solely responsible for all costs to maintain the Baseline Schedule.
4) There shall be at least one continuous Critical Path in the Baseline Schedule, using the longest path definition that starts at the earliest occurring schedule activity in the network (NTP1) and ends at the latest occurring schedule activity in the network:
    - Near-Critical Path activities shall be limited to no more than 15 percent of the activities. If 15 percent of the activities become critical, TSP shall present a plan to reduce the number of near-Critical Path activities to RCTC.
5) Clearly define significant interaction points with RCTC, DB Contractor and other entities such as Subcontractors, vendors and Suppliers, the Department, Utilities, and Local Agencies.
6) Designate the first data date as the day before issuance of NTP1.
7) Clearly and uniquely define each activity description so D&D Work is readily identifiable and the progress on each activity can be readily verified without measuring.
8) Relationships: Use the retained logic method of calculating the Critical Path of the Baseline Schedule and show the order in which TSP proposes to carry out the D&D Work with logical links between D&D Work activities and DB Contractor interfaces.
9) Ensure that all activities have at least one predecessor, except for issuance of NTP1, and one successor, except for the finish schedule milestone.
10) Use schedule milestones to define significant contractual events, such as NTPs; Completion Deadlines; completion of segments of D&D Work; and coordination points with outside entities.

11) Include a well-defined activity coding structure that allows D&D Work activities to be sorted by type of D&D Work, location of D&D Work, WBS, or as mutually agreed to by TSP and RCTC. Coordinate the use of activity codes and user-defined fields with RCTC prior to the initial submission of the Baseline Schedule. Specific required codes are delineated below.

12) Include activities for design and design reviews that are broken down into sufficient detail that they may be monitored. Include third party reviews and DB Contractor reviews.

13) Include cost-loaded activities for mobilization and equipment deliveries that comply with the Contract.

14) Typical durations. Durations of activities shall be on the order of one week. To achieve this, steps may be used to reduce the number of small duration activities. Level of effort activities may be larger based on agreement between RCTC and the TSP. Each activity depicting TSP's operations shall have a duration of no more than 20 Business Days, and not less than one (1) Business Day, except as otherwise approved by RCTC.

15) Contiguous work. The schedule shall be set up such that work is contiguous, to the maximum extent possible,

16) Post Miles. An activity code shall be set up to identify post miles as applicable so that activities can be grouped and sorted by post miles.

17) Payment. The Payment Milestone (Contract Exhibit 19 schedule shall form the basis for payment and invoicing on this Contract. The Payment Milestone approach shall be incorporated into the schedule in the form of activities containing resources leading to the Payment Milestone itself. The week prior to the invoice submission TSP and the Subcontractor shall conduct a walk down of the D&D Work to agree on schedule progress. The value of all schedule activities shall sum up to the total value of the Contract.

18) Multiple shifts and weekend work. A code field shall be used to identify single, double, triple, and weekend work.

19) Related road closures. A code field shall be used to denote activities that require road closures. The code shall indicate whether it is a major (freeway) closure, or minor (everything else) closure.

20) Lags. Lags shall not be permitted unless accepted by RCTC. TSP shall not use Float suppression techniques or constraints unless approved by RCTC.

21) Submittal review. Submittals shall be followed by a review activity with a duration that is consistent with Section 2.5.3.1.

22) Interface Milestones. An interface milestone denotes the transition of work from one contractor to another. TSP activities that relate to DB Contractor activities shall be preceded and/or followed by an interface milestone. This interface milestone shall be used to link DB Contractor activities to TSP activities. TSP shall work with DB Contractor to define interface milestones. By way of example, if DB Contractor requires information regarding the placement of conduit from TSP, an interface milestone shall be set up in both TSP's and DB Contractor's respective schedules to identify the delivery of drawings from TSP to DB Contractor for each bridge and roadway package. Similarly, if TSP needs

to inspect infrastructure completed by DB Contractor, there shall be an interface milestone in both TSP's and DB Contractor's respective schedules related to inspection and acceptance of such infrastructure.

23) TSP shall include a listing of all submittals as called out in the Contract.

2.6.4.3 Monthly Progress Schedule

TSP shall prepare and submit the Monthly Progress Schedule to RCTC each month during the D&D Phase, commencing after issuance of NTP1, until the closing date for Final Payment for the D&D Work.

TSP shall change the data date to the start of the next day after the end date of the fiscal month. The Monthly Progress Schedule shall reflect:

1) Progress of D&D Work within five (5) Business Days prior to submission;
2) Accepted changes in D&D Work scope and activities modified since submission;
3) Delays in submittals, or re-submittals, deliveries, or D&D Work;
4) Adjusted or modified sequences of D&D Work;
5) Revised projections of progress and completion; and
6) Report of changed logic.

Out-of-Sequence Progress. Activities that have posted progress without all preceding logic being satisfied will be allowed but shall be listed in the write-up for the schedule narrative.

Unacceptable Monthly Progress Schedule: TSP shall make requested corrections and resubmit Monthly Progress Schedule within ten (10) Business Days.

Errors and Unrealistic and/or Unreasonable Logic. In the event that any issues are discovered such as errors or unrealistic or unreasonable logic in activity duration, status information, mathematical analysis, progress reports, pay estimates, or other issues, RCTC may require TSP to correct, revise and resubmit the Monthly Progress Report for approval. Any payment amount made on the basis of such error, or unrealistic or unreasonable component, parameter or result may be adjusted by RCTC in subsequent payments.

TSP shall show actual progress in the Monthly Progress Schedule. Approved logic changes and D&D Work changes must be incorporated into the Monthly Project Schedule. Each Monthly Project Schedule submittal must clearly and individually define the progression of the Work within the applicable timeframe by using separate design and deployment activities.

TSP shall show actual progress for each activity, including:

1) Actual start and finish dates for completed activities;
2) Actual start dates, percentage complete, and remaining duration for activities in progress;
3) Projected sequences of activities for future Work;
4) Revised relationships and durations for unfinished activities, if warranted; and

5) A well-defined Critical Path using the retained logic method of calculating the CPM schedule.

Concurrent with the draft invoice submittal, TSP shall submit the Monthly Progress Schedule for review and comment by RCTC, and for discussion at the Progress Meeting, as set forth in Section 2.2.2 and Contract Section 18.4. The invoice amount must match 1) the progress amount on the Monthly Progress schedule, and 2) the Payment Milestone amount.

Along with the Monthly Progress Schedule, TSP shall provide a narrative describing, at a minimum:

1) Work performed during the relevant period.
2) Problems or delays that have been experienced to date, the Party responsible for the problems or delays, and TSP's plan to resolve the problems or bring the delayed activities back on schedule.
3) Differences between the Work performed and the Work planned for the period, including explanations for the difference.
4) The current Critical Path for the D&D Work, explaining any changes since the last update and the causes and impacts of these changes on the D&D Phase duration.
5) Reasons for and impacts resulting from all of the following, as applicable:
    a. Added or deleted activities
    b. Changes in activity durations
    c. Changes in relationships between activities
    d. Addition or deletion of constraints
    e. Changes to calendars
    f. Changes to budgeted costs
    g. Changes to resources
6) The D&D Work to be accomplished during the next period. Provide reasons for difference from the previous schedule update and the potential impact of these changes on the D&D Phase completion date.
7) Potential problems that may be encountered during the next period and the proposed solutions. Identify all potential problems RCTC may be party to and explain what action RCTC needs to take and the date by which the action needs to be taken to avoid the problem.
8) A list of activity relationships with lags and the justification for the use of each lag.
9) A list of pending items and their status for the following:
    - Governmental approvals
    - Contract changes
    - Time adjustments

- Noncompliance notes
- Impact delay analysis
- DB Contractor impacted items

TSP shall participate in monthly progress meetings or meetings held at the request of RCTC to review and discuss the status of the Toll Services. The TSP shall participate in DB Contractor schedule meetings. The monthly progress meeting will include discussion of differences in the Monthly Progress Schedule from the Baseline Schedule and the previous Monthly Progress Schedule. The causes, responsible Party, impacts, and potential solutions to all issues identified will be addressed in the meeting with the intent of finding the most effective solutions to problems through the following:

1) TSP shall make available the Project Manager, scheduler, and appropriate field personnel to participate in the monthly progress meetings.
2) TSP shall create an action item list that specifies who is responsible for resolving existing or pending issues and the date by which the issue must be resolved to avoid D&D Work delays.

RCTC will not process an invoice for payment until the Monthly Progress Schedule has been reviewed by RCTC, all RCTC comments have been incorporated by TSP, and RCTC has deemed the Monthly Progress Schedule acceptable. RCTC's acceptance of the Monthly Progress Schedule is for purposes of payment only and will not act as a revision to the Project Schedule.

TSP shall provide additional, separate, filtered reports of D&D Work activities based on the Monthly Progress Schedule with the D&D Monthly Progress Report shall include, at a minimum, the following:

1) Design document submittals for the forthcoming period;
2) Tabular report listing all activities with 10 Business Days or less Float;
3) 60-day look-ahead report identifying all RCTC and Governmental Approvals required;
4) 90-day look ahead bar chart schedule sorted by WBS and activity early start dates;
5) Critical items graphical report for each Critical Path sorted by activity early start date; and
6) Time-scaled Critical Path network plot indicating the status of all activities as of the date of the update.

2.6.4.4 Four-Week Look-Ahead Schedule

The four-week look-ahead schedule is a hand- or computer-generated bar chart that spans a forward-looking, rolling period of at least 20 Business Days. TSP shall base the four-week look-ahead schedule on the Baseline Schedule, and provide a greater breakdown of the Baseline Schedule activities for the purpose of coordination, inspection and testing. The four-week look-ahead schedule shall clearly note and explain any Deviations from the Baseline Schedule and shall reference the Baseline Schedule activity identification numbers and define subsequent specific daily operations for all Work activities scheduled to be performed during the four-week

period. TSP shall submit the four-week look-ahead schedule to RCTC weekly after approval of the Baseline Schedule.

2.6.4.5 Recovery Plan

Whenever a Recovery Plan is required under the Contract Documents, TSP shall provide, at a minimum, the following information:

1) Transmittal letter;
2) Electronic copy of the schedule layout;
3) .xer file used for the proposed Recovery Plan;
4) Narrative describing any proposed changes to the Baseline Schedule, in detail, with justification for the changes, including, at a minimum, the following:
    a. Changes to activity original durations;
    b. Changes to activity relationships and/or schedule logic;
    c. Identification of activities that have been added, deleted, or modified; and/or
    d. Changes to the Project Schedule's Critical Path.

TSP shall submit a Recovery Plan, including any associated schedules, narratives, and documentation to RCTC for review and approval.

2.6.4.6 Impacted Delay Analysis

If a Change or Eligible Change affects a Critical Path of the Project Schedule, TSP shall, as part of its Change Response or TSP Initiated Change Request provide an impacted delay analysis report showing the cumulative effect of the change on the fixed milestone date. Any revision to the Project Schedule associated with any time extension granted under Contract Section 20 shall not modify the early- and late-start cost curves of the Baseline Schedule, except with respect to activities that have been affected by the event that justifies the extension. TSP may reschedule activities not otherwise affected by the event to take advantage of additional Float available as the result of the time extension. Any such rescheduling must be reflected in the Baseline Schedule. Each impacted delay analysis must include, at a minimum, the following information:

1) How TSP proposes to incorporate the delay claim;
2) The impact of the delay claim to the Project Schedule;
3) The sequence of new and/or existing activity revisions that are proposed to be added to the Project Schedule that is in effect when the change or delay is encountered; and
4) The proposed method for incorporating the delay and its impact to the Project Schedule.

TSP shall submit schedules, narratives, and documentation supporting any impact delay analysis.

2.7 Health and Safety

TSP shall take all reasonable precautions and be solely responsible for the safety of, and shall provide protection to prevent damage, injury, or loss to, all persons throughout the Term and shall comply with all health and safety requirements under applicable Governmental Rules.

All systems and subsystems and operational and maintenance processes must be designed and implemented in a manner that promotes the safety and security of persons and property. TSP shall perform safety and health work in accordance with the following Governmental Rules and Standards listed in these TPS, the Caltrans Safety Manual, 2009 and otherwise in accordance with the Contract.

2.7.1 Health and Safety Plan

TSP shall prepare and submit to RCTC for review and approval a Health and Safety Plan to cover all aspects of the D&D Work including, at a minimum, details of training to be provided by TSP to its employees for safely performing D&D Work and incident reporting procedures along with a method of tracking safety issues. Additionally, during installation, testing, and commissioning and at any other time TSP is working on the I-15 Corridor, TSP shall follow the procedures and methods included in the DB Contractor's Health, Safety and Environmental Work Plan.

TSP shall develop, implement, and maintain a comprehensive task-specific written Health and Safety Plan and shall fully describe in the Health and Safety Plan the TSP's policies, plans, training programs, worksite controls, incident response plans and enforcement for the health and safety of personnel involved in the Project and the general public affected by the Project during the Term. The Health and Safety plan shall be submitted to RCTC for review and approval prior to NTP2.

The Health and Safety Plan shall address procedures for immediately notifying RCTC of all incidents arising in connection with the performance of the Work, whether on or adjacent to the Site.

At a minimum, the Health and Safety Plan must:

1) Be consistent with the insurance requirements for the Toll Services;
2) Describe the participation of safety personnel in all Work activities;
3) Delineate administrative responsibilities for implementing the safety program;
4) Identify responsibilities and accountability;
5) Identify full-time dedicated safety professionals or managers covering all Site Work;
6) Describe the process of conducting safety orientation for all employees. The description of the safety orientation process shall include the following:
    a. A description of the extent and nature of the Toll Services;
    b. A description of any hazards that can typically be expected during the course of Work that is specific to the job assignment;
    c. Required Work practices, job conduct, and injury-reporting procedures; and

d. Any other general information to acquaint the employee with special Work and safety requirements at the Site;

7) Describe the TSP's drug policy, including the policy at the Site and any pre-job Site and post-incident drug testing to satisfy Contract insurance requirements. Provide policy for promoting a safe, drug and alcohol abuse-free workplace. The policy must be consistent, fair, manageable, and subject to audit. Allow for disciplinary action or termination for an employee reporting for performance of the Toll Services under the influence of alcohol or a prohibited substance or possession of a prohibited substance;

8) Describe employee health and safety training requirements;

9) Describe safety inspection procedures of Work areas, materials, and equipment to ensure compliance with the safety program, methods of record keeping, and correction of deficiencies;

10) Describe incident and emergency response procedures for land-based and river-based incidents, including response capabilities, evacuation and egress, responsibilities for reporting and investigating incidents, exposures, contingency plans, and the maintenance of safety-related logs;

11) Describe incident reporting procedures;

12) Describe TSP's Site control policy and plans for maintaining Site cleanup, on-Site first aid facilities or medical clinic and safe access;

13) Identify public safety requirements (e.g., fencing, signs, barricades);

14) Describe TSP's hazard communication program;

15) Describe TSP's method of tracking open safety issues;

16) Describe hazard analysis, tracking, reduction of risk, logs, and mapping procedures;

17) Describe Personal Protective Equipment (PPE) requirements and policy; and

18) Describe safety procedures for TSP's employees working around and handling hazardous materials.

TSP is solely and completely responsible for safety conditions on the Site after turnover from the DB Contractor. Safety practices will not be limited to normal business hours or other time constraints. All TSP employees and Subcontractors at all tiers must comply with the Health and Safety Plan and Governmental Rules as required in accordance with California Occupational Health and Safety Act of 1973.

2.7.1.1 Safety Organization

The Health and Safety Plan shall clearly establish the specific chain of command and specify the lines of authority, responsibility, and communication with regard to safety compliance activities. The Health and Safety Plan shall specify which onsite personnel have the authority to stop onsite activities when unanticipated and/or uncontrolled hazards are recognized and also address those personnel with the authority to restart Site activities after the previously unrecognized hazards have been controlled. TSP's Project Manager, TSP's Construction Manager, and line safety

supervisor shall be responsible for safety, health, and environmental performance. The Health and Safety Plan shall specifically define the safety responsibilities of each level of supervision.

TSP shall establish standard operating procedures to guide employees in safe Work practices. TSP shall train and provide instruction to all employees, including managers and supervisors, on general and job-specific safety and health practices. Workplace safety and health training practices must include, at a minimum, the following:

1) Measures for reporting any unsafe conditions, Work practices, and injuries.
2) Use of appropriate clothing, including gloves, footwear, and PPE
3) Information about chemical hazards to which employees could be exposed and other hazard communication program information.
4) Availability of toilet, hand-washing, and drinking water facilities.
5) Provisions for medical services and first aid, including emergency procedures.

TSP shall provide specific instructions to each employee regarding hazards unique to his or her job assignment, to the extent that such information was not already covered in other training. Establish written safe Work practices covering all phases of the Work.

Job Hazard Analysis (JHA) and Training – TSP's goal must be to eliminate all personal safety risks and to eliminate or reduce jobsite operational/environmental risks. JHA training and planning must involve foreperson and workers as the day's work is outlined. Upon completion of the JHA, TSP shall conduct a training session with all employees involved with the particular task that has been analyzed. All employees involved with the task must discuss the hazards anticipated, equipment needed to work safely, and Personal Protective Equipment (PPE) to be provided and worn. The training may be informal and onsite where the task is to be performed. TSP shall provide employees an opportunity to provide input regarding task steps, hazards identified, and appropriate control measures. TSP shall document all JHA training. The Health and Safety Plan must outline the training plan.

General Safe Work Practices – TSP shall establish safety, health, and environmental compliance training program that includes requirements for general and Project-specific training. All levels of supervision must be present while training is occurring for safety, health, and environmental issues. TSP shall conduct, at a minimum, weekly safety and health meetings that are relevant to the specific types of Work comprising the Toll Services, which comply with California Code of Regulation (CCR), Title 8. TSP shall prepare documentation of meeting content and employee attendance. All TSP onsite staff must attend all Project safety meetings conducted by RCTC and the PCM. The Health and Safety Plan must outline TSP's general safe work practices.

Personal Protective Equipment (PPE) – TSP shall define specific PPE requirements for all employees for each task. At a minimum, provide a consistent type of high visibility safety vest to be worn by all personnel, as well as an American National Standards Institute (ANSI) approved hard hat, safety glasses with side shields, and sturdy work boots, specific for the job being performed. TSP shall ensure that all vendors and visitors wear hard hats, as well as other required PPE while on the Site. Anyone not complying with these requirements shall not be allowed to

enter the Sites or will be required to leave the Sites. The Health and Safety Plan shall include all required PPE for the Toll Services.

Accident/Incident Investigation – TSP's safety program shall include a system to investigate and report accidents and incidents and to retain safety, health, and environmental compliance records. TSP shall develop a list of site-specific requirements for documentation and reporting. Incidents that result in injury to an employee or damage to equipment or property require investigation and a detailed report. When such incidents take place, TSP shall initiate an investigation and notify appropriate individuals (RCTC, PCM, Department, etc.). TSP shall adhere to the Division of Occupational Safety and Health (DOSH) reporting requirements for any Work-related accident or illness causing serious injury or death to an employee. The Health and Safety Plan shall include the procedures for accident/incident investigation and reporting.

2.7.1.2 Compliance and Disciplinary Policy

The Health and Safety Plan shall provide safety and health policies and procedures that clearly communicate and will be understood by all employees, and that require all employees use safe Work practices; follow all safety directives, policies, and procedures; and play an active role in maintaining a safe Work environment. Managers and supervisors will enforce the rules fairly and uniformly. The Health and Safety Plan shall provide, and TSP shall implement, a disciplinary policy for all employees who fail to comply with safe and healthful work practices.

2.7.1.3 Emergency Action Procedures

The Health and Safety Plan shall include emergency action procedures for each identified potential emergency, notification requirements, and training, and shall identify those individuals responsible for implementing the procedures in the event that the emergency is realized. The potential for an emergency (fire, explosion, chemical release, etc.) exists on all Sites or areas where the Work is being performed. The emergency action procedures must identify the various response activities necessary to minimize the dangers and confusion associated with an emergency. The emergency action procedures must address fire, explosions hazardous materials, natural disasters, and civil disruptions.

2.7.1.4 Security Policies

The Health and Safety Plan shall include a section describing the policies and procedures to be implemented to protect employees, the public, property, equipment, and Toll Services supplies.

2.7.2 Noncompliance with Safety Program

RCTC and Department personnel may stop any activity that constitutes or is perceived to present a threat of imminent danger. If any conditions or activities may present an imminent danger that could result in serious injury, death, or extensive property damage, the affected portion of the Work will be stopped immediately and not recommence until the practices or conditions are corrected to the satisfaction of authorized representatives of TSP, RCTC and Department. TSP shall discipline and/or dismiss employees who violate established rules, safety procedures, and regulations. This includes immediate termination for serious violations, repeated violations, or the refusal to follow safety and health rules.

2.7.3 O&M Term

2.7.3.1 Office Safety Plan

TSP shall prepare and submit to Agencies for review and approval an Office Safety Plan describing TSP's policies, plans, training programs, emergency response plans and enforcement of safety throughout the CSC Commencement Period and the O&M Term. The Office Safety Plan shall be submitted to RCTC for review and approval 90 days prior to the CSC Commencement Deadline.

The Office Safety Plan shall include at a minimum the following information:

1) Standard procedures to guide employees in safe Work practices;
2) Description of the process of conducting safety orientation for all employees;
3) Employee training requirements;
4) Drug policy, including the policy at the Site and any pre-employment and post-incident drug testing;
5) Consistency with the Contract insurance requirements and any other applicable Contract requirements;
6) Description of accident prevention plans; and
7) Emergency management and evacuation procedures.

2.7.3.2 Roadside Safety Plan

TSP shall prepare and submit to RCTC for review and approval a Roadside Safety Plan that complies with all applicable Governmental Rules and best management practices for any roadside maintenance and operations activities performed by TSP. The Roadside Safety Plan shall be submitted to RCTC for review and approval 90 days prior to the Revenue Service Commencement Deadline and shall include the following, at a minimum:

1) Standard operating procedures to guide employees in safe work practices;
2) Demonstration of consistency with Contract insurance requirements and any other applicable Contract requirements;
3) Participation of safety personnel and competent persons in all roadside maintenance activities;
4) Employee training requirements and description of the safety orientation process;
5) Incident reporting procedures and method of tracking safety issues;
6) Method of identifying and tracking safety hazards;
7) Identification of any public safety requirements;
8) Cell phone safety;
9) Required safety training and certification processes;

10) Drug policy, including the policy at the roadside site and any pre-employment and post-incident drug testing; and

11) Personal protective equipment requirements.

2.7.4 Audits and Inspections

Agencies reserve the right to perform audits and inspections to confirm that TSP is following health and safety rules and procedures. A qualified safety representative from both Agencies will perform audits/inspections on a periodic basis.

TSP shall report any safety concerns to the applicable Agency within two (2) days of identification of the safety concern.

2.8 Data Security Plan

TSP shall prepare and submit to Agencies for review and approval during the CDR a Data Security Plan for operations of the TCS. The Data Security Plan shall embody the following key principles for the protection of data:

1) Data shall be protected from being corrupted by unauthorized changes, whether by system error, human error, or intentional alteration. Data shall only be modified by authorized users according to defined privileges and procedures. However, no data shall be deleted from the TCS in this process.

2) Data shall be protected from unauthorized disclosure. Access to systems shall be restricted to authorized users with privileges appropriate to the confidentiality of the data.

3) Data shall be prevented from being lost or becoming inaccessible. Authorized users shall be able to gain access to information to which they are privileged whenever they are authorized to do so. Encrypted business computers shall be used. Unprotected personal computers shall not be used.

TCS access shall be recorded in logs. Passwords shall be changed by end-users every three (3) months. TSP shall provide details for ensuring compliance with DMV security and access requirements. The TCS shall conform to the Payment Card Industry Data Security Standards (PCI DSS) and provide Agencies with the results of the annual PCI DSS audit within 30 days of the audit along with a plan of action to correct any deficiencies. TSP shall regularly audit the Data Security Plan and related activities to ensure compliance with the Contract and applicable Governmental Rules regarding the collection, retention and destruction of toll customer Personally Identifiable Information (PII).

2.9 Software Development Plan

TSP shall prepare and submit a Software Development Plan (SDP) to RCTC for review and approval during the PDR that establishes the framework used for the Software development of the TCS. The SDP shall describe the resources, tools, development platforms, business processes, data structures, security and methodology used for the Software development of the ETC, TMS, CSC and MOMS systems. The SDP shall describe the Software life-cycle approach

that emphasizes the necessary interfaces between various system development disciplines, i.e., Software developers, system engineers, test engineers, operations personnel, configuration management administrator, documentation specialists, project management staff, and Software maintenance personnel. The SDP shall define internal and informal testing along with official witnessed testing. The SDP shall address the process for testing and implementing changes to all Software elements prior to deployment and in a live production environment. TSP shall provide RCTC with adequate information and time to have final approval over all Software changes requested by the TSP. The SDP shall also include detailed information on the technical approach, problem reporting and tracking process, regression testing, Software configuration and change management, and other items pertinent to a complete plan for Software development for the Project.

2.10 Operations Plan

TSP shall prepare and submit to RCTC for review and approval an Operations Plan that documents TSP's approach to all aspects of the operations of the TCS. The Operations Plan shall be submitted 90 days prior to the CSC Commencement Deadline.

The Operations Plan shall, at a minimum, include the following:

1) Identification of each service and activity to be provided;
2) Details for performing the O&M Work (staffing levels, equipment lists, supplies list, use of Subcontractors, other service contracts, etc.);
3) Description of how Key Performance Indicators will be monitored, attained and maintained in accordance with the O&M QMP;
4) Description of how business emergencies (including higher level of expected phone calls, degraded mode) will be addressed including notification, manual work-arounds, back-up procedures and emergency approvals;
5) General guidelines and organization of Standard Operating Procedures, and training manuals;
6) Report structures, schedules, and deliverables;
7) Coordination with Agencies;
8) CSC Commencement activities;
9) Pre-Revenue Service Commencement Schedule;
10) Revenue Service Commencement checklist;
11) Ramp up plan;
12) Identification of efficiencies and process for implementation;
13) Management commitment to ongoing service;
14) Adjustment of staffing levels based on increases or decreases in the volume of calls and Violations;

15) VES procedures – e.g., notification and enforcement; and

16) QA/QC and continuous improvement processes.

TSP shall obtain Agencies' approval of any changes to the Operations Plan prior to implementation of any such changes.

2.10.1 Standard Operating Procedures

TSP shall prepare and submit to Agencies for review and approval written Standard Operating Procedures (SOPs), which detail all procedures necessary for administration and operations of the TCS, including the ETC system, CSC system, and TMS. SOPs shall be organized to include, at a minimum, the following:

1) Walk-In Center;
2) Call Center;
3) Image review;
4) Account maintenance;
5) Violation processing;
6) Transponder inventory management/fulfillment;
7) ROC IT maintenance;
8) Payment processing;
9) Mail processing (incoming/outgoing);
10) Systems monitoring;
11) Response to correspondence; and
12) Traffic Operations Center.

SOPs shall include an appendix of all applicable Business Rules. TSP shall update the SOPs annually throughout the O&M Term or more frequently as necessary to reflect any changes to the procedures and Business Rules.

2.11 Configuration Management of Hardware and Software

TSP shall prepare and submit to RCTC for review and approval a Configuration Management Plan (CMP) that encompasses both Hardware and Software. The CMP shall be submitted during the Preliminary Design Review. The plan shall show how the TSP will provide strict control over configuration management. The plan shall include a process for establishing and maintaining consistency of the TCS and back office functional and physical attributes with the Contract requirements, along with design and operational information throughout the life of the Hardware and Software. The CMP shall address configuration management for Software and Hardware throughout the Term. The CMP shall provide for a process for notification of the applicable Agency of all changes to Software and Hardware. TSP shall provide adequate information regarding

implementation and integration of the change, impact on the TCS, and testing. All Software and Hardware changes shall be approved by the applicable Agency prior to implementation.

2.11.1 General Specification

The TSP shall establish and implement configuration control policies and procedures related to the Hardware and Software for all furnished Equipment and systems. The CMP shall contain the required policies and procedures for tracking and archiving changes made during the D&D Phase and the O&M Term.

The policies and procedures provided in the CMP shall establish and maintain the integrity and control of Software and Hardware products and documents supplied by the TSP during the development life cycle and into O&M. The CMP shall address the management and control of content, change, and status of shared information during the D&D Phase including performance requirements, functional and physical requirements, and design and operation information.

The CMP shall include both technical and administrative processes for the control of change of the TCS system, data and documentation. The CMP shall identify the configuration of the Software and Hardware, including commercially-off-the-shelf (COTS) products and provide system, data and documentation integrity and traceability throughout the TCS's life cycle.

The configuration management function shall establish strict controls over the baseline Hardware and Software design configurations. Interchangeable items of the system shall be identified with a unique identifying number and revision, version, or release number. Changes to form fit, or function of any component, module, or subsystem shall be identified by a change in revision.

The CMP shall specify an identification system to assign unique identifiers to each configuration item. It shall also specify how different versions of each are to be uniquely identified. Identification methods shall include naming conventions and version numbers and letters.

The CMP shall describe the methods for naming controlled items for purposes of storage, retrieval, tracking, reproduction, and distribution. Activities may include version marking, labeling documentation and executable software, serialization, and altered item marking for executable code.

The configuration management function shall maintain an audit trail that documents all changes made to the Hardware and Software products and ensures that these changes are properly reflected in respective documentation. Revised documents shall be controlled by a revision code added to the document number.

2.11.2 Responsibilities

The TSP's configuration management support staff shall have the following responsibilities during the D&D Phase:

1) Identify and document the functional and physical characteristics of the System, Software, Hardware, and operational components so that these relationships may be managed, maintained, controlled, and assured.

2) Record and report the status of proposed changes consistent with the established CMP, approval of any proposed changes, and the status of the implementation of approved changes.

3) Disseminate baseline information to RCTC and establish and maintain a status accounting and reporting system that records the baseline, authorized changes to the baseline, and verification of changes incorporated into the documentation and/or product.

2.11.3 Hardware Configuration Control

All Hardware installed shall have all configurations documented and checked into a revision control system. Configurations shall include vendor, model, part numbers, onboard device configuration, memory, storage, etc. Configuration control functions shall include installation as well as replacement procedures for documenting changes.

2.11.4 Software Configuration Control

All Software provided for the TCS shall be under a configuration and revision control system, during the Term. At the completion of each phase of product development; unit test, integration test, factory acceptance test, installation, and operations, TSP shall create a unique version number and date for Software.

The Software development phase of the D&D Phase is identified as a baseline phase and is used by succeeding phases. Baseline products shall be controlled and protected from arbitrary changes. All changes to the baseline require a formal change request to RCTC supported by results of change in test environment and plan for implementation into the production environment. Baselines previously approved will not be changed without prior approval by RCTC. All approved changes are recorded in software or hardware project change logs.

For each Software system, subsystem, or component, there shall be a build script. Each build of a system shall be placed under revision control as well to ensure any patches or service packs applied to the build image are tracked appropriately.

All configuration and installation procedures for software shall be documented and placed under revision control with each Software release. It shall be the TSP's responsibility to verify the appropriate versions of packaged Software is installed.

2.12 Coordination of the Work

The TSP shall coordinate its Work with all adjacent design and construction efforts for the Project. The TSP shall coordinate the Work and monitor such adjacent work, whether performed by the DB Contractor, Department or another Governmental Agency, community groups, landowners, Utility Owners, Utility Owner's consultants, resource agencies, environmental groups, or any other organization. The TSP shall be aware of the impact all such adjacent work may have on the Toll Services and shall account for all such work in performance of the Toll Services. The TSP shall be responsible for reviewing plans for adjacent work and providing RCTC with written comments on adjacent work that may result in potential impacts on the Toll Services.

2.12.1 General

RCTC is planning on entering into a separate contract with a DB Contractor for the design and construction of the tolling infrastructure. During the D&D Phase the TSP shall provide a TCS Infrastructure Design Document as described in Section 4.2 to inform the DB Contractor of all the civil infrastructure needs necessary for performance of the Toll Services in accordance with this Contract

The TSP shall furnish materials that will be installed by the DB Contractor.

The Demarcation Matrix and figures in Section 19.3 sets forth the components of the I-15 Express Lanes Project for which TSP and DB Contractor will be respectively responsible. The Demarcation Matrix is a non-exhaustive list of components required for the I-15 EL.

TSP shall coordinate with DB Contractor to establish electrical power and communication/data service requirements for each roadside equipment location. DB Contractor will be responsible for working with the utility company and making application for the necessary electrical services for the roadside equipment locations. DB Contractor will provide the required power to the designated toll Sites to be finalized during DB Contractor design.

TSP shall specify, furnish and install all roadside cabinets onto foundations or mounting surfaces to be provided by the DB Contractor in accordance with the TCS Infrastructure Design Document provided by TSP.

TSP shall coordinate with RCTC and the DB Contractor on the design and installation of Variable Toll Message Signs (VTMS) light emitting diode (LED) panels onto VTMS sign structures. TSP shall review DB Contractor's plans, specifications, and shop drawings related to the mounting of TSP's VTMS LED panels onto VTMS sign structures and static signs. TSP, RCTC, and DB Contractor shall coordinate on the construction of a mock-up of the VTMS LED panels onto a VTMS sign structure and static sign to demonstrate the installation process and mounting design. TSP shall furnish and install the VTMS LED panel for the mock-up. Location and orientation of the mock-up shall be coordinated between TSP and DB Contractor and approved by RCTC. Timing of the mock-up construction shall be determined during coordination meetings.

TSP shall coordinate with DB Contractor for the installation of VTMS LED panels onto the VTMS sign structures and static sign panels provided by the DB Contractor. TSP shall install the VTMS LED panels onto DB Contractor's VTMS sign structure before DB Contractor installs the whole assembly over the roadway.

TSP, RCTC, and DB Contractor shall coordinate on the unveiling of all roadway signage, including VTMS, in preparation for Revenue Service Commencement.

TSP shall take all necessary precautions to see that no damage is done to any existing structures due to performance of the D&D Work. In the event that any structure is damaged due to TSP act or omission, such damage shall be repaired immediately at TSP's expense and to the satisfaction of RCTC in coordination with DB Contractor.

2.12.2 Review of DB Contractor's Design

TSP shall conduct an Infrastructure Design Review as described in Section 4.2 to inform the DB Contractor early of all civil infrastructure needs necessary for performance of the Toll Services in accordance with the Contract.

TSP shall meet with RCTC and DB Contractor and their representatives to discuss civil plans, specifications, and Contract terms to ensure the TSP's complete understanding of the proposed DB Work.

TSP shall review and provide written comments on DB Contractor's 65 percent plans, 95 percent plans, and any other sets of plans and specifications within 15 Business Days of receipt. Lack of comments from TSP after 15 Business Days shall imply TSP approval of DB Contractor plans.

TSP shall incorporate the latest version of the DB Contractor's civil design available at the time of the development of the Preliminary Design Document (PDD), Critical Design Document (CDD) and Final Design Document (FDD).

2.12.3 Civil Coordination Meetings

TSP shall participate in regular meetings with DB Contractor and provide comments on the civil design and construction required for the D&D Work. TSP shall participate in design reviews, tolling task force meetings and over the shoulder reviews. TSP shall update design documents, Project Schedule, and the Installation Plan, as necessary.

TSP shall attend any DB Contractor staging concept meetings to coordinate and define the OFIT Zone.

2.12.4 Civil Site Acceptance Checklist

TSP in conjunction with RCTC or its designated representative shall inspect work completed by DB Contractor and promptly report to RCTC any discrepancies or defects in such construction of which TSP has knowledge that would render the DB Work unsuitable for proper execution of the Toll Services by TSP as described in the Contract.

TSP shall create and use a Civil Site Acceptance Checklist to verify that civil infrastructure elements at toll equipment locations where TSP will install TCS Equipment are suitable for proper execution of the D&D Work. The checklist shall include but not be limited to: gantry, controller cabinet pads, conduits, pull boxes, pull ropes, closed-circuit television (CCTV) poles, roadway pavement, and electrical power. The TSP shall include the proposed form of the Civil Site Acceptance Checklist as part of the Installation Plan.

For each roadside equipment location included in a Turnover Area, TSP shall submit a completed Civil Site Acceptance Checklist to RCTC in accordance with Contract Section 8.8.4 with a courtesy copy to DB Contractor, initialing every element inspected. TSP shall immediately provide Notice to RCTC of any deficiency found during the inspection, including identification of any items that would render DB Work unsuitable for proper execution of the Toll Services by TSP as described in the Contract and prevent TSP's takeover of the roadside equipment location.

Upon successful completion of the Civil Site Acceptance Checklist, TSP shall provide its written certification that there are no deficiencies in the subject roadside equipment location and that the DB Work at such location is suitable for TSP's performance of the D&D Work at such location,

and shall submit the completed Civil Site Acceptance Checklist to RCTC. Delivery of such certification shall constitute TSP's acceptance of the condition of the relevant DB Work as suitable for TSP's performance of the D&D Work at such location.

2.12.5 Communications Network Acceptance Checklist

TSP shall prepare and use a Communications Network Acceptance Checklist to verify that the communication network provided by DB Contractor is suitable for proper execution of the Toll Services. The form of Communications Network Acceptance Checklist will be included as part of the Installation Plan. TSP shall be responsible for conducting field inspections at the same time RCTC or a RCTC representative conducts their field inspection.

TSP shall submit the completed Communication Network Acceptance Checklist to RCTC in accordance with Contract Section 8.8.4 with a courtesy copy to DB Contractor. TSP shall immediately provide Notice to RCTC of any deficiency found during the inspection, including identification of any items that would prevent turnover of Package 4 to TSP.

Upon successful completion of the Communication Network Acceptance Checklist, TSP shall provide written certification that there are no deficiencies in the Communication Network. Such certification shall constitute TSP's acceptance of the DB Work related to the Communication Network. TSP will be responsible for monitoring and maintaining the Communications Network after turnover until end of the Term.

2.12.6 Environmental and Safety Compliance Training

TSP shall attend environmental and safety compliance training sessions administered by DB Contractor.

2.12.7 Media Relations

All communication with news media (including print, broadcast or internet media) relating to the Toll Services or this Contract is to be made only by RCTC, unless otherwise agreed to in writing by RCTC. In no event shall the TSP make any public statements regarding the I-15 EL Project to any media organization, including television, radio, newspaper, magazine, or internet sites, unless otherwise authorized in writing by RCTC. The TSP will refer any media contact immediately to RCTC. Media representatives are not allowed on the Site unless accompanied by a representative of RCTC or the PCM.

In case of construction accidents, the TSP is strictly prohibited from giving any information to the news media. In such event, spokespersons for RCTC will manage all media inquiries. Information to police authorities may be given.

The TSP shall not use RCTC's name or photographs of the I-15 Express Lanes Project in any professional publication, magazine, trade paper, newspaper, internet site, seminar, community presentation or other medium without first receiving RCTC's written consent.

TSP will not be responsible for media relations but shall support RCTC in its media relations efforts. To the extent DB Contractor is responsible for media relations or public involvement TSP shall coordinate its Work to support and minimize disruption to DB Contractor's efforts.

2.12.8 Public Records Requests and Customer Inquiries

TSP shall support RCTC in responding to Public Records Act requests and customer inquiries. TSP shall notify RCTC within 24 hours of receipt of such requests and assist RCTC in preparing responses to such requests.

2.13 Disadvantaged Business Enterprises

TSP shall be responsible for the development of a DBE Program Performance Plan, to ensure compliance by TSP and its Subcontractors with applicable provisions of the Contract and Governmental Rules (specifically Title 49 CFR Part 26). The DBE Program Performance Plan shall be submitted to RCTC for review and approval prior to NTP2.

TSP shall provide a DBE Program Administrator to administer the DBE Program Performance Plan. The DBE Program Administrator should, at a minimum, demonstrate the following:

1) Past good faith efforts to gain DBE participation on federal-aid construction contracts;
2) Performance of technical assistance and outreach to DBE firms;
3) Preparation of monthly (or similar ongoing report) and end of contract DBE attainment reports; and
4) Oversight of DBE program-related commercially useful function requirements.

2.14 Incident Management Plan

TSP shall prepare and submit for review and approval by Agencies an Incident Management Plan designed to assist in providing timely, safe and effective management of and response to vehicle accidents and other significant incidents that occur in the ELs or affect the operation of the TCS. The Incident Management Plan shall be submitted 120 days prior to the Revenue Service Commencement Deadline. The Incident Management Plan shall, at a minimum, account for varying incident scenarios and include solutions and strategies for each scenario. The Incident Management Plan shall clearly define roles and responsibilities along with procedures, and timeframes. The Incident Management Plan shall be developed through workshops, coordinated by TSP, with the Stakeholders. The Incident Management Plan will clearly define the actions to be taken for incidents: changing the messages on the VTMS, updating the customer website, coordinating with CHP, Department, and the Freeway Service Patrol, restoring full operations, and reporting on the incident, and collecting and providing information about any third parties that have caused a loss in toll revenue and/or damage to the facility or equipment.

2.15 Express Lanes Performance Monitoring Plan

The 91 Express Lanes Incident Management Plan and Traffic Operations Center Standard Operating Procedures are provided as attachment 2 to the proposal letter. Kapsch shall work with Agencies to amend or adopt the established 91 Express Lanes Incident Management Plan and Traffic Operations Center SOPs. Express Lanes Performance Monitoring Plan.

. TSP shall prepare and submit an Express Lanes Performance Monitoring Plan for review and approval by Agencies. The Express Lanes Performance Monitoring Plan shall be submitted during the Final Design Review. The Plan shall identify TSP's procedures for monitoring speeds, traffic flow, and operational performance of the Express Lanes, and shall describe, at a minimum, how TSP will manage Dynamic Pricing and Time of Day Pricing, ensure performance of the Express Lanes, and respond to unanticipated events. The plan shall incorporate the operational requirement that TSP conduct and document all pricing performance checks per the SOP periods, and shall detail how these monitoring activities will be used to maintain required service levels and support timely operational adjustments.

The Express Lanes Performance Monitoring Plan shall enumerate the various types of reporting that will be provided on a monthly, quarterly and annual basis that includes trends on: traffic volumes, speeds, travel times, HOV 3+ reporting, Violations, incidents, dynamic pricing, and overall revenue collection compared to forecasted T&R.

2.16 KPI Reporting and Management Plan

TSP shall prepare and submit a KPI Reporting and Management Plan for review and approval by RCTC that describes how TSP will monitor, calculate, audit, report and handle KPIs. The KPI Reporting and Management Plan will detail how the daily, weekly, and monthly indicators will be measured and reported. The KPI Reporting and Management Plan shall include, at a minimum, strategies for mitigation where KPIs are not being met and remediation measures for meeting KPIs. The report shall include monitoring and reporting of the KPIs during the Ramp Up period.

KPIs are defined in Section 19.4.

3 SUMMARY OF DELIVERABLES (this section is being left as is for future RCTC expansion work. Submittals related to the back-office operations shall be updated to reflect the consolidated operation and require approval of Agencies. See Section 3.2 for Amendment 4 Documentation.)

3.1 List of Deliverables

Table 3-1 reflects a list of Deliverables identified in these TPs. It is not intended to be an all-inclusive or exhaustive list of deliverables. It shall be TSP's responsibility to determine and submit all Deliverables as required by the Contract, these TPs, Governmental Approvals and Governmental Entities. All plans shall be reviewed periodically and updated as described in these TPs, as necessary to reflect new or modified tasks, procedures, processes, etc. throughout the term of the Contract or as directed by Agencies. See Contract Section 30 for Deliverable review procedures.

All documents shall be submitted in the native editable file format and as a pdf. Documents may be combined with pre-approval from Agencies. Once accepted by RCTC, all deliverables shall be owned by RCTC.

Table 3-1: List of Deliverables

Deliverable	NTP	TP Section	Timeframe for Submittal
Preliminary Baseline Schedule	NTP1	2.6.4.1	With Proposal
Project Management Plan	NTP1	2.1.1	Prior to issuance of NTP2
Quality Management Plan (D&D and O&M)	NTP1	2.4.1	Prior to issuance of NTP2
Document Control System	NTP1	2.5.1	Prior to issuance of NTP2
Document Control Work Plan	NTP1	2.5.3.2	Prior to issuance of NTP2
Baseline Schedule	NTP1	2.6.4.2	Prior to issuance of NTP2
Monthly Progress Schedule	NTP1	2.6.4.3	Concurrent with draft invoice submittal
Four-Week Look Ahead Schedule	NTP1	2.6.4.4	Weekly, following approval of Baseline Schedule
Health and Safety Plan	NTP1	2.7.1	Prior to issuance of NTP2
DBE Program Performance Plan	NTP1	2.13	Prior to issuance of NTP2
TCS Infrastructure Design Document (IDD)	NTP1	4.2	60 days after NTP1
Business Rules	NTP2	2.3	Critical Design Review (CDR)
Final File Structure and Index of Electronic Archived Documents	NTP2	2.5.3.3	Prior to TCS Acceptance
Office Safety Plan	NTP2	2.7.3.1	90 days prior to CSC Commencement Deadline
Roadside Safety Plan	NTP2	2.7.3.2	90 days prior to Revenue Service Commencement Deadline
Data Security Plan	NTP2	2.8	Critical Design Review (CDR)

Software Development Plan	NTP2	2.9	Preliminary Design Review (PDR)
Operations Plan	NTP2	2.10	90 days prior to CSC Commencement Deadline
Standard Operating Procedures (ELs and CSC)	NTP2	2.10.1	90 days prior to CSC Commencement Deadline
Configuration Management Plan	NTP2	2.11	Preliminary Design Review (PDR)
Civil Site Acceptance Checklist	NTP2	2.12.4	With Installation Plan
Communications Network Acceptance Checklist	NTP2	2.12.5	With Installation Plan
Incident Management Plan	NTP2	2.14	120 days prior to Revenue Service Commencement Deadline
Express Lanes Performance Monitoring Plan	NTP2	2.15	Final Design Review
KPI Reporting and Management Plan	NTP2	2.16	90 days prior to CSC Commencement Deadline
Requirements Trace Matrix	NTP2	4.1	Preliminary Design Review (PDR)
Preliminary Design Document (PDD)	NTP2	4.3	90 days after NTP2
Critical Design Document (CDD)	NTP2	4.4	60 days after Preliminary Design Document
Final Design Document (FDD)	NTP2	4.5	60 days after Critical Design Document
Installation Plan	NTP2	4.6.1	Final Design Review (FDR)
Installation Drawings	NTP2	4.6.2	Preliminary Design Review (PDR)
Transportation Management Plan	NTP2	4.7.1	Preliminary Design Review (PDR)
Master Test Plan	NTP2	5.2	Critical Design Review (CDR)
Individual Test Plans	NTP2	5.3	40 days prior to individual tests
Individual Test Reports (including FAT, OFIT, Site Commissioning, TCS Acceptance)	NTP2	5.3	10 days after each test
Annual Renewal Testing Report	NTP2	5.7	Annually after Revenue Service Commencement Date
Interface Control Documents	NTP2	6.1	Critical Design Review
CSC Commencement Checklist	NTP2	8.2.1.1	90 days prior to CSC Commencement Deadline
Monthly Staffing Update	NTP2	8.2.3	Monthly, beginning 90 days prior to start of O&M Term
Customer Communication Document	NTP2	8.6.3	90 days prior to CSC Commencement Deadline
Financial Control Plan	NTP2	8.8.3.1	Final Design Review
DataMart Data Dictionary and Instructions	NTP2	14.2	60 days prior to CSC Commencement Deadline
Financial, Auditing and Traffic Reports	NTP2	14.5	Upon request
Training Plan	NTP2	15.1.1	90 days prior to CSC Commencement Deadline
User Manuals	NTP2	15.3	90 days prior to CSC Commencement Deadline
As-Built Technical Drawings	NTP2	15.4	Prior to TCS Acceptance
List of Materials	NTP2	15.5	Critical Design Review (CDR)
Maintenance Plan	NTP2	16.1	120 days prior to Revenue Service Commencement Deadline

List of Toll Services assets	NTP2	16.2	30 days after Revenue Service Commencement Date
Business Continuity Plan	NTP2	17.1	6 months prior to start of O&M Term
End of Contract Transition Plan	NTP2	18.1	90 days prior to start of O&M Term

3.2 DELIVERABLES – AMENDMENT 4

The deliverables related to the back-office and traffic operations center operations shall now apply to both Agencies. Agencies will jointly approve any changes to deliverables. The existing documents will serve as the starting point for the consolidated 15 EL and 91 EL work. The work to be performed under Amendment 4 requires the TSP to update all documents to reflect changes due to the consolidation and it is understood that references in existing documents to RCTC means both Agencies. As documents are revised references to RCTC should be updated to include OCTA. Table 3-2 is a list of deliverables that require updating due to the work being performed under Amendment 4.

Table 3-2: List of Deliverables

Deliverables will be updated as needed for the 91 Express Lanes transition work. Projected deliverables needing update are as follows:

Deliverable	Status	Frequency	Source
Annual Renewal Testing Report	Existing	Annual/As needed	Original Contract
As-Built Technical Drawings (RCTC only)	Existing	Annual/As needed	Original Contract
Baseline Schedule	Existing	Annual/As needed	Original Contract
Business Continuity Plan with Disaster Recovery Plan	Existing	Update prior to 91 EL Transition	Sec. 17 (specifically called out for OCTA/ RCTC)
Business Rules	Existing	Annual/As needed	Original Contract
Civil Site Acceptance Checklist	Existing	Annual/As needed	Original Contract
Communications Network Acceptance Checklist	Existing	Annual/As needed	Original Contract
Configuration Management Plan	Existing	Annual/As needed	Original Contract
Critical Design Document (CDD)	Existing	Annual/As needed	Original Contract
CSC Commencement Checklist	Existing	Annual/As needed	Original Contract
Customer Communication Document	Existing	Annual/As needed	Original Contract
Data Security Plan	Existing	Annual/As needed	Original Contract
DataMart Data Dictionary and Instructions	Existing	Annual/As needed	Original Contract
DBE Program Performance Plan	Existing	Annual/As needed	Original Contract
Document Control System	Existing	Annual/As needed	Original Contract
Document Control Work Plan	Existing	Annual/As needed	Original Contract
End of Contract Transition Plan	Existing	Update prior to 91 EL Transition	Sec. 18 (specifically called out for OCTA/ RCTC)
Express Lanes Performance Monitoring Plan	Existing	Update prior to 91 EL Transition	Sec. 2.15 (specifically called out for OCTA/ RCTC)
Final Design Document (FDD) (RCTC only)	Existing	Annual/As needed	Original Contract
Final File Structure and Index of Electronic Archived Documents	Existing	Annual/As needed	Original Contract
Financial Control Plan	Existing	Annual/As needed	Original Contract
Financial, Auditing and Traffic Reports	Existing	Annual/As needed	Original Contract

Deliverable	Status	Frequency	Source
Four-Week Look Ahead Schedule	Existing	Annual/As needed	Original Contract
Health and Safety Plan	Existing	Annual/As needed	Original Contract
Incident Management Plan	Existing	Annual/As needed	Original Contract
Individual Test Plans	Existing	Annual/As needed	Original Contract
Individual Test Reports (including FAT, OFIT, Site Commissioning, TCS Acceptance)	Existing	Annual/As needed	Original Contract
Installation Drawings	Existing	Annual/As needed	Original Contract
Installation Plan	Existing	Annual/As needed	Original Contract
Interface Control Documents	Existing	Annual/As needed	Original Contract
KPI Reporting and Management Plan	Existing	Annual/As needed	Original Contract
List of Materials (RCTC only)	Existing	Annual/As needed	Original Contract
List of Toll Services assets	Existing	Annual/As needed	Original Contract
Maintenance Plan (applies to RCTC only)	Existing	Annual/As needed	Original Contract
Master Test Plan	Existing	Annual/As needed	Original Contract
Monthly Progress Schedule	Existing	Annual/As needed	Original Contract
Monthly Staffing Update	Existing	Annual/As needed	Original Contract
Office Safety Plan	Existing	Annual/As needed	Original Contract
Operations Plan	Existing	Update prior to 91 EL Transition	Sec. 2.10 (specifically called out for OCTA/ RCTC)
Preliminary Baseline Schedule	Existing	Annual/As needed	Original Contract
Preliminary Design Document (PDD)	Existing	Annual/As needed	Original Contract
Project Management Plan	Existing	Annual/As needed	Original Contract
Quality Management Plan (D&D and O&M)	Existing	Annual/As needed	Original Contract
Requirements Trace Matrix	Existing	Annual/As needed	Original Contract
Roadside Safety Plan	Existing	Annual/As needed	Original Contract
Software Development Plan	Existing	Annual/As needed	Original Contract
Standard Operating Procedures (ELs and CSC)	Existing	Annual/As needed	Original Contract
TCS Infrastructure Design Document (IDD)	Existing	Annual/As needed	Original Contract
Training Plan	Existing	Update prior to 91 EL Transition	Sec. 15.1.1, Sec. 8.2.4.1 (specifically called out for OCTA/ RCTC)
Transportation Management Plan	Existing	Annual/As needed	Original Contract
User Manuals	Existing	Update prior to 91 EL Transition	Sec. 15.3 (specifically called out for OCTA/ RCTC)
Recovery Plan	New	Update prior to 91 EL Transition	Sec. 2.6.4.5
Data Migration and Transition Plan	New	Update prior to 91 EL Transition	Sec. 8.7.8, Sec. 1.1.7
Staffing Plan (part of the PMP)	Existing	Update prior to 91 EL Transition	Sec. 2.1.1 (specifically called out under the PMP)

Deliverable	Status	Frequency	Source
Traffic Operations Center Standard Operating Procedures	Existing	Update prior to 91 EL Transition	Sec. 2.15 (specifically called out)
Document including all final OCTA/RCTC approved customer communications	Existing	Update prior to 91 EL Transition	Sec. 8.5.3 (specifically called out for OCTA/ RCTC)
Training Materials and User Manuals	Existing	Update prior to 91 EL Transition	Sec. 15.1.2 (specifically called out for OCTA/ RCTC)

4 DESIGN AND INSTALLATION (This section is being left as is for future RCTC expansion work. Design and Implementation Work related to the Amendment 4 work are being provided through the proposal documentation.)

4.1 Design General

TSP shall prepare a TCS Infrastructure Design Document (IDD), Preliminary Design (PDD), a Critical Design Document (CDD) and a Final Design Document (FDD). TSP shall hold an Infrastructure Design Review (IDR), Preliminary Design Review (PDR), a Critical Design Review (CDR) and a Final Design Review (FDR). TSP should break the designs into major systems, including ETC, CSC and TMS for each design review. Design reviews shall be held in an RCTC designated location, assuming a minimum of two (2) days of meetings with up to 15 RCTC staff or designee. Each design meeting shall have the appropriate TSP staff in attendance, as reasonably requested by RCTC. At each design review, TSP shall make a PowerPoint presentation to present the key elements of the design review.

Each design shall include a Requirements Trace Matrix, starting with the PDR. The requirements shall be based on these TPs. Any revisions to requirements shall be approved by RCTC. Each requirement shall have a reference to the section in these TPs from which it was derived and the expected tests to verify each requirement.

Each design document shall clearly exhibit the manner in which the design meets the requirements of these TPs.

Each design shall build upon the previous, i.e. the PDR shall include all content from the IDR, the CDR shall include all content from the PDR and the FDR shall include all content from the CDR.

Each design review document including the agenda, the PowerPoint presentation, and the detailed data package containing the required submittals covering information to be addressed in the meeting shall be submitted to RCTC 30 days prior to the scheduled design review meeting. TSP shall submit a design review meeting agenda and a comment matrix form addressing all comments from the design review along with the final version of the design review and final design document. RCTC approval of the final version of each design document shall be a condition precedent to the next design review.

The TSP shall schedule additional workshops and/or meetings to determine details of elements which require further RCTC input.

Applicable standards for reference during the design process are provided in Section 19.6.

4.2 TCS Infrastructure Design Document/Review (IDD/IDR)

TSP shall conduct a TCS IDR to inform the DB Contractor early of all infrastructure needs during NTP1. The IDR shall use the TCS Infrastructure Baseline Requirements in Section 19.7 as a base for infrastructure requirements. The IDR shall focus on the ETC and TMS. As part of the IDR, TSP shall prepare and submit an Infrastructure Design Document for review and approval by RCTC. The IDR shall confirm any and all DB Civil Toll Infrastructure Design Requirements provided to the DB Contractor in the TCS Infrastructure Design Document for purposes of DB Contractor's design of tolling infrastructure. TSP shall include, at a minimum, the following in the TCS Infrastructure Design Document:

1) TSP requirements in regards to the toll gantry structures including weights, clearance, brackets, vibration specifications, routing, etc. for DB Contractor to design;
2) Details for location and sizes for all roadside equipment cabinets;
3) Specifications for the equipment cabinet pads to be designed, provided and installed by DB Contractor;
4) Requirements for power and communication for all roadside systems to be designed, provided, and installed by the DB Contractor;
5) Specific requirements for toll equipment lightning protection and grounding to be provided by the DB Contractor;
6) Requirements and locations for lighting in vicinity of each Toll Zone to be provided by the DB Contractor;
7) Requirements for a backup power system and related infrastructure needs for roadside;
8) Preliminary ROC facility requirements as described in Section 10.3.1;
9) Requirements for a backup power system and related infrastructure needs for ROC;
10) Requirements for special pavement at toll gantry areas, if any, to be provided by the DB Contractor;
11) Power/communication and location requirements for variable toll rate message signs and associated equipment cabinets;
12) Power/communication and location requirements for the ODS system;
13) Power/communication and location requirements for the CCTV system;
14) Power/communication and location requirements for traffic detection sensors; and
15) Requirements of the of Network Communication System.

Infrastructure requirements included in the approved IDR are considered final and can only be changed upon approval by RCTC in its sole discretion.

4.3 Preliminary Design Document/Review (PDD/PDR)

TSP shall conduct a PDR. As part of the PDR, TSP shall prepare and submit a Preliminary Design Document for review and approval by RCTC within 90 days after issuance of NTP2. The design documentation shall describe all the functions, applications, systems, and methods proposed for the Toll Services. The Preliminary Design Document shall include Hardware concept drawings and preliminary level engineering specifications. The PDR shall also include a comprehensive Requirements Trace Matrix. TSP shall include, at a minimum, the following in the Preliminary Design Document:

1) Requirements Trace Matrix;
2) Overall EL design schematic;
3) Overall TCS architecture;
4) Details on design of back office/Host systems, including backup and storage systems;
5) Design overview of MOMS;
6) Design description of TOC;
7) Summary of ROC requirements and functional approach;
8) Overview of all CSC applications;
9) Overview of data security;
10) Overview of physical site security;
11) Overview of Training Plan;
12) Overview of Maintenance Plan;
13) Details of Customer Website;
14) Details of IVR system;
15) Details of Transponder inventory system;
16) Business Rules;
17) Overview of Dynamic Pricing;
18) Overview of Trip Building; and
19) Overview of Operations Plan.

RCTC intends to have an Occupancy Detection System (ODS) for I-15 Revenue Service Commencement. To facilitate this goal the TSP shall work with RCTC during PDR to scope and design the ODS. The TSP shall evaluate the current solutions available to meet the requirements in Section 7.2.7 and Section 8.5. The TSP is scoped for the industry review and PDR only in regards to the ODS.

4.4 Critical Design Document/Review (CDD/CDR)

TSP shall conduct a CDR. As part of the CDR, TSP shall prepare and submit a Critical Design Document for review and approval by RCTC 60 days after approval of the Preliminary Design Document. The Critical Design Document shall describe the design of all Hardware, Software and interfaces needed to meet the requirements of the TCS and shall address all comments from the PDR. For all integration activities a draft ICD shall be delivered as part of the Critical Design Document. The ICDs shall be specific to the systems being integrated and shall describe the physical, functional and performance characteristics. The CDR shall include an updated Requirements Trace Matrix. TSP shall provide the following, at a minimum, in the Critical Design Document:

1) Updated Requirements Trace Matrix
2) Specification sheets for all Equipment;
3) Lane layouts and logic, and timing details;
4) List of materials;
5) Spare Parts list and justification;
6) Interface Control Documents;
7) Detailed TCS architecture and description;
8) Detailed network architecture and description;
9) Detailed field communication architecture and description;
10) List of reports and formats;
11) Security functions and features;
12) Details of Account management;
13) Details of Account maintenance;
14) Details of financial management;
15) Details of reciprocity;
16) Details of transaction processing;
17) Details of TCS interfaces;
18) Details of Violation processing;
19) Details of reconciliation;
20) Details of tracking and reporting;
21) Details of customer correspondence;

22) Details of TCS parameters and job scheduling;

23) Details of reports; and

24) Details of the Data Mart.

4.5 Final Design Document/Review (FDD/FDR)

TSP shall conduct a FDR. As part of the FDR, TSP shall prepare and submit a Final Design Document for review and approval by RCTC 60 days after approval of the Critical Design Document. The FDR shall incorporate the comments and outcomes from the CDR and include an updated Requirements Trace Matrix.

The Final Design Document shall include, at a minimum, the following:

1) Updated Requirements Trace Matrix

2) Detailed description of the overall TCS;

3) Functional specifications for systems and subsystems for the TCS;

4) Hardware and Software detailed design;

5) Discussion of any design variants;

6) Block diagrams for the TCS and all subsystems;

7) Descriptions of TCS and all subsystems**;**

8) All configuration settings for all TCS systems;

9) Listing of all reports and data processing;

10) User interfaces;

11) User task flow;

12) Detailed Network Communication System design, including all addresses;

13) Software Development Plan;

14) Functional and technical ROC design;

15) Detailed review of Account management;

16) Detailed review of Account maintenance;

17) Detailed review of financial management;

18) Detailed review of reciprocity;

19) Detailed review of transaction processing;

20) Detailed review of TCS interfaces;

21) Detailed review of Violation processing;

22) Detailed review of reconciliation;

23) Detailed review of tracking and reporting; and

24) Detailed review of general ledger mapping.

4.6 Installation

To successfully implement the installation of the I-15 EL the TSP shall cooperate and coordinate with RCTC, Department, and RCTC's DB Contractor, CHP, and with RCTC staff and/or consultants overseeing construction, installation and testing.

4.6.1 Installation Plan

The TSP shall prepare and submit an Installation Plan to RCTC for review and approval that demonstrates delivery of a system in accordance with the FDD. The Installation Plan shall be submitted with the Final Design Document described in Section 4.5.

Equipment ordering and installation may proceed in parallel with design, but shall be subject to change until the TSP's solution passes Factory Acceptance Testing.

The Installation Plan shall address system implementation based on Package Turnover in Section 4.6.4.

The Installation Plan shall include, at a minimum, the following:

1) Coordination activities with the DB Contractor;

2) OFIT Zone requirements;

3) Prerequisites for installation such as civil, power, and communications requirements;

4) Documentation delivery including drawings and plans;

5) Installation schedule;

6) Duties and responsibilities of all parties;

7) Separation of test data from production data;

8) System interfaces;

9) Coordination of testing activities;

10) Safety planning;

11) AVI installation procedures including power and read zone measurements and initial tuning;

12) Installation sequencing and procedures, including Civil Site Acceptance Checklist;

13) Lane closure preparation and traffic control;

14) Revenue Service Commencement; and

15) Handling of hazardous materials.

The TSP is responsible for determining its staging requirements and for providing them, including any and all facilities, utilities, security, and improvements required. The Installation Plan shall be developed with the understanding that the TSP may need to schedule some of the Work without having exclusive or uninterrupted access to the Work Site.

The Installation Plan shall include plans for coordinating with RCTC, the DB Contractor, Department, and other entities necessary for successful installation. The Installation Plan shall include the need for planned outages of communication networks or other existing assets.

4.6.2 Installation Drawings

The TSP shall prepare installation drawings for inclusion in the DB Contractor's submittal to the Department. The installation drawings shall be submitted to RCTC for review and approval during the PDR. The TSP shall coordinate with the DB Contractor on submittals to the Department.

The TSP shall prepare drawings per the Department drafting standards. The TSP shall prepare and submit the following installation drawings packages for inclusion with the DB Contractor submittal to the Department:

1) Intermediate Installations Drawings;

2) Final Installations Drawings;

3) Release for construction Installations Drawings; and

4) As-Built Technical Installation Drawings (see Section 15.4).

The TSP shall respond to all Department comments. The TSP shall obtain the necessary riders encroachment permits from the Department and other regulatory agencies as required by local, state and federal laws. The Department will not issue the riders to the encroachment permits until it has reviewed and approved the TSP's plans.

The TSP shall prepare and document the mechanical assembly and installation details utilizing drawings, illustrations and other aids to describe the design environment and interconnection diagrams showing the general physical arrangement of devices and all external connections between devices.

The TSP shall prepare and submit all installation and shop drawings to RCTC and the Department, in accordance with the Department's submittal requirements.

4.6.3 Installation Work

TSP shall perform installation activities pursuant to the approved Installation Drawings and Installation Plans. TSP shall have submitted the final ETC FAT test report prior to the start if installation. TSP shall receive RCTC written approval of an installation before moving on to the next installation. If the TSP has received approval for parallel installation efforts, then the TSP shall obtain RCTC written approval of an installation before moving on to the next installation on each parallel installation track.

The TSP shall utilize the services of a fully qualified engineer for the purpose of performing all engineering civil, structural, electrical, mechanical, and architectural design and the preparation of related plans and documentation. All engineering civil, structural, electrical, mechanical, and architectural design work shall be performed under the direct supervision of an engineer of the appropriate discipline licensed in the state of California or an architect licensed in the state of California.

All work shall be performed within the Existing Department ROW as shown in Section 19.2.

All installation and testing of communications equipment and wiring shall be done in a neat and professional manner by qualified network technicians.

Electrical work shall be performed by California licensed electricians. All electrical work shall be performed in accordance with the applicable Governmental Rules. Appropriate National Electric Code requirements shall be adhered to with all electrical articles for installation pertaining to wiring, enclosures, and other electrical equipment in hazardous locations.

The TSP shall ensure that each sub-contractor performing construction or installation work under the TSP holds all necessary California contractors' or other licenses and provides proof of such licensing at RCTC's request.

RCTC, the Department and/or their designee shall have access to inspect all aspects of the installation at any time. TSP shall identify inspection points in the Installation Plan and the installation schedule shall allow time for inspections to be performed.

The TSP shall conduct routine inspections of all installations and certify in writing that the TSP has completed installation per the approved documentation and drawings.

All equipment shall be installed, configured and tested in strict accordance with the original manufacturer's instructions and as submitted in TSP's Installation Plan and test plans. The manufacturers printed or verbal recommended installation procedures and instructions for all materials furnished by the TSP under this Agreement shall be followed explicitly, unless otherwise directed by RCTC.

All wiring and cabling shall be neatly labeled, bundled, tie-wrapped, and secured. Wire labels shall be permanent-type labels.

The TSP shall label everything installed as a part of the TCS including Equipment, cables, and conduit and obtain RCTC's approval of such labeling. The labeling shall enable efficient maintenance and inventory.

The TSP shall provide proof to RCTC upon request that the installed Equipment is ready for testing. Such proof shall include:

1) Reports from fiber-optic cable, Ethernet switch and/or wireless bridge testing to industry standard;

2) Reports on power connectivity, uninterruptable power supply, and equipment power-up; and

3) Reports on functional testing of all individual subsystems such as AVI, VES, or VTMS.

The TSP shall notify RCTC in writing as quickly as possible with regard to any potential Deviation from the approved design and installation documentation, drawings, and plans. Such notification shall take place prior to further action except where delays may cause safety risks. Revisions to the plans for any roadside installations shall be developed by a fully qualified engineer and reviewed and approved by RCTC and any other necessary agencies such as Department.

The TSP shall maintain records and documentation essential to providing objective evidence of quality, which shall be made available to RCTC upon request. Examples of quality-related data include:

1) Installation documentation;
2) Inspection and test results;
3) Records of quality assurance/quality control programs;
4) Cost records pertinent to acceptance of nonconforming material;
5) Change Order backup documentation;
6) Design reviews and walkthroughs;
7) Results of internal TSP audits; and
8) Minutes of civil coordination meetings/discussions.

Records shall be maintained in a manner that allows for easy access and analysis.

The TSP shall develop and maintain an implementation issue and risk control register, as well as a procedure for identifying, classifying, and assigning risks.

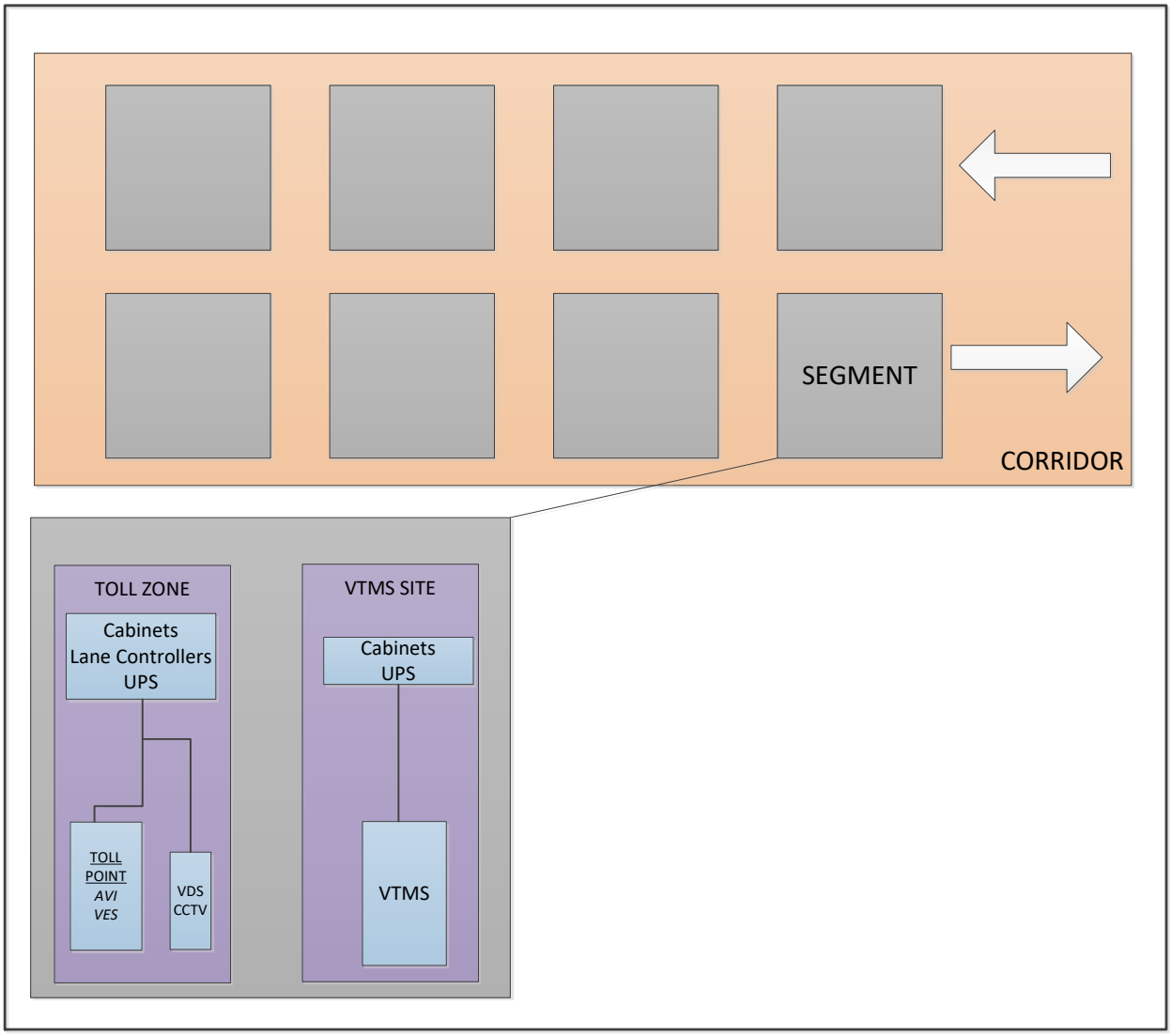
TSP shall maintain a punch list during implementation for review with the RCTC project manager on a weekly basis.

The TSP shall submit As-Built Technical Drawings showing the final configuration of all equipment, cables and conduit to RCTC 30 days after installation (see Section 15.4).

4.6.4 Package Turnover

The ELs are made up of eight Segments consisting of a Toll Zone and other relevant equipment. This concept is illustrated in Figure 4-1.

Figure 4-1: Express Lane Segment and Toll Zones



As part of the DB Work, the DB Contractor will design and construct certain civil infrastructure required for the TCS per Section 19.3. To facilitate this coordination, the DB Contractor will complete sections of the I-15 ELs for handover to the TSP. The process for handover is called Package Turnover and is set out in Contract Sections 8.7.-8.8.

4.7 Maintenance of Traffic during D&D Work

TSP shall provide maintenance of traffic (MOT) during installation and deployment of the TCS system in accordance with the Package Turnover in Contract Sections 8.7-8.8. TSP shall also coordinate with the DB Contractor for maintenance of traffic during construction of the project.

After Package Turnover for a Turnover Area, while the TSP is performing maintenance of traffic on any Turnover Area, the TSP shall have primary access to the Turnover Area (including priority access for Lane Closures in the applicable Turnover Area) and the DB Contractor's access rights and ability to request Lane Closures shall be subordinate to those of the TSP in the applicable

Turnover Area. However, the TSP will be required to act reasonably and provide reasonable access to, and coordinate with, the DB Contractor and allow the DB Contractor to perform maintenance, stripe, and complete Punch List work.

4.7.1 Transportation Management Plan (TMP)

TSP shall develop, implement, and maintain a TMP that lays out the strategies for managing the work zone impacts of the Project and submit to RCTC for review and approval during the Preliminary Design Review. The TMP must follow the guidelines in the latest version of the Department's Transportation Management Plan Guidelines (dated November 2015), which are included in the Reference Documents. The TMP must address the topics and, at a minimum, include the information listed below:

1) TMP Strategies

    a. Public information (provide approach for coordination of the TMP with RCTC for public outreach)

    b. Motorist information

    c. Incident Management (provide approach for implementation of Incident Management)

    d. Construction Zone Enhanced Enforcement Program (provide approach for implementation of the COZEEP as set forth in Section 4.7.6)

    e. Construction strategies

    f. Contingency plans

2) Stakeholder Coordination. Methods to address coordination of the Work including:

    a. Construction by Local Agencies and Utility Owner;

    b. DB Contractor work

    c. CHP and local police for additional services, as needed; and

    d. SR-91 Express Lane operator.

The TMP is considered a living document; TSP shall amend and submit changes to the TMP for approval by RCTC and the Department as changes occur in the MOT strategies proposed by TSP.

TMP compliance and implementation is the responsibility of TSP. RCTC and the Department will monitor and evaluate TMP activities during the course of construction. RCTC may suspend all or part of TSP's operations for failure to implement and comply with TMP elements, or failure to correct unsafe traffic conditions within 24 hours after such notification is given in writing to TSP. If TSP does not promptly take appropriate action to bring the Errors into compliance or to correct unsafe traffic conditions, RCTC may proceed with corrective action against TSP.

4.7.2 Freeway Lane Closures (RCTC Only)

4.7.2.1 Permitted Lane Closures of General Purpose Lanes

TSP shall develop as part of the TMP all design for MOT, including all planned Lane Closures of General Purpose Lanes that impact the SR-91 or I-15 General Purpose Lanes, ramps and connectors, through Revenue Service Commencement. Lanes Closure windows for the SR-91 and I-15 General Purpose Lanes, unless otherwise approved by RCTC or the Department, as applicable, in their sole discretion, are reflected in Section 19.5.

Any Lane Closures of General Purpose Lanes that are required for construction or delivery of materials but which are not included in the TMP must be approved in advance by RCTC and the Department. Department may require TSP to prepare additional Lane Requirement Charts (i.e., Lane Requirement Charts not included in the TMP) as a condition of approval. In such cases TSP shall provide Lane Requirement Charts as requested by the Department.

TSP shall submit to RCTC and the Department written Notice at least seven (7) days prior to any Lane Closure of a General Purpose Lane, detours, or other construction activities. TSP shall notify RCTC immediately as soon as TSP knows that a scheduled Lane Closure of a General Purpose Lane, detour, or other construction activity will be cancelled or delayed beyond the time set forth in the approved Lane Closure Charts.

TSP shall notify RCTC immediately, as soon as TSP knows that a Permitted Lane Closure of a General Purpose Lane will be late in reopening. In the event that a Permitted Lane Closure does not reopen on time, RCTC and the Department shall not authorize any further Lane Closures until TSP submits to RCTC a corrective action plan to avoid recurrences.

RCTC shall have the right to suspend the Work, in accordance with Contract Section 21, and cancel any previously approved Lane Closure requests for any failure to reopen to public traffic a Permitted Lane Closure of a General Purpose Lane within the windows specified in the Lane Closure Charts.

Upon its discovery of any Unpermitted Lane Closure of a General Purpose Lane, RCTC will deliver to TSP a Notice of Unpermitted Lane Closure, and shall assess against TSP the applicable Lane Closure Charges (i.e., liquidated damages), calculated in accordance with Contract Section 11.1. TSP shall pay RCTC such Lane Closure Charges within 24 hours after all applicable General Purpose Lanes reopen to public traffic.

Delays of 30 minutes or more per vehicle for General Purpose Lanes above the normal recurring traffic delay on SR 91 or Interstate 15 are prohibited, unless otherwise approved in advance by RCTC and the Department. See the Department Deputy Directive DD-60-R2 in Reference Documents.

Lane Closures of General Purpose Lanes shall not be allowed: (a) between the Monday before Thanksgiving until the day after New Year's Day; (b) on Easter weekend; (c) on Memorial Day weekend; (d) on Fourth of July weekend; (e) on Labor Day weekend; or (d) on any other holidays. TSP shall coordinate with RCTC the Department and Local Agencies to identify any special events and restrict on-ramp or off-ramp closures and freeway lane or full closures accordingly. Closure restrictions for designated holidays and special days are included in Section 19.5.

TSP shall submit traffic control plan for any Lane Closure for review and approval by RCTC and the Department.

TSP shall prepare construction contingency plans and provide required materials and equipment on the Site for late lane closure opening and other high-risk operations that would affect traffic in accordance with Section 4.7.

TSP shall comply with no less than 90% of Lane Closures of General Purpose Lanes requested, through Revenue Service Commencement. TSP shall be deemed to have complied with a requested Lane Closure only if TSP: (a) proceeds with the planned Work within the Lane Closure, or (b) cancels the Lane Closure no later than 72 hours (excluding holidays and weekends) prior the requested Lane Closure. For the purpose of clarity, any Lane Closure that occurs without the corresponding construction Work shall be deemed non-compliant.

RCTC will calculate TSP's compliance rate (i.e., number of compliant Lane Closures out of the total requested Lane Closures) on a monthly basis. For months that TSP does not achieve the 90% compliance requirement, TSP shall pay RCTC Liquidated Damages in accordance with Contract Section 11.1.

4.7.2.2 Unpermitted Lane Closures of General Purpose Lanes

Unpermitted Lane Closures of General Purpose Lane are prohibited and shall be subject to Lane Closure Charges (i.e., liquidated damages) in accordance with Contract Section 11.1.

TSP, however, may request Lane Closures of General Purpose Lanes outside the Department approved Lane Requirement Charts. TSP shall submit such requests in writing to Department and RCTC no later than 14 days prior to TSP's requested date for the Lane Closure, together with a revised TMP. Such requests and revised TMPs shall be subject to review and approval by RCTC and the Department.

Written requests for Lane Closures of General Purpose Lanes outside the times set forth in the Lane Requirement Charts shall, at a minimum include the following:

1) Justification for the Lane Closure;
2) Propose time periods and hours;
3) Proposed location(s);
4) Proposed Calendar duration; and
5) Payment of Lane Closure Charges, in accordance with Contract Section 11.1.

RCTC and the Department have the right to suspend the Work in accordance with Contract Section 21, and cancel any previously approved Lane Closure request for any Lane Closure that does not reopen to traffic by the times set forth in TSP's request.

4.7.3 Permitted Lane Closures of SR 91 Express Lanes

TSP shall develop as part of the TMP all design for MOT, including all Permitted Lane Closures that impact the SR-91 and the SR 91 to I-15 Express Lanes Flyover Connector from start of installation through Revenue Service Commencement. Lane Closure windows for the Express

Lanes, unless otherwise approved by RCTC or OCTA, as applicable, in their sole discretion, are reflected in Table 4-1. TSP shall pay to RCTC Lane Closure Charges for Permitted Lane Closures of Express Lanes.

Table 4-1 Permitted Lane Closures of SR 91 Express Lanes

Direction/Period	***Hours During Which Closures Permitted***
Eastbound weekday (Sunday from 11:00 p.m. to Friday at 5:00 a.m.)	11:00 p.m. to 5:00 a.m.
Eastbound weekend (Friday 11:00 p.m. to Sunday at 5:00 a.m.)	11:00 p.m. to 5:00 a.m.
Westbound weekday (Sunday from 9:00 p.m. to Friday at 4:00 a.m.)	9:00 p.m. to 4:00 a.m.
Westbound weekend (Friday at 10:00 p.m. to Sunday at 5:00 a.m.)	10:00 p.m. to 5:00 a.m.

TSP shall submit a written Notice of Permitted Lane Closure for the applicable Express Lane(s) and pay RCTC the corresponding Lane Closure Charges, in accordance with Contract Section 11.1. TSP shall submit Notices of Permitted Lane Closures to RCTC for review and approval no later than seven (7) days prior to the Permitted Lane Closure of any Express Lane. If applicable, TSP shall submit to RCTC for review and approval written Notices to withdraw or amend previously submitted Notices of Permitted Lanes Closures no later than five (5) days prior to the scheduled Permitted Lane Closure.

TSP shall notify RCTC immediately, as soon as TSP knows that a Permitted Lane Closure of an Express Lane will be late in reopening. In the event that a Permitted Lane Closure does not reopen on time, RCTC will not authorize any further Lane Closures until TSP submits to RCTC a corrective action plan to avoid recurrences.

RCTC shall have the right to suspend the Work, in accordance with Contract Section 21, and cancel any previously approved Lane Closure requests for any failure to reopen to public traffic a Permitted Lane Closure of an Express Lane within the windows specified in Table 4-1.

Lane Closures of Express Lanes shall not be allowed: (a) between the Monday before Thanksgiving until the day after New Year's Day; (b) on Easter weekend; (c) on Memorial Day weekend; (d) on Fourth of July weekend; (e) on Labor Day weekend; or (d) on any other holidays. TSP shall coordinate with RCTC to identify any special events and restrict Lane Closures of Express Lanes accordingly. Closure restrictions for designated holidays and special days are included in Section 19.5.

Concurrent closure of the mainline SR-91 Express Lanes and SR 91 to I-15 Express Lanes Flyover Connector is prohibited.

Upon its discovery of any Unpermitted Lane Closure of an Express Lane, RCTC will deliver to TSP a Notice of Unpermitted Lane Closure, and shall assess against TSP the applicable Lane Closure Charges (i.e., stipulated damages and liquidated damages), calculated in accordance with Contact Section 11.1.

4.7.3.1 Planned SR-91 Maintenance Closures

Every third Sunday from 6 a.m. to 10 a.m., the SR-91 Express Lanes will close for planned maintenance. During these planned maintenance closures, and only if approved in writing by RCTC, TSP may perform Work in the SR-91 Express Lanes. TSP shall submit to RCTC for its review and approval written requests to perform such Work no later than 14 days prior to the applicable closure. Preference shall be given to the SR-91 Express Lanes maintenance crew, but if RCTC approves TSP's request, no Lane Closure Charges shall be assessed upon TSP during this period. TSP, however, shall be subject to Lane Closure Charges (i.e., stipulated damages and liquidated damages) for Unpermitted Lane Closures outside of the approved period.

4.7.4 Unpermitted Lane Closures of Express Lanes

Unpermitted Lane Closures of Express Lanes are prohibited and shall be subject to Lane Closure Charges (i.e., stipulated damages and liquidated damages) in accordance with Contract Section 11.1 of the Contract. TSP, however, may request Lane Closures of Express Lanes outside the times set forth in Table 4-1. Submit such requests in writing to RCTC no later than14 days prior to TSP's requested date for the Lane Closure, together with a revised TMP as required. Such requests and revised TMPs shall be subject to review and approval by RCTC, the Department, and, if applicable, OCTA.

Written requests for Lane Closures of Express Lanes outside the times set forth in Table 4-1 must include:

1) Justification for Lane Closure;
2) Proposed time periods and hours;
3) Proposed calendar duration; and
4) Payment of Lane Closure Charges, in accordance with Contract Section 11.1.

RCTC shall have the right to suspend the Work, in accordance with Contract Section 21, and cancel any previously approved Lane Closure request for any Lane Closure that does not reopen to traffic by the times set forth in TSP's request.

4.7.5 Incident Management

TSP shall immediately report incidents that occur within or directly adjacent to the Site, as appropriate. Typical examples of incidents to be reported would be injuries due to construction accidents, traffic accidents, or fires.

4.7.6 Construction Zone Enhanced Enforcement Program

A Construction Zone Enhanced Enforcement Program (COZEEP) through the CHP must be provided for the Toll Services through TCS Acceptance. TSP shall coordinate all Lane Closures and construction activities with RCTC to assess the need for COZEEP. The need for COZEEP shall be the decision of RCTC. The Department's *Construction Manual* section 2-215 includes criteria on the use of COZEEP on a project. These criteria shall be considered as minimum requirements for COZEEP. In addition to these requirements, COZEEP will be used for other Work activities, as directed by RCTC, such as running traffic breaks for critical movement for equipment.

TSP shall notify RCTC at least 48 hours in advance of COZEEP service needs for a planned Lane Closure or construction activity. RCTC will coordinate with CHP and the Department for these services under the existing agreement between Department and CHP. RCTC will create monthly log of COZEEP uses for the Toll Services. TSP must reimburse RCTC at TSP's sole cost, for CHP expenses incurred by RCTC. TSP shall reimburse RCTC within ten 10 days of RCTC's submittal to TSP of an invoice for such CHP costs and expenses.

Cost for all CHP services to be provided for the Toll Services is included in the Contract Price. CHP salary (OT) rates and mileage are typically adjusted around the start of the State fiscal year, after passage of the budget. The Department's agreement with CHP will provide for annual fluctuation in rates

The presence of the CHP does not relieve the TSP of the responsibility for providing public safety. The TSP is responsible to schedule COZEEP services with the CHP in accordance with the approved TMP.

4.7.7 MOT Coordination Meeting

TSP shall schedule bi-weekly MOT coordination meetings with RCTC, CHP, the Department, and DB Contractor to address TMP strategies, construction activities, lane closure schedules, and Toll Services disruptions to public from the start of installation through Revenue Service Commencement.

5 SYSTEM TESTING (this section is being left as is for future RCTC expansion work. Testing approach to delivery of Amendment 4 work will be performed according to the Proposal Plan. For Amendment 4 delivery and all changes to BOS post Amendment 4 delivery will require the joint approval of Agencies)

This section describes TSP's responsibilities for carrying out and reporting the results of various functional and performance tests of the TCS and its major components as they are being developed, demonstrated, deployed, and operated. This includes all phases of testing including the Software, Hardware, in-lane equipment, network connections, back office, and interfaces. The testing program shall ensure that the TCS functions according to the requirements and KPIs prescribed in the Contract, these TPs and the FDD.

5.1 General

TSP shall be responsible for all personnel, equipment and expenses associated with the testing program. Testing shall be conducted in accordance with the Master Test Plan and in conjunction with RCTC. TSP shall keep the Requirements Trace Matrix updated to reflect all testing, clearly tracing requirements to test phases and test scripts.

TSP shall submit each test plan to RCTC in advance for review and approval. TSP shall obtain RCTC approval of test plans prior to testing. TSP's Quality Manger shall review TSP readiness to commence each phase of testing.

The TMS shall be tested as part of the ETC.

RCTC reserves the right to recommend ad hoc testing of any variety of vehicle types or equipment failures not included in the relevant Individual Test Plan. Ad hoc tests may be added before or during actual testing. Ad-hoc testing will be kept to a minimum and is intended to further review items that arise in scheduled testing.

TSP shall work with RCTC to schedule tests so that RCTC staff, consultants and partners may observe all testing.

TSP shall include statistically significant and mutually agreeable test data sufficient in size and variety of types to fully test all requirements of the lane and Host systems including Account creation, Trip Building, Account management, posting of Trips to Accounts, CTOC processing, Violation processing, Customer Website, IVR, reports, degraded mode, financial integrity, audit functions, toll rate calculation and assignment. TSP shall test degraded modes and exceptions.

Acceptance of the TCS is dependent on tests demonstrating that the TCS performs in a manner meeting or surpassing all requirements and the KPIs.

Within 14 days of the completion of each individual test, TSP shall provide for RCTC review and approval a test report containing results of each test script, a summary of the test results, a list of failed items, planned regression test schedule and punch list items. . TSP shall maintain all test results, notes, and observations. Test reports shall be signed and certified by the TSP's

authorized Quality Manager - D&D Work. Test reports shall pay special attention to any test cases where a failure occurred and how it was resolved. Together with results, any re-testing, regression testing, procedure modifications, software fixes and document changes (if required) shall be detailed.

RCTC and TSP shall work together to assign a priority level for each punch list item as defined in Section 5.5 and Section 5.6. TSP shall fix and retest punch list items including regression testing for approval by RCTC. This process shall continue until all punch list items have passed testing. When the punch list items have passed testing TSP may proceed with other testing or installations.

If at any point during testing RCTC determines that a Critical Failure is detected, RCTC reserves the right to stop testing until RCTC and TSP agree upon corrective action. RCTC reserves the right to restart that particular phase of testing.

If testing or operations identifies defects in the system after the system goes live (is in use by actual customers), TSP shall go through code release procedures described and approved in the Quality Management Plan to fix the issue. TSP shall never change the production system without prior approval of RCTC.

TSP shall maintain a test environment that will ensure that RCTC's TCS Software, firmware and Hardware configurations are matched exactly during every phase of development, installation, and testing.

When TSP is conducting tests, TSP staff shall not make changes to the test environment, including configuration changes, database changes, Software code changes, and equipment changes, without specific written approval from RCTC. Should RCTC approve such a change, TSP shall document such changes in the test report.

Then TSP is in testing, daily kick off and wrap up meetings should be conducted to review the work plan for the day and review punch list items with RCTC.

5.2 Master Test Plan

TSP shall submit a Master Test Plan to RCTC for review and approval during the Critical Design Review. The Master Test Plan provides a system-wide framework for testing activities by integrating functional, system, and performance testing of TCS components, subsystems, interfaces, and the overall TCS. The Master Test Plan shall describe the priority levels of failures as defined in Section 5.6.4 and the ramifications of each type of failure.

TSP shall provide a Master Test Plan describing in detail the key features of the overall testing program for review and approval by RCTC. At a minimum, the Master Test Plan shall address testing approaches and schedule, KPIs, data collection and sampling methods, test entry criteria, test exit criteria, testing conditions, equipment requirements, testing locations, reporting of results and procedures for tracking and retesting failed test steps.

The Master Test Plan shall, at a minimum, include the following:

1) The schedule and high level plan for each phase of testing;

2) Description of strategies for isolating test data from production data, coordinating Interface Testing, using simulated data, and retesting;

3) The Requirements Traceability Matrix (RTM) indicating when and how each requirement will be tested in the Individual Test Plans;

4) The plan for test vehicles including the number and type of vehicles, Transponders required, and any special license plates needed for testing; and

5) All aspects of CSC testing, ETC testing, TMS testing, Communication Network testing, MOMS testing, and degraded mode testing.

5.3 Individual Test Plans

Individual Test Plans shall describe the scope, approach, resources, and master schedule of intended testing activities, including test items, the features to be tested, the testing procedures and set of execution conditions, predicted results, and any risks requiring contingency planning.

Individual Test Plans shall include an updated RTM indicating which requirements are tested in that individual test and shall also include all test scripts to be used.

TSP shall provide complete Individual Test Plans for review and approval by RCTC. TSP must receive written approval from RCTC prior to the beginning of any test.

TSP shall update each version of any test plan to incorporate or respond to RCTC comments on the previous version. Each Individual Test Plan shall undergo the following review phases:

1) Test plan outline – allow 10 working days for RCTC review and comment;

2) Detailed test plan – first submission – allow 15 working days for RCTC review and comment;

3) Detailed test plan – second submission – allow 15 working days for RCTC review and comment;

4) Detailed test plan – final version – TSP shall submit a final detailed test plan in accordance with the master schedule for approval by RCTC; and

5) Test Report - 15 days after completion of individual test.

TSP shall provide revised plans 10 working days after receipt of RCTC comments. If the TSP addresses all comments the second version can be considered the final. If the TSP includes outlines for individual test plans in the Master Test Plan, they may submit the first submission of the plan without submitting an outline first. TSP may request a meeting with RCTC to review their comments and walk through assumptions with RCTC to expedite the submission process.

5.4 Electronic Toll Collection System Testing

5.4.1 General

For ETC testing, TSP shall develop Individual Test Plans for each of the major tests including:

1) ETC Factory Acceptance Test (FAT);

2) Onsite First Installation Test (OFIT); and

3) ETC Site Commissioning Test.

The TSP shall provide a fleet of vehicles and drivers for testing under various conditions including degraded conditions. Testing may need to occur during nighttime hours (10PM to 5AM). The TSP shall test both Title 21 and 6c transponders.

5.4.2 ETC Factory Acceptance Testing

The FAT for the ETC shall include testing of all systems integrated and configured for TCS. The FAT shall occur at the end of development and prior to the installation of any TSP Equipment as part of the D&D Work. The FAT shall take place at TSP's designated facility in a manner that is easily observable by RCTC personnel. The FAT shall take place in the continental United States.

The FAT shall be a complete test of the integrated systems using exactly the same equipment and configurations as TSP will use in production following the RCTC approved test plan and test scripts. The FAT shall include the communications Hardware.

The FAT may be scheduled in phases with the final phase including tests for the complete integrated system. The FAT shall include testing of the AVI subsystem to operate in dual protocol mode.

The test plan shall list any requirements that TSP cannot test in the ETC FAT, the reason for their exclusion and when they will be tested.

TSP shall conduct a preliminary test of all interfaces.

TSP shall use traffic simulation Software or other mutually agreed upon traffic data sets to create necessary traffic data and use it to perform tests including:

1) Volume stress tests;

2) Full exercise of all reports; and

3) Pricing algorithms.

TSP shall use a dual lane configuration for FAT testing.

OFIT shall not begin until FAT tests are successfully completed and the test reports are approved by RCTC. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.4.3 Onsite First Installation Test

The OFIT shall be a complete test of the integrated ETC as allowed by the installation of a single set of roadside equipment. The test plan shall tie in with the RTM indicating which requirements

are included in the test. OFIT will include actual vehicles driving to create Lane Transactions in many combinations. It will also include Lane Transactions created in various failure modes.

The OFIT shall take place after the installation of the ETC Host, plus a full set of Equipment at the roadside including all the Equipment necessary to:

1) Create Lane Transactions (transponder and image-based) and trigger enforcement beacons;
2) Trip Build (use of simulated data allowed);
3) Display prices on VTMS;
4) UPS and Generator functionality
5) Collect traffic data from TMS sensors;
6) View DVAS output;
7) View Occupancy Detection output;
8) View CCTV output; and
9) Communicate with the ETC Host.

The OFIT shall include tests of the network configurations at both the lane and Host levels.

TSP shall demonstrate that the AVI subsystem meets performance standards, requirements of the Contract and KPIs for reading both Title 21 compliant legacy transponders and 6C transponders.

TSP shall execute the OFIT at the toll Zone handed over by the DB Contractor. The OFIT will require the necessary civil work, power and communication infrastructure be made available to make this test feasible. TSP shall have conducted and signed off on the Civil Site Acceptance Checklist in accordance with Contract Section 8.5 prior to the beginning of OFIT.

OFIT should be performed under differing light conditions including bright sun light, dusk and nighttime

TSP shall not commence installation on further Packages (excluding Package 1) until RCTC approves OFIT results. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.4.4 ETC Site Commissioning Testing

TSP shall have conducted and signed off on the Civil Site Acceptance Checklist in accordance with Contract Section 8.8.4 prior to the ETC Site Commissioning Test. The ETC Site Commissioning Test is intended to test all ETC and TMS functionality on the I-15 EL.

The ETC Site Commissioning Test shall include ensuring that the ETC Host can meet all requirements when faced with multiple Equipment sites. The ETC Site Commissioning Test shall include using vehicles to create actual Lane Transactions in many different configurations. The test shall, at a minimum, include:

1) Correct Trip Building and toll rate assignment;

2) Exception processing;

3) Toll rate corrections;

4) Incident reporting;

5) Accounting and audit functionality; and

6) Failure conditions.

The ETC Site Commissioning Test shall test functionality that could not be tested in previous tests or that has changed as a result of the complete installation of the entire TCS. The ETC Site Commissioning Test will include actual vehicles driving to create Lane Transactions in many combinations. It will also include Lane Transactions created in various failure modes. The ETC Site Commissioning Test plan shall, at a minimum, include:

1) Posted Trip price tested from live driver reports;

2) Live traffic data capture and transaction assembly;

3) Dynamic Pricing for the entire I-15 EL;

4) Trip Building for both transponder based and image based trips;

5) Toll Rate setting and overrides;

6) Reports across multiple Zones;

7) Building of files to send to the CSC; and

8) Ad-hoc report capacity.

The ETC Site Commissioning Test, at a minimum, shall:

1) Complete full testing of all system functionality, from the lane through the ETC Host to the CSC system and TMS;

2) Demonstrate that transaction files, correction files and all other required communications can be successfully sent to the CSC and that the reconciliation files and all other required communications from the CSC can be successfully received by the ETC system;

3) Demonstrate that these files are complete and accurate;

4) Demonstrate that the reconciliation data is properly stored in the database and reflected on all reports;

5) Test all other interfaces with the ETC system, including the TMS and MOMS; and

6) Demonstrate that TOC operators and CSRs can properly access the required screens and data and not access unauthorized portions of the system.

Revenue Service Commencement shall not begin until the test results from the Site Commissioning Test have been approved by RCTC. ETC Site Commissioning Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.5 Customer Service Center Testing

The TSP shall develop Individual Test Plans for each of the major tests including:

1) CSC FAT;

2) CSC Installation; and

3) CSC System Commissioning Test.

5.5.1 CSC Factory Acceptance Testing

TSP shall perform FAT of the CSC. FAT shall verify that TSP has successfully developed the CSC in accordance with the requirements set forth in these TPs and the subsequent design documentation as approved by RCTC. The FAT shall take place at TSP's facility in a manner that is easily observable by RCTC personnel. The FAT shall take place in the continental United States. TSP may combine the CSC FAT with the TCS FAT with the approval of RCTC.

Additionally, after successful approval by RCTC, Factory Acceptance Testing shall provide the basis for TSP to begin preparation for deployment efforts.

TSP shall fully demonstrate system functionality including, at a minimum, the following:

1) Call Center – CSR Call Processing, IVR Functionality;

2) Customer Account Management Functions;

3) Discounts and Adjustments;

4) Violation Management Functions;

5) Transponder Inventory Management Functions;

6) All Website Functionality and GUI;

7)

8) CTOC processing;

9) Rebill and Payment Processing – Including credit/debit card, ACH, cash, check;

10) Transaction Processing – Including the processing of all transaction types through their full life-cycle (lane to account, (FasTrak® or Violation) account posting and accurate population on all related reports);

11) Financial Accounting Functionality – Including reconciliation, audit and reporting;

12) Reporting;

13) Job Scheduling; and

14) System Interfaces, including, at a minimum:

a. ETC system

b. RCTC Financial Management System

c. CTOC

d. Banks

e. Credit/Debit Card Service Providers

f. Collection Agency

g. California DMV

h. Out-of-State DMVs or third party aggregators

i. Large Account Holders, Fleet Managers and Rental Car Companies

j. Franchise Tax Board

k. National Change of Address Service

l. Address Update Service

m. US Postal Service Intelligent Mail Barcode

Anomalies, failures, or other issues identified during FAT shall be documented and tracked in a punch list format. TSP shall not proceed to CSC Installation until the CSC FAT has been successfully completed. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.5.2 CSC Installation Test

TSP shall perform CSC Installation Test following FAT. The CSC Installation Test shall verify that the CSC Equipment has been properly installed, configured, and is working prior to start of CSC System Commissioning Testing. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.5.3 CSC System Commissioning Testing

TSP shall perform CSC System Commissioning Testing following Installation Tests. The intent of the CSC System Commissioning Testing is to verify that the CSC is fully integrated, interoperable with the CTOC Agencies, and ready for CSC Commencement.

CSC Commissioning Testing, at a minimum, shall:

1) Demonstrate that the TCS and related Toll Services are fully installed, integrated, and functioning per these TPs and approved design documentation;

2) Test all TCS functionality, including any and all equipment, Software, and internal and external interfaces under controlled test conditions;

3) Be performed after the TCS has been installed in the CSC. The CSC portion of the ROC may go live prior to the TOC, ETC, and Communication Network. The phasing of tests and scheduling of tests and start of operations shall be defined in the Master Test Plan and Project Schedule; and

4) Demonstrate all core functionality originally tested during FAT as well as any remaining functionality not tested in an earlier test phase.

TSP shall not use CSC System Commissioning Testing to regression test or address any punch list items identified during Installation Testing.

CSC System Commissioning Testing shall commence with a series of baseline test procedures to demonstrate core functionality in an unambiguous fashion. The TSP's testing program shall be completed in a logical structure beginning with internal interfaces, then external interfaces, and verification of compliance with all work flows, business rules, and policies established during the design and development process.

TSP shall manage the development and documentation of all work flow, Business Rules, and policies throughout the design and development process. Failure to acknowledge and or document any such item shall not relieve the TSP of its obligation to provide said functionality or component.

CSC System Commissioning Tests shall be directly observed by RCTC and/or its authorized representative(s).

RCTC reserves the right, at its sole discretion, to determine if the TCS, any associated services, component or sub functions are operationally ready. In the event RCTC deems any particular element to be in non-compliance with Contract requirements, it may direct TSP to proceed with TCS operations while excluding the said non-compliant element.

RCTC reserves the right to decline the use of simulated data if it feels that in doing so it will not accurately reflect the achievable test result(s).

CSC System Commissioning Testing shall not be considered a follow up or supplement to any previous test phases.

TSP shall test all interfaces to demonstrate the establishment of communications as well as successful operational processing with each of the required interfaces, both internal and external. At a minimum, interface testing shall verify functionality of the following interfaces:

1) Physical Hardware/communications interfaces;

2) Data interfaces;

3) TCS interface with TCS Hosts;

4) Interoperability data interfaces to other CTOC back offices;

5) DMV interface;

6) Bank interface;

7) CSC/Credit card clearinghouse;

8) Cash payment network;

9) Rental/Fleet vehicle interface;

10) Collection agency interface;

11) Lockbox service to CSC interface; and

12) Web and IVR.

Any additional interfaces identified during the design and development process, as agreed to and approved by RCTC, shall also be fully tested during the CSC System Commissioning Test.

Testing shall include end to end testing of each transaction type from the lane to the Account and then to Violation processing. End to end testing shall include live vehicle drives which document the price observed by the driver and confirmation of the price for all lane modes, trip combinations, tag-plate combinations and transponder switch settings.

5.6 TCS Testing

5.6.1 General

For TCS testing, TSP shall develop Individual Test Plans for each of the major tests including:

1) TCS Disaster Recovery and Back-Up Test;

2) TCS Operations Test; and

3) TCS Acceptance Test.

5.6.2 TCS Disaster Recovery and Back-Up Test

TSP shall conduct a complete test of the disaster recovery back-up equipment and plans. The plan for this test shall include instructions for mimicking several disaster and failure scenarios, which the TSP will outline in its Disaster Recovery Plan.

Testers shall follow the procedures outlined in the Disaster Recovery Plan to determine whether both the System and the Disaster Recovery Plan allow RCTC to continue operations and recover all data. The Disaster Recovery and Back-Up Test shall include both fail over to disaster recovery and back to normal operations.

It is a condition of Revenue Service Commencement that the test results from the disaster recovery and back-up testing have been approved by RCTC. Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.6.3 TCS Operations Testing

TSP shall conduct Operations Tests after the successful Commission Testing. These tests shall not be a scripted, controlled test but rather systematic monitoring of the TCS before Revenue Service Commencement.

The Operations Test plan shall detail the methods, amounts, and types of data collected during the testing period. The Operations Test plan shall detail the method for evaluating how these data collection efforts demonstrate that the TCS meets functional requirements and KPIs.

TSP shall provide a method for RCTC to formally report issues and defects discovered during the course of day-to-day operations of the TCS.

The Operations Test shall run consecutively for 2 weeks, any Critical Failures will result in a restart of the test.

TSP shall create a punch list of defects and a report on requirements of the Contract and KPIs early in the operations testing period to allow early fixes and retesting without requiring disruption to the operation of the I-15 EL.

Testing shall be directly observed by RCTC and/or its authorized representative(s).

5.6.4 TCS Acceptance Testing

TSP shall perform TCS Acceptance Testing as set out in Contract Sections 8.13.1 of the Contract. The TSP shall have the Source Code Escrow open prior to start of TCS Acceptance Testing. TCS Acceptance Testing shall verify that the TCS and all related Toll Services are in conformance with these TPs and subsequently approved Final Design Document including the ETC, CSC, TMS, Communication Network and MOMS. Activities during this period of monitoring will include any necessary scripted test documentation and unscripted ad-hoc tests as well as monitoring of day-to-day functions of the TCS system.

TCS Acceptance Testing shall be performed under live conditions, using actual production data where practical, for a period of 45 days after the Revenue Service Commencement Date and be approved by RCTC within 120 days of the Revenue Service Commencement Date. The TCS Acceptance shall include two (2) monthly reporting cycles and acceptance of two (2) months of reports. TCS Acceptance Testing shall demonstrate that TCS meets all KPIs.

Testing shall be directly observed by RCTC and/or its authorized representative(s).RCTC and or its authorized representative(s) may assume direct roles as TCS test observers to validate test processes and results.

TSP shall manage and track any anomalies, failures, or other issues noted under TCS Acceptance Testing. These observations shall be tracked in a punch list format and reported on a weekly basis, at a minimum, to RCTC. TSP shall satisfactorily address all previous punch list items prior to TCS Acceptance. Throughout the 45-day TCS Acceptance Test, any system problems, errors, failures, or malfunctions will be categorized based on level of severity. The four levels of severity to be considered are:

1) Testing Priority 1 – Hardware or Software or component or process that is critical to the operation does not function and could result in the loss of revenue.
2) Testing Priority 2 – Hardware or Software or component or process does not function. There is no risk of loss of revenue or data; however, there is negative impact to customer.
3) Testing Priority 3 – Hardware or Software or component or process does not meet the design functionality and/or impedes the operation of the system but does not affect the collection of revenue or negatively impact the customer.

4) Testing Priority 4 – Hardware or Software or component or process does not meet the design functionality and/or is “cosmetic” in nature. Failure is transparent in nature to both the customer and RCTC.

The success or failure of the 45-day TCS Acceptance Test will be determined by the number and type of severity levels encountered during the test. The following represents the impact of each of the severity levels on the test:

1) Testing Priority 1

a. One (1) incident indicates a failure of the 45-day test.

b. The 45-day test is stopped. Once the problem is resolved, the 45-day test is restarted from Day 1.

2) Testing Priority 2

a. Does not indicate a failure of the 45-day test.

b. The 45-day test is stopped. Once the problem is resolved, the 45-day test will resume from the date on which it was stopped. Once the problem is resolved, the implemented fix will operate without flaw for a minimum of seven consecutive days, which may extend the 45-day test period.

3) Testing Priority 3

a. Does not indicate a failure of the 45-day test.

b. The 45-day test is stopped. Once the problem is resolved, the 45-day test will resume from the date on which it was stopped. Once the problem is resolved, the fix will operate without failure for a minimum of seven consecutive days, which may extend the 45-day test period.

4) Testing Priority 4

a. Does not indicate a failure of the 45-day test.

b. The 45-day test is not stopped. The problem is resolved in a timely fashion.

All TCS Hardware and Software shall be carefully tested. Verification that all reported problems have been resolved will be obtained using several methods, including event logs, service call logs and other additional information that can be gleaned from system-generated information maintained by TSP or other data sources. TSP shall schedule daily status meetings during the 45-days of monitoring to ensure that RCTC is fully aware of all System and Equipment failures, and RCTC and TSP staff shall review system/equipment failures and classify the severity levels at such meetings.

The TCS Acceptance Test shall be the final test to be completed and shall only be initiated once all of the TCS elements have been installed and configured, all previous tests have been successfully completed and Revenue Service Commencement has been achieved.

5.7 Annual Renewal Testing

TSP shall perform Annual Renewal Testing as set out in Contract Section 8.14. The intent of Annual Renewal Testing is to verify that the TCS and all related services remain within the requirements of the Contract. The Annual Renewal Test shall test components of the TCS that cannot be verified with MOMS and KPIs. Testing shall be directly observed by RCTC for the ETC and both Agencies for the BOS and/or its authorized representative(s). Annual Renewal Testing shall, at a minimum, include demonstrating:

1) Full end to end testing of transactions from lane to CSC validated through the DVAS;
2) Lane Controller can accurately detect vehicles, assign ETC reads and images, and properly associate the data to a Lane Transaction;
3) Lane Controller can capture and process 2,500 vehicles per lane per hour;
4) AVD can detect and separate vehicles travelling as speeds from zero to 100 mph; an exception to 100 mph testing will be granted if not able to test safely.
5) Enforcement Beacons flash per the Business Rules;
6) Functional performance test of the TMS components, including speed calibration of detection systems;
7) Website responds to Account Transaction queries, statement requests, and Violation Notice requests within 3 seconds;
8) CSC CSR interface responds to queries within 3 seconds to standard account lookups, license place lookup, violation notice lookup, image retrieval, payment processing, and account updates; and
9) Backup and disaster recovery.

The TSP shall submit an Annual Renewal Test Report that summarizes the results of the test for review and approval by Agencies.

6 SYSTEM INTERFACES

6.1 General Requirements

For interfaces with systems external to the TCS, TCS shall communicate using an Interface Control Document (ICD). All ICDs shall be submitted to RCTC for approval as part of the Final Design Review.

During the D&D Phase TSP shall work with RCTC and third parties on the schedule and frequency of all ICD file exchanges.

Each ICD shall include file formats, message guarantee structure, control totals, receipt acknowledgement, error checking and handling, retransmission procedures, archiving, file rejection parameters, and other related specifications. The ICD shall address the physical, functional and performance aspects of all interfaces. Equivalent solutions to the traditional file exchange methodology will be permitted with approval from the applicable Agency.

ICDs shall be created or modified to describe all Hardware and Software interfaces, including, at a minimum:

1) RCTC 91 and 15 EL ETC to the CSC;
2) OCTA 91 EL ETC to the CSC;
3) TMS to the Department Traffic Operations Center;
4) CSC to RCTC financial management system;
5) CSC to CTOC;
6) CSC to banks and merchant service providers;
7) CSC to credit/debit card service providers;
8) CSC to a collection agency;
9) CSC to California Department of Motor Vehicles (DMV);
10) CSC to out-of-state DMVs and/or third party vehicle registered owner data aggregator(s);
11) CSC to Large Account holders, fleet managers and rental car companies and their representative third parties;
12) CSC to Franchise Tax Board;
13) CSC to United States Postal Service (USPS) Intelligent Mail Barcode (IMB) services; and
14) CSC to other services determined necessary by TSP to perform Toll Services with the approval of RCTC.

The TCS shall generate reports that shall verify that all files were transmitted and received with control totals, file names, and transmission details. The TCS shall also report on files that were

transmitted but not received or acknowledged due to a communications issue. The reports shall verify that all data transmitted from the Host system were received. As such, all reports shall provide detail and summaries by transaction date (the date the actual transaction occurred) and transmission date (the date the transaction was transmitted by the Host).

The TCS shall provide alarms or notifications when the TCS cannot send a file, does not receive a timely acknowledgement, receives an improperly formatted file, or fails to receive a file on schedule and automatically log Event Transactions for reporting. TSP shall report any ICD communication issues lasting more than 2 hours to OCTA/RCTC. TSP shall reconcile and resolve any interface discrepancies.

6.2 ETC System to CSC

Using the ICD developed during the D&D Phase and the existing OCTA 91 EL ICD, the TCS shall:

1) Send files no less frequently than hourly;
2) Send acknowledgements for all files sent to the CSC;
3) Reject files sent from the CSC according to agreed-upon parameters;
4) Process acknowledgements from the CSC for all files sent to the CSC;
5) Create and send files containing batches of Trip Transactions. These files shall be separated into ETC and Image Based Transaction (IBT) files, each containing transactions from only one Revenue Day. The Host shall send several ETC and IBT files per day on a schedule agreed upon during TCS design;
6) Provide detailed reports on any Transactions not sent to the CSC with appropriate coding;
7) Create and send a file containing an image set corresponding to a single IBT for every such Transaction sent to the CSC in an IBT batch file. Each image file shall contain two images;
8) Create response files, recording detailed reconciliation information for every Transaction that reaches a final status at the CSC; and
9) Be transferable to other express lanes for use of the CSC.

6.3 TMS to the Department Traffic Operations Center

Using the ICD developed during the D&D Phase, the TCS shall provide direct CCTV video feeds from video distribution server to Department through the Network Communication System.

6.4 CSC to ETC System Interface

TSP shall work with RCTC during the D&D Phase of the CSC to develop an interface between the CSC and the ETC systems. TSP shall document the interface requirements in the form of an ICD. TSP shall maintain and update the ICD upon the occurrence of any changes affecting the data exchange between ETC system and the CSC.

The CSC shall provide data elements such as Transponder Status Files a minimum of four (4) times per day via the interface.

RCTC desires separate CSC and ETC hosts with an ICD governing their interaction for transparency, future addition of corridors, and easier auditing.

6.5 California Toll Operators Committee (CTOC) and Interoperability

TSP shall perform all functions required for interoperability with CTOC member agencies.

TSP shall adhere to the proper use of any CTOC and FasTrak® related logos as defined by license or trademark agreements. TSP shall include CTOC marketing materials or messages in the customer correspondence and Customer Website at the direction of the applicable Agency. TSP shall participate in CTOC meetings at the request of the applicable Agency

TSP shall provide a point of contact for resolution of issues arising with respect to customer service for interoperable transactions. The TCS shall also support all of Agencies' Business Rules. The TCS shall process multiagency toll data in compliance with current CTOC rules and regulations and exchange Trip Transaction and Transponder data, and payment requests with interoperable agencies through the CTOC support structure and specifications requirements.

TSP shall be familiar with the most recent published CTOC Technical Specifications (provided as Attachment 19.1) and the agency User Fee Processing Agreements (to be provided upon completion), to ensure continuous full interoperability and reciprocity with all other CTOC member agencies during the Term.

TSP shall comply with all business rules set forth in the CTOC Technical Specifications and agency User Fee Processing Agreements (to be provided upon execution by Agencies and other CTOC agencies).

The CTOC settlement reports define a standard set of documents for the purpose of supporting the transfer of funds between agencies served by different customer service centers. The documents define a suggested set of reports that can be used by agencies to reconcile prepaid tolls and expected toll revenue. Agencies will enter into Cooperative User Fee Agreements with all participating agencies. TSP shall provide recommended reports and perform reconciliation as required.

TSP shall manage the payables and receivables associated with the CTOC processing. TSP shall establish a process for invoicing and paying interoperable partners, and submit such process to RCTC for review and approval. The TCS shall be Configurable to easily add new interoperable partners as they join CTOC. Addition of new interoperable partners shall be a Configurable Parameter. The TCS shall be Configurable to easily add or change interoperable partner's plaza identifications and assigned Transponder ranges. Such changes shall be Configurable Parameters. The TCS shall uniquely identify and report between home and away transactions and revenue. The TSP shall include reporting and processing of credit card fee settlement activity between the agency and partner agencies.

TSP shall train its staff on the operation of all CTOC facilities and the interoperable process in order to provide customers with accurate information and resolve any interoperable issues a customer may incur. The TCS shall remove duplicate interoperable transactions according to agreed-upon Business Rules before creating and sending CTOC transaction files. The TCS shall

check transactions files received from CTOC partners for duplicate transactions prior to posting to Accounts. The TCS shall allow for the payment of Violations issued to CTOC customers according to the business rules defined in the CTOC Technical Specifications.

6.5.1 File Exchange and Posting

The TCS shall include an interface with a reciprocity server to send and receive valid transponder Trip Transactions, IBT Transactions, Tag Status Files (TSFs) and license plate files to and from CTOC member agencies at configurable time intervals. The CTOC Technical Specifications document included in Section 19.1 defines the formats for all reports which shall be transmitted between customer service centers belonging to CTOC agencies.

TSP shall establish processes to monitor the sending and receiving of all files and notify any reciprocal agencies for which a file has not been received or sent according to the CTOC Technical Specifications.

The TSP shall process all CTOC files according to the predetermined processing schedule. The TCS shall be updated with plate and Tag Status Files within one (1) hour of receipt. The TCS shall adhere to the posting rules specified in the CTOC Technical Specifications and the Business Rules.

TSP shall be responsible for any lost revenue resulting from failure to properly process interoperable files according to the CTOC Technical Specifications and shall pay the applicable Agency the amount of such lost revenue. The applicable Agency shall be entitled to deduct the amount of such lost revenues from compensation otherwise owing from the applicable Agency to TSP under the Contract.

6.5.2 Regional and National Interoperability

TSP shall support Agencies' participation in regional and national groups or coalitions focused on interoperable advancements and compliance with related legislation. TSP may be asked to attend meetings, participate in technical reviews, and provide analysis and estimates from time to time during the Term. The costs of these services shall be incidental to other items in the O&M Term.

6.6 CSC to Banks

TSP shall provide an interface to both Agencies' designated banks and related equipment for the purpose of processing check payments in accordance with Check 21 processes. The TSP shall process checks using Check 21 services and local processing to improve speed of check clearing and lower risk of fraud. The TSP shall interface with banks and merchant services to process ACH payments and authorizations.

6.7 CSC to Credit/Debit Card Service Providers

TSP shall provide an interface to credit/debit card service providers that provide direct access to obtain authorization for initial Account establishment, subsequent payments and Account replenishment charges to customer credit card accounts and to transfer funds from the applicable Agency's bank. The TSP shall utilize credit/debit Card services which provide for expiration date

updates. TSP shall enter into merchant service agreements required for credit/debit card processing with the applicable Agency's approval.

6.8 CSC to Collection Agency

At the applicable Agency's sole discretion and per the Business Rules, TSP shall refer debt associated with bankruptcies, open Violations, negative Account debt, and other debt, to the collection agency. The TSP shall adjust customer Violator Accounts for payments and write offs received from the collection agency in a daily exchange of information. The use of a collection agency shall be at the option and discretion of the applicable Agency. If an agreement with a collection agency is not established during the D&D Phase, the TSP shall develop, test and deploy the interface upon direction of the applicable Agency at any point during the Term. The party responsible for contracting for collection agency services shall be determined during the system design.

Costs related to collection agency fees shall be a pass through cost charged to the applicable Agency.

6.9 CSC to California DMV

The TSP shall establish an interface with the California DMV for the purpose of obtaining registered owner information for open tolls and fees, and the placement and administration of vehicle registration holds and suspensions. The TSP shall comply with all DMV requirements related to the interface and assist Agencies in establishing the TSP as both Agencies' agent of record. The interface shall provide for near real time, as permitted through the ICD, updates on holds, payments, and releases both at the CSC and DMV. California DMV registered owner lookups are provided at no cost. The cost of placing vehicle registration holds and suspensions shall be net from funds collected by the DMV and recorded as an expense to the applicable Agency by the toll system.

6.10 CSC to Out-of-State DMVs/3rd Party Vehicle Registered Owner Data Aggregator(s)

The TSP shall establish a process for obtaining registered owner information for Image Based Trip Transactions from out-of-state DMVs and/or third party vehicle registered owner data aggregator(s). TSP shall obtain the registered vehicle information for out-of-state license plates in accordance with the Business Rules.

The charges for DMV lookups shall be borne by the TSP and included in the Violation Processing line item.

6.11 CSC to Large Account Holders, Fleet Managers & Rental Car Companies/Representative Third Parties

The TSP shall establish an interface with Large Account holders, fleet managers, and rental car companies or their representative third parties to support Violation processing. TSP shall enter

into agreements with all major rental car companies, subject to Agencies' approval for the purpose of processing rental car Violations. The interfaces shall facilitate the terms of the agreements and shall include, at a minimum, plate exchange, retailer information, transaction information, and payment information.

6.12 CSC to Franchise Tax Board (FTB)

TSP shall create a report (per the FTB requirements) for the California's Franchise Tax Board in order to attempt collection of customer and violator debt through the tax intercept process. The report shall be developed during the D&D Phase. Referral of debt to the FTB shall be in compliance with the Business Rules and occur once per year.

6.13 CSC to National Change of Address Service

TSP shall establish an interface with the National Change of Address Service to ensure use of USPS standardized address and address updates on all mailed correspondence.

6.14 CSC to Address Update Service

TSP shall establish an interface with a skip trace or address update service for the purpose of obtaining new addresses for undeliverable mail or reprocessing of forwarded mail.

Skip trace services shall be used when an NTEV or NDTEV is returned undeliverable without a forwarding address and the total dollar value is over $50.00 (Configurable Parameter). This value shall be a Configurable Parameter and be determined during design by Agencies based on the cost/benefit of such services.

6.15 CSC to US Postal Service (USPS) Intelligent Mail Barcode (IMB) services

The TSP shall exchange files to provide mail tracking information to the CSRs, receive automated address update services and other services necessary to validate mail delivery.

7 ELECTRONIC TOLL COLLECTION SYSTEM (RCTC Only)

7.1 General Requirements

The ETC System encompasses all tolling Equipment deployed along the RCTC15 ELs and RCTC 91 Els and the ETC Host. The ETC System shall have no single point of failure.

7.1.1 Physical Environment

TSP shall assess the unique environment of the 15 and 91 Corridor and locations where equipment will be installed by TSP. TSP shall design the ETC System to meet the requirements of the Contract and KPIs under all local conditions.

TSP shall provide an ETC System that is compatible with the DB civil infrastructure and the DB Work. Modifications to the civil design are subject to design approval of RCTC and the Department.

7.1.2 Scalability and Flexibility

TSP shall develop a scalable and flexible ETC System that can be expanded if more Read Points or additional EL corridors are developed and accommodate growth in transactions. The ETC System shall be able to account for varying business rules at the lane level and provide for transaction reporting by facility.

7.1.3 Radio Frequency

TSP shall perform a radio frequency survey to ensure there are no conflicts with the designed ETC system during PDR. The TSP shall acquire the required FCC license in RCTC's name.

7.1.4 Hardware

All ETC Equipment and enclosures shall be protected from corrosion, especially electrical connections which must be removed and reconnected during preventative or remedial maintenance.

All Equipment supplied by TSP shall operate in the electromagnetic environment present on I-15 without any errors or degradation due to electromagnetic interference (EMI) or interference to the surrounding environment.

All Equipment shall account for vibrations and wind loading.

All Equipment shall meet the latest industry standards.

All Equipment shall be new.

TSP shall secure the ETC system to protect it from theft or vandalism through pull box security, door locks, and door alarms. TSP shall work with RCTC and DB Contractor to develop and implement a mutually agreeable theft protection design. TSP shall provide the security measures to deter and/or prevent such theft or vandalism, with devices and active security measures including, at a minimum:

1) Tamper resistant Hardware;

2) Active monitoring devices; and

3) Weatherproof material with identification of property owned by RCTC.

Hardware shall be designed with the following specifications:

1) All components that perform the same function shall be interchangeable;

2) Replacement parts and units shall be modular such that each can be changed without equipment modification between lanes and tolling points;

3) All electronic components shall be installed in NEMA 3 or NEMA 4 Enclosures;

4) ISO standard input/output interface modules shall be used in the design and all serial, discrete and network interface boards shall have at minimum two spare slots to support the addition of components, when commercially available;

5) All field wiring shall be terminated on screw lugs or connectors and all connectors shall be keyed or polarized to prevent incorrect connections;

6) All wiring and connectors shall be labeled per industry standards and codes;

7) Surge suppression shall be provided for all field wiring susceptible to lightning or surges;

8) All lane Equipment shall be fused or circuit breaker protected against over current, over voltage, under voltage and lightning;

9) Power supplies shall be provided for all required internal DC voltages; and

10) All Equipment shall be properly grounded to ensure the safety of maintenance personnel.

7.1.5 Network

TSP shall work with DB Contractor on the Communication Network system, including supplying bandwidth requirements, reviewing the design and participating in the final end to end network testing.

TSP shall provide the Communication Network system maintenance and operations once DB Contractor has successfully tested the Communication Network system and TSP has completed the Communications Network Acceptance Checklist.

7.1.6 Unique Identifiers

The ETC System shall assign a unique identifier to each file, transaction, alarm, incident, or other type of information communicated between parts of the ETC System or through an external interface (e.g., Lane Controller to ETC Host and ETC Host to CSC Host).

These unique identifiers shall increment so that like events that follow each other chronologically shall have consecutive identifiers.

The TCS shall detect and report any gaps in unique identification numbers, missing transactions, files or incident reports.

7.1.7 Roadside Equipment Enclosures

TSP shall coordinate with the DB Contractor during the DB Contractor's civil design effort and provide the DB Contractor with TSP's specifications for foundations and mounting surfaces required for installation of the Lane Controller Cabinets to ensure that DB Contractor's work is compatible with the TCS design. TSP shall specify, furnish and install Lane Controller cabinets onto the foundations or mounting surfaces that the DB Contractor provides in accordance with the TSP's Infrastructure Requirements.

Lane Controller cabinets shall have at least 30 percent capacity for future expansion (rack unit U's) to accommodate added boards and components.

All roadside enclosures shall be appropriately weatherproofed, ruggedized and shall be NEMA 3 or NEMA 4 rated for field use, and shall include any necessary heating and cooling units to ensure proper and reliable operations in the environment. All enclosures shall provide for suitable air circulation such that internal enclosure temperature is controlled to meet the manufacturer's specifications for all equipment contained within the enclosures.

All roadside enclosures shall be appropriately sized such that they are unobtrusive and present minimal safety risk or hazard to traffic flow as determined the Department. Enclosures and locations are subject to approval by the Department and RCTC.

7.1.8 Uninterruptible Power Supply

TSP shall provide Uninterruptible Power Supply (UPS) back up at all revenue critical tolling Equipment locations sufficient to maintain normal Tolling Operations for a minimum of two (2) hours.

The UPS shall provide alarms and report health status to MOMS.

7.2 Electronic Toll Collection System Equipment

The TSP's obligations with respect to ETC System Equipment encompass all tolling Equipment deployed along the I-15 Corridor. All ETC System Equipment shall be purchased (not leased).

7.2.1 Automatic Vehicle Detection System

TSP shall provide and install an Automatic Vehicle Detection (AVD) system at each Read Point to detect vehicles in the ELs with the following functionalities including the ability to:

1) Detect accurately vehicles between 0 and 100 MPH, and
2) Separate vehicles spaced six feet or more apart.

The AVD system shall properly frame each Radio Frequency Identification (RFID) transaction and video image to ensure that roadside sensor data is attributed to the correct vehicle.

The sensors shall provide vehicle event messages and signals to the Lane Controller and may also trigger the VES cameras. If the sensors maintain time separately from the Lane Controller, they shall synchronize time with the Lane Controller. The sensors shall perform diagnostics and report health to the Lane Controller, and to MOMS when polled or at configurable intervals.

7.2.2 Automatic Vehicle Identification Subsystem

TSP shall install a fully functioning Automatic Vehicle Identification subsystem with all associated electronic devices required at each Read Point for communication to vehicle transponders and the Lane Controller.

The AVI subsystem shall be capable of reading interior mounted, exterior mounted and switchable transponders.

The AVI subsystem shall synchronize the time with the Lane Controller. The AVI reader subsystem shall enable the Lane Controller to poll and determine the AVI reader subsystem's health at configurable intervals, and report status to MOMS. For transponders that have the functionality, the TCS shall configure the ability to turn on or off the transponder "beep" functionality as agreed upon during the design process.

7.2.2.1 Functionality

The AVI subsystem shall include, at a minimum, the following functionalities:

1) Correctly associate Transponders to vehicles when the vehicles are traveling in the EL, straddling lanes, or traveling on the shoulder;
2) Not read Transponders in the I-15 General Purpose Lanes or in the opposite direction of travel;
3) Provide all electronic interaction to the Transponder and ensure that a Transponder identification number is recorded only once per passage through the Read Point;
4) Read and buffer, at minimum 30 days of transponder reads, in the event that communication to the Lane Controller is unavailable;
5) Allow for removal of Transponder reads from the reader via alternate method for lane Transaction processing in the event of loss of communications. Transponder reads shall be automatically sent to the Lane Controller when communications are reestablished; and
6) Detect, report, and store the time, date, and Transponder number of all transponder reads at a Read Point regardless of the state of the Lane Controller computer and the ETC Host.

7.2.2.2 Multiprotocol Capabilities

The AVI subsystem shall have the following multiprotocol capabilities:

1) The AVI subsystem shall simultaneously support at least two protocols;
2) The AVI subsystem shall support Title 21 protocol;
3) The AVI subsystem shall support the 6C protocol governed by ISO 18000 6C Tolling AVI Transponder Programming Standard maintained by the 6C Toll Operators Coalition. The AVI subsystem's 6C capabilities shall be certified by an approved independent third party lab and certification process under the OmniAir Certification Services' ISO 18000-6C Certification Program;
4) Title 21 protocol read performance shall not be degraded by the use of any second protocol;

5) The AVI subsystem shall support open road tolling environment, at highway speeds;

6) The AVI subsystem shall successfully read properly mounted (per the Business Rules) Transponders between 0 MPH and 100 MPH; and

7) The multiprotocol reader shall be able to read one vehicle equipped with a one protocol and read the next vehicle equipped with a Transponder of the other protocol in the same lane between 0 MPH and 100 MPH.

7.2.3 Violation Enforcement System

TSP will provide all necessary Hardware and Software required to support the VES (aka LPR, ALPR) in-lane requirements including, at a minimum:

1) The ability to capture a minimum of two (2) images of the rear license plate (if present) of each vehicle that passes through each lane at Read Point in the EL under all light conditions;

2) The ability to capture and process images of vehicles traveling in stop and go traffic, between 0 and 100 MPH, and vehicles with separation of at least six (6) feet;

3) The VES shall self-trigger, or have alternate solution, if necessary to detect vehicles passing through the Read Point in the event that the AVD system is unavailable;

4) Camera illumination devices shall be mounted such that the installation and operation of these devices does not affect driver safety in any fashion as determined by RCTC and the Department; and

5) The VES shall synchronize its time with the Lane Controller and shall be capable of performing diagnostics and reporting its health to the Lane Controller, and to MOMS at any time.

7.2.4 Lane Controller and Lane Transactions

The Lane Controllers shall process all data obtained from the in-lane equipment and subsystems to generate a Lane Transaction for each vehicle passing through a Read Point that accurately associates captured AVI reads and images.

All Lane Transactions shall be uniquely, sequentially identified from each lane (including shoulders and straddling).

TSP shall define and finalize the detailed transaction processing rules and the transaction message details during the D&D Phase in accordance with the Project Schedule; however, at a minimum the following basic requirements will apply:

1) All Transponder reads shall be processed and reported with a Lane Transaction;

2) The Lane Controller shall have the ability to process reads from multiple Transponders in a vehicle; and

3) The Lane Controller shall ensure that the creation of the Lane Transaction is completed prior to transmitting it to the ETC Host. The lane Equipment shall be capable of creating RFID and image based transactions in all traffic conditions.

The Lane Controller shall be able to automatically synchronize with the various subsystems to ensure the events in the lane correspond to the Lane Transaction generated and are associated with the correct vehicle.

Lane Controller functionality shall include start-up procedures for initialization, and for self-diagnostics test sequences. Upon initialization, the Lane Controller shall verify with the ETC Host that it has the latest configuration files, application Software, and any other files required to support the lane operations.

The Lane Controller shall synchronize its time with the ETC Host upon start up.

Messages shall be reported for all failure and anomaly conditions and a notification of the diagnostic check completion shall be transmitted to the MOMS. Failures and anomalies shall be defined during the D&D Phase.

Each Lane Controller shall have a unique Internet Protocol (IP).

TSP shall furnish all Equipment necessary for communications between the Lane Controller and connected subsystems.

The Lane Controller shall interface with the AVI subsystem. The Lane Controller shall report all Transponder reads as elements of the Lane Transaction; the details of the data format shall be finalized during the D&D Phase. Loss of communication to any element of the AVI system shall be immediately detected by the Lane Controller and transmitted to the MOMS.

The Lane Controller shall interface with the in-lane VES subsystem to capture and process images of all vehicles passing through the ELs in accordance with the Business Rules. Loss of communication to any element of the VES shall be immediately detected and transmitted to the MOMS.

The Lane Controller shall interface with the AVD system as necessary to trigger Transponder reads and VES cameras and accurately process Lane Transactions. Loss of communication to any element of the AVD system shall be immediately detected by the Lane Controller and transmitted to the MOMS.

All Lane Controllers shall be time synchronized either to the ETC Host server as a primary source or to a common time synchronization source. The Lane Controller will synchronize or transmit time synchronization messages with every device capable of maintaining time.

Lane Controller equipment shall be designed in a redundant configuration where there is a single primary Lane Controller with a “hot standby” secondary Lane Controller able to take over in the event the primary unit fails (automatic failover). TSP may propose alternate solution that provides equivalent redundancy, subject to RCTC approval. When the secondary unit detects that the primary is off-line, the secondary unit shall assume the functions of the primary unit without manual intervention. Messages shall be generated when such an event occurs. These messages shall be automatically transmitted to the MOMS.

TSP’s redundancy design shall ensure that there is no loss of Lane Transactions or of revenue when one of the Lane Controllers fails. Only one Lane Controller (either the primary or secondary) at any Read Point at a time shall generate Lane Transactions. The switchover from the primary Lane Controller to the secondary Lane Controller shall be transparent to the rest of the TCS.

The TSP shall provide an automated means of synchronizing the Lane Controller and ETC Host in the event that any of the following events occur: (1) the Lane Controller is replaced; (2) communications are down; (3) control is switched from one of the redundant Lane Controllers to the other; or (4) when data on the Lane Controller is not retrievable due to a catastrophic failure.

The Lane Controller shall allow for manual exchanges of data with the ETC Host via portable data storage devices in the event of a communication failure. This shall include transfer of Lane Transactions from the Lane Controller to the ETC Host and data from the ETC Host to the Lane Controller.

The Lane Controller shall be capable of operating in a stand-alone mode. The Lane Controller shall be capable of storing all Lane Transaction information and all images for 30 days.

All messages between the Lane Controller, various components, peripherals, subsystems, and the ETC Host shall utilize a documented, open, non-proprietary industry standard communication protocol that is made available to and approved by RCTC during the D&D Phase.

7.2.5 Electronic Toll Collection System Enforcement

7.2.5.1 Occupancy Enforcement

Enforcement of proper vehicle occupancy for discounted passage in the ELs shall be facilitated by beacon light(s), illuminated with a color or number to be determined by RCTC during the D&D Phase, within 0.20 seconds of the Transponder read by the AVI antenna to indicate the vehicle's Transponder-based occupancy declaration. The occupancy enforcement beacon shall illuminate once, each time the vehicle passing under the gantry is detected with a Transponder read declaring sufficient occupancy for discount passage. Illumination of the occupancy enforcement beacon lights shall be distinguishable between consecutive vehicles.

The occupancy enforcement beacon functionality shall be able to be turned on and off via a Graphical User Interface (GUI). At every Read Point, up to two (2) occupancy enforcement beacon types may be present as determined by RCTC during the D&D phase.

7.2.5.1.1 Overhead Beacon Light

The overhead beacon light (OBL) shall be a light mounted overhead at Read Points over each EL and determined by RCTC during the D&D Phase. The beacon shall be capable of emitting a color or character. The beacon shall emit a light if a vehicle is detected with no Transponder read in the Lane or displaying the Transponder status by light, character or symbol. The TCS shall provide the ability to turn the beacon functionality on and off via a GUI.

The OBL must be visible to California Highway Patrol (CHP) before the read point and for vehicles CHP traveling in the same direction of travel in the EL and the I-15 General Purpose Lanes and must not be a distraction to drivers as determined by RCTC and the Department.

7.2.5.1.2 Observation Area Beacon Light

At select Read Point locations with CHP observation areas, TSP shall mount a directional beacon signal head for visibility from the CHP observation areas and the signal must not be a distraction to drivers as determined by RCTC and the Department.

TSP shall install the Observation Area Beacon Light (OABL) on a height-adjustable mount for visibility calibration.

7.2.6 Variable Toll Message Signs

VTMS shall be used to communicate EL toll rate information to motorists via LED panels affixed to the overhead toll rate sign structures. The VTMS LED panels shall be managed by VTMS controllers that will communicate with the ETC Host to display toll rates and custom input messages.

7.2.6.1 General Requirements

The TSP shall provide VTMS LED panels. At each VTMS location, there shall be up to three (3) LED panels as illustrated in Figure 7-1.

Figure 7-1: Sample VTMS



The toll rate LED panel shall support 8-18 inch characters using an 8x12 font to display toll rate information to the two destinations, per the detail above. The last VTMS in each direction will only have one toll rate destination and only require one LED panel for toll rate information. The general message LED panel shall support 20-18inch characters using an 8x12 font to display other tolling information determined in design. TSP shall provide VTMS LED panels that can display 18-inch high characters as required by CA MUTCD. The VTMS LED panel shall comply with the American Association of State Highway and Transportation Officials (AASHTO) “Standards Specifications for Structural Supports for Highway Signs, Luminaries and the section titled Dynamic Message Sign Assembly” and the Department’s sign requirements.

7.2.6.2 Coordination with DB Contractor

DB Contractor will furnish a warehouse space for the TSP to deliver the VTMS panels. The TSP will install the VTMS panels on the static signs and test to ensure proper function as agreed by DB Contractor, TSP and RCTC. The DB Contractor will move the static sign with the VTMS panels to the field and install on the gantry.

Each VTMS controller shall have a unique IP address that identifies its location. The VTMS with associated controllers and Software shall be capable of displaying CA MUTCD, and the Department and RCTC approved text. The VTMS shall be able to display amber color at a minimum.

The LED panel shall have the VTMS controller report to the ETC Host what is being displayed by interrogating the sign pixels. The VTMS shall report to the ETC Host what is being displayed on the LED panel at the time of every rate change, and the ETC Host shall store the display history for reporting. The LED panel shall include a light sensor to measure the ambient light and adjust the intensity of the LEDs to be visible under all light conditions.

The VTMS shall operate in a stand-alone mode if communications between the VTMS and ETC Host are down. The VTMS shall display the last toll rates for a configurable amount of time, per the Business Rules. Historical toll rates and messages for specified time periods that have been transmitted to the VTMS from the ETC Host shall be used in the event of a communication outage or other conditions as determined by RCTC during the D&D Phase. The VTMS shall store all displayed information while in stand-alone mode for a minimum of 30 days. Upon re-establishing communications with the ETC Host, the VTMS shall communicate to the ETC Host actual toll rates and messages displayed during the communication outage.

VTMS controllers shall be located in weather hardened roadside enclosures to be specified, provided, installed and integrated by the TSP. The VTMS controller shall monitor its health and that of VTMS subcomponents and shall report health diagnostic information and send alert messages to MOMS. The VTMS controller shall be time synchronized either to the ETC Host server as a primary source or to a common time synchronization source.

7.2.7 Occupancy Detection System

RCTC is interested in the implementation of an Occupancy Detection System (ODS) to assist in vehicle occupancy verification and enforcement and would like a fully functional and integrated ODS at the time of Revenue Service Commencement. The TSP shall work with RCTC to scope and design an ODS through PDR. The implementation and operation of an ODS is not within the current scope of the TCS; however, RCTC may elect to change the scope of the TCS at a future date to include the deployment, integration and operation of an ODS. The intent of the ODS is to meet the following italicized requirements.

The TCS shall include an Occupancy Detection System (ODS) for the purpose of comparing the actual occupancy of vehicles to the transponder switch setting and integration into the CSC per Section 8.7.6. The ODS shall be provided at one toll zone in each direction for a total of two (2) locations. The Toll Zone location selected will be the toll zone anticipated to include the highest percentage of all trips in each direction. The TCS shall compare the occupancy count from the ODS to the transponder switch setting self-declared by the customer and include both the switch setting and the ODS occupancy with the corresponding transaction.

The ODS solution may be in-vehicle, out-of-vehicle technology, or a combination thereof. The ODS shall be designed as an occupancy verification mechanism to provide the HOV discount, not as an enforcement mechanism (e.g., users as violators). The ODS shall be able to determine occupancy in front row seats, second row seats and possible third row seats. The ODS shall be

capable of detecting vehicle occupancy in both the first and the second express lane. The ODS implementation costs should be balanced against occupancy verification accuracy and ability to disregard animals and non-human surrogates.

The ODS shall accurately capture an accurate vehicle occupancy for at least 85% of all transactions without human validation.

7.2.8 Electrical Work

TSP shall be responsible for installation of all necessary wiring, cabling, transformers, and other equipment necessary for powering of TSP-provided equipment. The Demarcation Matrix provided in Section 19.3 shows the respective responsibilities of DB Contractor and TSP for electrical power during the D&D Phase.

TSP shall coordinate with the DB Contractor during the D&D Phase to ensure power supplied by DB Contractor is adequate for the TCS and performance of the D&D Work.

TSP shall provide all power connections to cabinets and devices required for the TCS and shall install all necessary conduits, wiring, cabling, and other equipment necessary for powering of TSP-provided equipment. TSP shall size and terminate all power connections from service panels or circuits to all TCS Equipment on the roadside.

The TSP shall provide two portable backup generators for the project. At VTMS and Read Points the electrical power and enclosure designs shall have provisions to connect portable generators to power the tolling equipment without the need for local wiring changes or revisions.

7.3 ETC Host

The ETC Host serves as the central compilation and processing point of the TCS, with interfaces to a variety of external systems.

7.3.1 ETC Host Processing

TSP shall supply an ETC Host that will support the I-15 ELs. Both the primary and backup ETC Host server configurations shall be sized to support future growth including additional ELs or other toll facilities that the TCS may support in the future. Future growth may include the addition of tolling points to the I-15 Express Lanes by RCTC or others or an additional toll facility of similar size. The ETC Host shall be able to analyze large numbers of Lane Transactions to construct Trip Transactions, to assess the toll rate, and to determine lane mode. The System shall be able to account for varying business rules at the Lane level and provide for transaction reporting by facility and toll point.

The ETC Host shall be operational 24 hours a day, seven (7) days a week; therefore, the design shall include all necessary redundant components to achieve the Requirements, facilitate maintenance and reduce the potential for single point failures and meet the KPIs.

The ETC Host shall generate and send alerts to MOMS as defined during the D&D Phase.

The ETC Host shall be able to appropriately assign transactions for transponder setting and pre-defined lists (e.g. motorcycles, Non-Revenue Account tags, ZEV tags, RFID tags for other

systems etc.). Motorcycle transactions may be excluded from the trip building process. Trips shall be built for Non-Revenue Account vehicles.

7.3.2 Database

All stored data at the ETC Host level shall meet the following minimum requirements without adverse TCS performance impact:

1) All data shall be stored electronically;

2) All Lane Transactions including exceptions shall be stored for four years and six months (4.5) years;

3) Trip Transactions and their corresponding CSC reconciliation data shall be stored for four and six months (4.5) years;

4) All data necessary to run monthly and annual financial reports shall be stored for four years and six months (4.5) years;

5) All data related to pricing, including toll rates, supporting traffic data, sign displays, historical toll rates, pricing algorithm versions, incident reports, and other Toll Services Data shall be stored for a minimum of four years and six months (4.5) years; and

6) All data needed to follow audit trails regarding adjustments, toll rate corrections, and toll rate overrides shall be stored for a minimum of four and six months (4.5) years. All other data types, including alarms, events, user rights tables, and CSC HOST file exchanges shall be stored for a length of time to be determined during the D&D phase.

The database design shall support the production of reports and meet functional and performance requirements. The database shall be updated in near real time; not to exceed one (1) hour delay.

7.3.2.1 Database Management System

TSP shall provide an enterprise Database Management System (DBMS) (supporting data management needs at the lane and ETC Host levels, as well as the recovery sites) that meets the following minimum requirements:

1) Software and Hardware must be consistent across all aspects of the TCS;

2) Store logging data separately from application data, and store configuration data separately from application data;

3) Define and describe all ETC data elements in a metadata dictionary;

4) Recover to the last committed transaction at all tiers of the TCS;

5) Be configured exclusively through the selection of parameter settings;

6) Have data encryption capability to the element level to be determined during the D&D Phase; and

7) Use Structured Query Language compliant with Open Database Connectivity capability.

The enterprise data residing at the ETC Host shall be the single, authoritative record of all project data. The DBMS shall provide robust audit tracking, and further, records/files must not be

overwritten without confirmation and posting to an audit log. Authorized RCTC staff shall have read only access to the project data at all times to allow independent review and reporting.

7.3.3 ETC Host Locations

7.3.3.1 Primary ETC Host

The primary ETC Host shall be located at the ROC. TSP shall furnish and install a complete ETC Host server configuration including storage, server racks, back-up library, communication/networking gear, conduits, and other Hardware as needed to support requirements.

7.3.3.2 Secondary ETC Host

The secondary ETC Host shall be located at least 60 miles from the ROC and the I-15 EL, subject to RCTC approval. The secondary CSC Host may be implemented using a virtual or cloud-based solution. TSP shall furnish and install a complete secondary ETC Host server configuration including communication to the secondary host, host location, electrical power, UPS, generator, storage, back-up library, communication/networking gear, and other Hardware as needed to support the requirements of the Contract and the KPIs. The secondary ETC Host server configuration shall have redundancy features and capabilities wherein the ETC Host can be brought on-line and back into operations to allow the TCS to meet KPIs. The secondary ETC Host data shall be synchronized with the primary ETC Host data in near real time. TSP's design shall ensure that no data created in the ELs is lost when the ETC Host is brought back to full operation.

7.3.4 Hardware and Equipment

The ETC Host configuration shall include all ancillary Equipment needed to provide a complete ETC Host that meets all Contract requirements.

The ETC Host, including all major Hardware elements, shall be the latest technology and shall incorporate standard commercial products currently in production. The TSP shall use server configurations that support future upgrades to processors, memory, storage, operating system, and database. ETC Host servers shall be assigned unique IP addresses that identify their locations.

All ETC Host system Hardware equipment performing similar functions shall be of the same manufacturer. Hardware shall be commercially available, off-the-shelf equipment.

The ETC Host shall ensure that all devices/servers in the TCS maintain time synchronization with each other. All other computers (lane, sign, TMS, etc.) shall be time synchronized either to the ETC Host server as a primary source or to a common time synchronization source.

The TCS shall not lose any data upon controlled system shutdown. In the event of an uncontrolled system shut down, the TCS shall lose no more than a single Lane Transaction or Trip Transaction.

7.3.5 ETC Host Operations Failure Modes

In all failure modes listed below, the ETC Host shall report through screens and alarms that it is operating in a failure mode and what the failure is. An indication of these failure modes shall appear on relevant financial and audit reports.

7.3.5.1 Loss of Communication with CSC Host

In the event of loss of communication with the CSC Host:

1) The ETC Host shall continue to use the last status sent by the CSC Host;

2) The ETC Host shall store all Transactions and resume sending Transactions when communications are restored;

3) The ETC Host shall have a mechanism by which files can be manually exchanged with the CSC Host to avoid delay in trip construction and processing; and

4) The ETC Host shall track which files were exchanged manually. When communications resume, it shall not send these files a second time or overwrite more current information sent by the CSC Host.

7.3.5.2 Loss of Communication with TMS

In the event that the ETC Host loses communication with a configurable number of traffic monitoring sites in a single Segment**,** the Dynamic Pricing shall continue calculating a toll rate for that Segment in failure mode.

In the event that the ETC Host loses communication with more than the configured number of traffic monitoring sites, the Dynamic Pricing shall use historical toll rates, variable pricing or other rate determined in design.

The historical toll rate table shall have toll rates for each Segment, day of the week, and time interval. The TCS shall also provide TSP with the ability to set the toll rates manually for a configurable amount of time as approved by RCTC.

7.3.5.3 Loss of Communication with a VTMS

In the event of a long term loss of communication between the ETC Host and a VTMS controller(s), the ETC Host shall assign the toll rate(s) to affected Trip Transactions, based on Business Rules.

In the event of a short term loss of communication between the ETC Host and a VTMS controller(s), the ETC Host shall stop processing Trip Transactions associated with that VTMS controller until communication resumes. When communications recover, the ETC Host shall use the toll rate(s) displayed on the VTMS as indicated by the VTMS controller to assign toll rate(s) to affected Trip Transactions, based on Business Rules.

7.3.5.4 Loss of Communications between Hosts

The TCS shall distinguish loss in communications between primary and secondary ETC Hosts. The TCS shall failover to the appropriate ETC Host with minimal manual intervention.

7.3.6 ETC Host Graphical User Interface

The GUI shall, at a minimum, include:

1) Support of two web browsers to be determined in design;

2) Screen displays which are all printable;

3) The capability of allowing multiple windows to be open simultaneously with current data contents;

4) Browser window size which can be controlled by user;

5) Browser window aspect ratio which can be controlled by user;

6) The ability to halt a query/report request at any time. A consistent look and feel across the entire TCS;

7) A one-step method for going back to the previous screen (i.e., a “back” button);

8) Access to view and print help screens throughout the TCS; and

9) The ability to define user restrictions, access rights and priorities.

GUI design details will be defined and finalized during the D&D Phase.

7.3.7 Toll Rates and Trip Building

The ETC Host shall support the Dynamic Pricing and Trip Building functionalities necessary to manage demand in the I-15 EL.

All toll rates shall be stored and readily available for both CSC operators and RCTC review, reporting, look up and analysis. The toll rate calculation shall be available (i.e. the build up by segment to total trip toll rate or any overrides).

7.3.7.1 General Toll Rate Calculation

The following toll rate parameters shall be user configurable by Segment:

1) Minimum toll rate;

2) Maximum toll rate;

3) Toll rate increase increment value;

4) Toll rate decrease increment value;

5) Discount for HOV 3+ and

6) Frequency of change.

Allowed toll rate values shall include $0.00. Minimum and maximum toll rates shall also be configurable by time of day and by Segment, allowing for different limits to be set for different Segments at various times of the day and time periods (e.g. 8AM to 10AM). If a toll rate is directly calculated by the ETC Host, the result will be rounded to the nearest whole or five (5) cent both for display to the public and for use consistently within the TCS. The rounding interval shall be a user configurable value within the TCS.

7.3.7.2 Dynamic Pricing

The TSC shall support Dynamic Pricing based on near-real time traffic data. Dynamic Pricing shall calculate pricing and display the resulting toll rates, without manual intervention, operation, or any activity other than monitoring.

Dynamic Pricing shall calculate a toll rate for a given Segment based on traffic volumes and speeds in the EL and GP lanes. EL and GP lane density and Level of Service (LOS) may be considered for inclusion in Dynamic Pricing calculations, determined in the D&D Phase and to be approved by RCTC. The ETC shall use EL traffic conditions and GP lane traffic conditions separately in calculating the price. Dynamic Pricing shall take into account conditions downstream and upstream of the Corridor, including SR-91 using data provided by RCTC. Dynamic Pricing shall establish a price for each segment based on the entire corridor including upstream and downstream conditions. Toll rates determined by the Dynamic Pricing algorithm shall be within the range specified in the Business Rules.

Near-real time traffic data for use by Dynamic Pricing will be accessed from the TSP provided TMS devices. Aggregation settings of traffic data used for Dynamic Pricing shall be Configurable Parameters.

Dynamic Pricing shall adjust pricing proactively, with the objective of preventing negative impacts to required levels of service. While it is understood that reactive adjustments to pricing will be required for recovery if levels of service cannot be maintained, that shall be the exception rather than the rule.

All of the ETC Host parameters used for controlling and executing Dynamic Pricing shall be user configurable and flexible, such that EL operators can make adjustments once the ELs are in operation.

Frequency of toll rate recalculations for all Segments within the I-15 EL and RCTC 91 EL shall be Configurable Parameters in the ETC Host and may occur as often as every five minutes. Timing of toll rate recalculations for all Segments shall be conducted at the same time. The recalculated toll rate shall be displayed in near real time on VTMS signs.

TCS shall continuously monitor the Dynamic Pricing Algorithm and lane performance providing recommended changes to Dynamic Pricing Algorithm to support optimal lane operations. The TCS shall automatically alert when toll rates exceed an agreed upon variance based on I-15 EL and RCTC 15 EL performance data such as speed or volume.

7.3.7.3 Variable Pricing

In addition to setting toll rates dynamically based on near-real time traffic data, the ETC Host shall support Variable Pricing. Variable Pricing uses predetermined toll rates for each Segment based on the time of day. Frequency of toll rate changes for Variable Pricing will be user configurable. Variable Pricing may be used at RCTC's discretion as an alternative or fallback means of pricing (e.g., in the event that Dynamic Pricing is not impacting traffic as desired or as a first step in pricing for a new EL facility).

The TCS shall have full capability to use either Dynamic Pricing or Variable Pricing methods on any EL Corridor or Segment at any time.

7.3.7.4 Historical Toll Rates

The ETC Host shall default to and display historical toll rates as needed. For example, this may be leveraged in cases where Dynamic Pricing is unable to recalculate toll rates due to traffic data

sources being unavailable or other TCS failures. The historical toll rates shall be defined during the D&D Phase.

The ETC Host shall capture, store, and maintain a history of all assigned toll rates and calculated dynamic toll rates by Segment. This data shall be used to establish historical toll rates, and shall be made fully accessible to users with appropriate levels of security for use in operations, monitoring, and financial reconciliation and audit. Calculation of historical toll rates shall be user configurable based on toll rate setting method, time of day, day of the week, and what time span is included in the history.

7.3.7.5 Toll Rate Publishing

Depending on the location of the VTMS, the VTMS may either display one or two toll rates. If the VTMS is not for the last Segment, the ETC Host will publish two toll rates to the VTMS. One displayed toll rate will be the toll rate for intermediary Segment and the second displayed toll rate shall be the cumulative toll rates to the end of the I-15 EL. All toll rates shall change at the same time.

The TCS shall allow authorized users to manually publish messages to the VTMS general message line. The user shall be able to publish directly to all I-15 EL VTMS, Segment, or a single VTMS in both or a single direction. The VTMS shall allow general message line messages to be scheduled or selected from a predefined list in real time.

7.3.7.6 Toll Rate Overrides

The ETC Host shall provide user screens which allow for manual override of the displayed toll rates by a user with the appropriate level of access. The ETC Host shall allow manual overrides to be applied to a Corridor, or Segment, in both or a single direction. The TSP shall provide the ability for remote overrides.

The manual override start and end time can be at any time and for any duration. The user shall have the ability to enter a comment with the toll rate override. The ETC Host shall retain both the original toll and the corrected toll in the database and shall indicate the user who made the correction. The ETC Host shall allow users to choose messages other than toll rates for display on VTMS. Such messages might be “OPEN TO ALL”, etc.

Based on the time duration invocation of a toll rate manual override, the ETC Host shall modify all Trip Transactions for the affected duration. The TCS shall apply manual toll rate overrides to all relevant Trip Transactions. The TCS shall designate impacted Trip Transactions as overrides.

If the original Trip Transactions have already been sent to the CSC Host, the ETC Host shall generate a correction file and send the Trip Transactions with corrected toll(s) to the CSC Host. If the Trip Transactions have not already been sent, the ETC Host shall send only the Trip Transactions with the new overridden toll rates to the CSC Host.

7.3.7.7 Trip Building and Toll Rate Assignment

The Host shall process Lane Transactions received from EL Read Points. Lane Transactions shall first be assembled into a Trip, from which the Trip Transaction shall be built. The ETC Host shall assign the proper toll for each Trip Transaction. Account based discounts may be applied at the

CSC Host. TSP shall be responsible for designing the logic necessary to process Trip Transactions at the ETC Host according to Business Rules. Trip Building rules will be developed by agreement between RCTC and TSP during the D&D Phase.

At a high level, Lane Transactions received at the ETC Host shall be associated to the same Trip Transaction if the Lane Transactions meet all of the following criteria:

1) Lane Transactions are within the allowable travel time between Lane Transactions ('allowable' to be defined as part of D&D Phase);

2) Transponder number, vehicle image (such as vehicle "fingerprinting"), and/or license plate number identification are sufficient for association; and

3) Lane Transactions present a geographically possible sequence of Read Points (for example, northbound progression).

7.3.7.8 Express Lane Trip Building

7.3.7.8.1 General

The TCS shall have a Trip Building process that forms a Trip Transaction from Lane Transactions for a given vehicle making a trip through the I-15 EL. Trip Building shall logically group Lane Transactions transmitted from EL Read Points using the vehicle identifiers (Transponder number, and/or license plate number) for a specific Corridor in a single direction. Images shall be held until all Trips are formed and all Lane Transactions are accounted for.

The TCS shall use a Trip Building process that includes "finger printing" (e.g. a third mechanism for matching Lane Transactions to Trip Transactions). The goal of finger printing is to reduce the need for human image review and avoid creating multiple trips for a single vehicle.

Trip Building shall check the time/date of Lane Transactions for Trip Building inclusion based on a configurable time range. The number of Lane Transactions generated by a single vehicle passage through the I-15 EL shall depend on a number of factors, including entry and exit location; ability to accurately identify the vehicle by transponder number, and/or license plate number at each Read Point; date/time sequence; and other inference logic that may be necessary to build an accurate Trip Transaction. Lane Transactions may cross multiple Segments and shall "lock-in" the toll rate to be charged. The "lock-in" price is based on the displayed price at the point of entry to the ELs.

The TCS shall ensure Lane Transactions are formed into a single Trip Transaction, regardless of the Transaction types. Each transaction shall include the images associated with the transponder transaction though until all orphaned transactions are accounted for.

7.3.7.8.2 TCS Requirements

The Trip Building process will be defined during the design review process based on defined Business Rules.

All Lane Transactions within a single Trip Transaction shall involve the vehicle travelling in the same direction, such that Lane Transactions are sequential based on date, time, geographic location, and travel direction of the Read Points. The ETC Host shall ensure that a single Lane Transaction shall never be used in more than one Trip Transaction.

The Trip Building engine shall have processing rules for uncommon scenarios including, but not limited to:

1) Incorrect association of a Transponder to a vehicle (Transponder incorrectly associated to a license plate);

2) Extra Transponder reads not associated with a vehicle; and

3) Multiple Transponders in a vehicle.

7.3.7.8.3 Processing Rules

Trip Building shall have processing rules in order to form Trip Transactions from Lane Transactions that take at minimum the following items into consideration:

1) Where multiple license plates can be matched to a single transponder ID;

2) Where multiple transponder IDs can be matched to a single license plate;

3) VES error or VES with low confidence; and

4) Multiple license plates on a vehicle (e.g. tow truck with another vehicle on a flatbed).

For Lane Transactions and Trip Transactions that have neither Transponder nor license plate number identifications, the Trip Building Process will save the records in accordance with RCTC policy. The ETC Host shall designate Lane Transactions and Trip Transactions that have exceptions or anomalies associated with them in a manner that allows a user to separate those into different types of exceptions or anomalies, as defined during the design process and as approved by RCTC. The ETC Host shall designate any Lane Transaction that it cannot or does not associate with a Trip Transaction as an exception.

The ETC Host shall categorize Trip Transactions into tagged Trip Transactions, those associated with a valid transponder number, and IBT, those with no transponder number or an invalid transponder number. Business Rules and methodology for categorization shall be finalized during the D&D Phase.

Each Trip Transaction shall be given an assignment of single occupancy vehicle (SOV) or HOV, ZEV, Non-Revenue Account according to Business Rules to be finalized during Final Design Review.

ETC System shall account for every transaction and provide reconciliation of transactions that are not formed into a Trip Transaction and include reason codes for exclusion.

7.3.7.9 Toll Rate Assignment

When a vehicle first enters a Segment, the ETC Host shall “lock-in” the toll rate(s) displayed on the VTMS in accordance with the Business Rules. The locked-in toll rates shall not change if the price goes up or down while the customer is still in the ELs.

When toll rate changes are published to a VTMS, the ETC Host shall have a Configurable and automated calculated grace period per VTMS/Read Point location to ensure that customers are not charged a higher toll rate than was observed on the VTMS. When the toll rate increases, the ETC Host will “lock-in” the lower toll rate(s) for a Configurable duration past the time the higher

toll rate is published to the VTMS. When the toll rate decreases, the ETC Host will “lock-in” the lower toll rate(s) immediately.

In the event a loss of communications between the ETC Host and the VTMS causes the VTMS to display a historical toll rate, Trip Transactions originating in that Segment shall be charged the lower of the historical toll rate displayed on the VTMS or the real time toll rate.

In the event of manual overrides, toll rate assignments shall be based on Business Rules. Manual overrides can come after trip formation based on incidents or other needed adjustments.

The ETC Host shall apply the SOV toll rate to Trip Transactions with a SOV occupancy assignment for the Corridor. The ETC Host shall have the ability to assign separately configurable toll rate percentage discounts (ranging from 0% to 100%) for HOV 3+ Trip Transactions or a flat rate discount. Trip Transactions with HOV 3+ occupancy assignments shall be assigned a toll equal to the SOV toll, reduced by the corresponding discount amount. The ETC Host shall apply the HOV 3+ toll rate discount to all HOV 3+ Trip Transactions.

The rates shall include rates for specialty tags including but not limited to motorcycle, ZEV, disabled veterans and Non-Revenue Account per the Business Rules.

At least one toll shall be applied to every Trip Transaction before it is sent to the CSC Host for processing. The ETC Host shall consider any toll rate adjustment based on any qualifying conditions known at the time the Trip Transaction is built (e.g., incidents in or impacting the ELs).

7.3.7.10 Discounts

TSP shall provide a system that allows discounts as a Configurable Parameter at the Account, license plate, and Transponder levels as set forth in the Business Rules. Discounts apply to toll rates, Account fees, and other products offered by the ELs.

7.3.8 Trip Transaction Toll Rate Corrections

The ETC Host shall provide user interface screens that allow an authorized user to amend toll rates retroactively. The TCS shall have the following functionality:

1) Allow users to view the toll from the CSC associated with trip transactions;

2) Allow the user to select one or more Segments and a time range. The ETC Host shall list the Trip Transactions that contain Lane Transactions indicated by the selection criteria and display the total count and revenue;

3) Allow the user to select all Trip Transactions or a subset of the Trip Transactions;

4) Allow the user to amend the toll rate on the selected Trip Transactions;

5) The screen shall show the Trip Transaction list, each with the original and corrected toll rates for the selected Segments, and display the count and original and corrected revenue amounts;

6) The user shall have the opportunity to enter a comment with the toll rate correction;

7) The ETC Host shall retain both the original toll rate and the new toll rate in the database;

8) The ETC Host shall have the ability to assign a configurable toll rate (i.e., $0) to Segments in which vehicles are not able to travel at a speed over a configurable threshold. The ETC Host shall provide a user interface for setting these configurations and for turning on and off this function; and

9) If the original Trip Transaction has already been sent to the CSC Host, the ETC Host will generate a correction file and send the Trip Transaction with corrected toll rates to the CSC Host. If the original Trip Transaction has not been sent, then only the corrected Trip Transaction shall be sent.

7.3.9 Real Time Monitoring

7.3.9.1 Real Time Monitoring Functionality

The ETC Host shall provide a color-coded interactive map of the EL including the equipment in the TMS included in Section 9. The map shall include the location and health status of the following equipment indicated by the colors and symbols displayed:

1) Read Points, Lane Controllers and subsystems;

2) Communication System;

3) VTMS; and

4) TMS

The ETC Host shall provide a real time display of processing status and counts of Lane Transactions at all Read Points. The ETC Host shall provide a map and Graphical User Interface to display real time traffic conditions.

For each TMS location and Segment, the screens shall display real time averaged speed, volume, density, and LOS for a user configurable time duration and for each EL and GP lane. Travel time and speed shall be displayed for Segments and the I-15 EL and GP lanes. Calculation method for determining travel time shall be approved by RCTC during the D&D Phase.

The ETC Host shall make user configurable the ability to enable or disable the display of each type of traffic information. The representation of traffic conditions in the EL and GP lanes shall use TMS data.

For each VTMS location, the screens shall display the toll rates posted. The ETC Host shall have a method of showing the history of the traffic data and toll rates for each Segment.

The CCTV interface shall at minimum:

1) Allow viewing of multiple CCTV cameras simultaneously;

2) Provide capabilities to control the pan/tilt/zoom (PTZ) functionalities of the cameras; and

3) Provide capabilities to record and play back video feeds.

The ETC Host shall provide screens which allow authorized users to report incidents on roads which affect the EL network.

The TSP shall provide web enabled access for remote monitoring and control for up to six (6) RCTC users.

7.3.10 Audit Functionality

7.3.10.1 General Financial Functionality

At a minimum, the ETC shall:

1) Maintain complete accountability for all Transactions;
2) Ensure continuous operation and safeguard the integrity of all data collected by the system to support 24 hours a day, 7 days a week operations;
3) Provide accurate and complete data that is reported in a timely and consistent manner;
4) Provide controls to ensure integrity of data transmission between lane, ETC Host, and CSC Host;
5) Maintain a complete "audit trail" (a record showing the source of the data and the identity of any person who makes changes or adjustments to that data and the time/date of the change) for all Transactions;
6) Report on and reconcile all Lane Transactions with Trip Transactions thru to Account posting;
7) Account for all Lane Transactions not associated with a Trip Transaction and Trip Transactions not posted to an Account with reason codes;
8) Generate accounting reports with consistent results for the accounting period regardless of when the reports are run;
9) Provide reconciliation and variance detail information on each Trip Transaction sent to the CSC Host;
10) Provide the ability to perform adjustments and reversals; and
11) Report on transponder and image transactions by read point.

7.3.10.2 Reconciliation and Variance Analysis

The ETC System shall be transparent and provide the ability to track and reconcile all Lane Transactions and Trip Transactions on a daily, weekly and monthly basis and identify variances that occur as follows:

1) Lane Transactions to Trip Transactions – Variance reports and screens shall include drill down capability to identify specific Lane Transactions by Toll Point, Segment, Corridor, and date / time range;
2) Files sent to the CSC Host and the response file received back from the CSC Host – Variance reports and screens shall include drill down capability to Trip Transaction by file;
3) Separately for Transponder Trip Transactions and IBTs, reconcile Trip Transactions sent to the CSC Host – include drill down capability by Corridor and date / time range; and
4) Separately for Transponder Trip transactions and IBTs, reconcile Trip Transactions sent to the CSC Host to Trip Transactions posted and sent back by the CSC Host – Variance reports and screens shall include drill down capability to Trip Transaction by file, Corridor

or date to locate unposted and rejected Trip Transactions. The TCS shall report CSC Host reason codes for all Trip Transactions including unposted and rejected Trip Transactions.

The screens shall quickly identify Transactions creating such variances by unique identifier, date, time, Segment (where applicable), and Corridor. The reconciliation and variance analysis process shall not require users to download and compare separate reports to discover variances or complete the reconciliation process.

7.3.10.3 Audit Functions

The audit application shall, at a minimum, include the following functions:

1) Reporting Lane or Trip Transactions created under equipment malfunctions, adjusted in any way, or other exceptions and anomalies;
2) Allowing auditors to determine whether the ETC system applied the correct toll to a Trip Transaction;
3) Providing screens that show historical traffic and revenue trends; and
4) Providing audit screens that allow auditors to identify and research variances including:
    a. Traffic or revenue variances;
    b. Expected electronic toll revenues versus CSC Host actual tolls posted at summary and detail level (IBTs recorded versus the number received by the CSC Host at the summary and detail level);
    c. System sent images for every IBT;
    d. Gaps in the consecutive Lane Transaction identifier or duplicate identifiers;
    e. All exceptions and anomalies;
    f. Ability to drill down from the variances identified in the reports to the supporting detail transaction data;
    g. Ability to trace a transaction from Lane to Account posting, Violation processing or unbillable; and
    h. Access to auditor comments, incident reports, system alarms and other information that would identify the source of variances.

7.3.11 Customer Escalation and Transaction Research

The ETC Host shall provide screens that facilitate research on data available in the database from the CSC Host. The ETC Host shall limit the number of results returned so as not to inhibit the smooth functioning of the TCS. The ETC Host shall provide the ability to do research in areas including:

1) Lane Transactions;
2) Incidents;
3) Toll Rates;

4) Alarms;

5) User rights; and

6) Exceptions.

Screens shall allow authorized users to query the database using single or multiple parameters on any relevant field. For example, for a Trip Transaction query, fields shall include transponder number, license plate number, Read Points, Segments, Trip or associated Lane Transaction date and time (range), Trip or Lane Transaction number, image number, overall OCR value, method of payment, CSC Host reason code, toll rate, and posting date.

Screens shall allow authorized users to query the database using single or multiple parameters on any relevant field. For example, for a Trip Transaction query, fields shall include Transponder number, license plate number, Read Points, Segments, Trip or associated Lane Transaction date and time (range), Trip or Lane Transaction number, image number, overall OCR value, method of payment, CSC Host reason code, and posting date.

The initial return screen shall display a list detailing the subject of the query including high level information such as time, identification number, type, etc. Details about the content of the summary information will be determined during the D&D Phase.

The user shall be able to select any single Transaction from the returned list and view the detailed information, including the display of associated VES images. For Trip Transactions, the user shall have the option of drilling down to a list of the associated Lane Transactions. When a user selects one of these Lane Transactions, the system shall display the same detail as if the user had selected Lane Transactions directly, including associated VES images.

7.3.12 Enforcement Lookups

7.3.12.1 General Enforcement Web Portal

The ETC Host shall provide a password protected enforcement web portal access for CHP officers and dispatchers to retrieve data that allows confirmation of declared occupancy and Account status after pulling a vehicle over.

Authorized users shall be able to log into the web portal using desktop computers, mobile computers in patrol vehicles, as well as with personal mobile phones. Each user shall have unique login credentials, and the duration of each active login session shall be stored and accessible for reporting.

The web portal's user interface shall be intuitive and require a minimal amount of training in its use. The user interface and screen flows shall be designed in collaboration with RCTC and CHP. The final design for the user interface shall require RCTC's written approval. The user shall have the option to trigger an email notification with the query results, including the lookup date/time stamp, transponder ID, license plate number, transponder switch status at the Read Points, transaction time at the Read Points, Read Point location IDs, and web portal user ID.

The format of this communication must meet CHP data and security requirements for issuance of an occupancy violation citation.

The enforcement web portal shall issue notifications with the appropriate error messages when:

1) The portal is unavailable for scheduled maintenance and when it will be back up again;
2) The portal is unavailable due to communication issues with the ETC Host;
3) Invalid data (e.g. Account number, license plate, and date) has been entered;
4) A search result returns no matches;
5) A user is automatically logged out of the system. The web portal shall have a configurable inactivity timeout if no activity has occurred; and

Information shall be transferred via a secured connection and documented in an ICD.

7.3.12.2 Occupancy Enforcement

The enforcement web portal shall also allow users to query the ETC Host in real time for Transponder status data by searching a transponder ID.

The ETC Host shall maintain a record for each query into the web portal, with the lookup date/time stamp, transponder ID, license plate number, transponder switch status at three most recent Read Points, transaction time of a configurable number of the most recent Read Points, a configurable number of recent Read Point location IDs, and web portal user ID.

Each real time transponder query will pull the transponder switch status from the ETC Host for a configurable number of most recent Read Points at which the Transponder was detected.

7.3.12.3 License Plate Number Lookup

The enforcement web portal shall also allow users to query the ETC Host in real time for transponder status data by searching on the vehicle license plate number and state rather than the transponder ID.

The web portal shall return the same Lane Transaction data for a configurable number of the most recent Read Points at which the license plate was recognized (lookup date/time stamp, transponder ID, license plate number, transponder switch status at the Read Points, Lane Transaction time at the Read Points, Read Point location IDs, and web portal user ID).

7.3.12.4 Historical Lane Transaction Lookup

The TCS shall support retrieval of transponder status data for past Lane Transactions from the ETC Host using either tag ID or a vehicle license plate number.

7.4 Internal Data Flows

The TCS shall support near real time lane operations and ETC Host processing, including the transmission of various data and image files between the various System components.

7.4.1 General Requirements

Any interruption of designed dataflow shall result in no loss of project data, including:

1) Lane Transactions;

2) VTMS data;

3) TMS data; and

4) Data between the primary and secondary ETC Host.

7.4.2 Lane Controllers

Each Lane Controller located roadside at a Read Point location shall connect to the ETC Host via the Network.

7.4.2.1 ETC Host to Lane Controllers

Data transmitted from the ETC Host to the Lane Controllers shall include:

1) The Lane Controllers shall receive files and tables from the ETC Host. Receipt of all files and data shall be acknowledged by the Lane Controller, and any failures in the transmission shall be reported to the MOMS. Retransmission protocols shall be based on the Business Rules;

2) The Lane Controller shall be capable of receiving and using a TSF from the ETC Host; and

3) The Lane Controller shall be capable of accepting and shall accept comprehensive (complete list once a day) and incremental (changes updated on a configurable interval, but not less than on an hourly basis) TSFs.

The Lane Controller shall activate the TSF upon receipt and after validation of the file, and all configuration and Software files needed to support operations.

7.4.2.2 Lane Controller to ETC Host

Data transmitted from the Lane Controllers to the ETC Host shall include:

1) All Lane Transactions, images, alert messages, and operational messages generated by the Lane Controller shall be transmitted to the ETC Host in near real time, and the delivery to the ETC Host shall be verified;

2) In the event of communication failures, the information shall be stored at the roadside until successful transmission is complete and verified;

3) Lane Controller and peripherals health and status messages, for use in System monitoring shall be transmitted via MOMS; and

4) All information shall be confirmed as received by the ETC Host before it is eligible for deletion at the Lane Controller level.

7.4.3 VTMS Sign Controllers

Each VTMS Sign Controller located roadside at a VTMS location shall connect directly to the ETC Host via the Network.

7.4.3.1 ETC Host to VTMS Sign Controller

Data transmitted from the ETC Host to the VTMS Sign Controller shall include:

1) Toll rate(s) and other messages to be displayed on the associated VTMS, including both the individual Segment toll rate and the full Segment toll rate, if applicable;

2) The VTMS shall receive historical toll rates once a day to be determined during D&D to support stand-alone mode toll rate publishing; and

3) All firmware, configuration, diagnostic and Software files needed to support operations.

7.4.3.2 VTMS Sign Controller to ETC Host

Data transmitted from the VTMS Sign Controllers to the ETC Host shall include:

1) Acknowledgment to the ETC Host that the toll rate(s) were displayed on the associated VTMS at specific date and time;

2) Acknowledgement to the ETC Host of the VTMS receiving the historical toll rate information; and

3) VTMS and peripherals health and status messages, for use in TCS monitoring via MOMS.

7.4.4 Traffic Management System

Each TMS device located roadside shall connect directly to the ETC Host via the Communication Network.

7.4.4.1 ETC Host to TMS

Data transmitted from the ETC Host to the TMS shall include:

1) All firmware, configuration, diagnostic and Software files needed to support operations, and

2) Necessary commands to tune TMS sensors.

7.4.4.2 TMS to ETC Host

Data transmitted from the TMS to the ETC Host shall include:

1) Traffic data captured by time intervals, event, and sensor, and

2) TMS device health and status, for use in system monitoring via MOMS.

7.5 Violation Enforcement System

7.5.1 General VES Requirements

TSP shall incorporate a Violation Enforcement System (VES) in the TCS to automatically and accurately derive the license plate number and state of all vehicles with at least two human readable images.

A human readable image is defined as follows:

1) The plate is not obstructed (all numbers and letters on the plate are completely visible), and

2) A license plate is mounted to the rear of the vehicle.

The TCS shall record the license plate number, state (or country) and confidence level for each human readable image at either the lane-level or at the ETC Host depending on the VES system. The VES output shall be used for the ETC Host Trip Building process. For IBTs, the TCS shall send a single VES derived license plate number and state to the CSC Host.

The VES shall integrate with a Vehicle Data Tag (VDT), aka “vehicle fingerprinting”, system to enhance Trip Building.

The VES shall capture one human readable image of the rear license plate for 99 percent of all detected vehicles travelling between 5mph and 100 mph, including vehicles in the shoulder and straddling the lane.

7.5.2 Confidence Values

A confidence value measuring the accuracy of the VES output shall be provided for each image. The methodology for assigning confidence values will be determined during the D&D Phase. A higher confidence value assigned to a VES image shall indicate higher likelihood of predictive accuracy and a lower error rate in VES output.

85 percent of Trips shall include an OCR result with a confidence rating of 90 percent or higher.

99 percent of Trips with an OCR confidence rating of 90 or higher shall include the correct plate result, including plate characters type and jurisdiction.

7.5.3 Input Parameters

The VES system shall accommodate and integrate user parameters, such as use of a confidence threshold to determine which outputs are automatically sent to the CSC Host and which outputs require manual review. The confidence threshold shall be a Configurable Parameter and shall be based on input from RCTC. The confidence threshold and other parameters shall be determined during design. The parameters shall be used to modify and optimize the VES system behavior.

7.6 Lane Modes

7.6.1 Lane Operational Requirements

The TCS shall be able to operate in different Lane Modes, to be determined by RCTC during the D&D Phase and in the Business Rules to account for operational situations including, but not limited to:

1) Maintenance being done on various part of the TCS;
2) Normal tolling hours;
3) HOV only operations;
4) Special events or incidents;
5) An assignment of a Lane Mode to one or more Segments, or Read Points;
6) Allowable times and dates that each Lane Mode can be assigned within;
7) A toll rate setting method associated with each Lane Mode as being Dynamic Pricing, Variable Toll Rate, historical, or no pricing (not tolling);
8) Allow each Lane Mode to be automatically entered by system (for example, when the maximum toll rate is reached within a Segment) or manually entered by user intervention;
9) Enable the VTMS to display current toll rates and/or input custom messages under each Lane Mode;
10) Support activating occupancy enforcement beacons on or off;
11) Support activating VES cameras on or off;
12) Allow the collection of AVI reads or not;
13) Allow the collection of TMS data or not;
14) Allow for Lane Transactions to be created during the Lane Mode or not;
15) Allow for Trip Building from Lane Transactions created during the Lane Mode or not;
16) Allow for a configurable minimum duration for any Lane Mode; and
17) Allow for a configurable discount for HOV 3+.

7.7 Digital Video Auditing System

In order to support auditing and to troubleshoot and diagnose performance issues and other systemic problems in the TCS, the TSP shall provide a DVAS with video and data audit capability to be used to conduct an independent audit.

The TSP shall provide a DVAS system integrated into the ETC Host that shall be used to audit the system, diagnose system problems and report on DVAS transaction count vs. Lane Controller Transaction count and identify any variances.

The DVAS shall provide the capability to monitor an overall video of the tolling location and display detailed events as they occur in real time, including Lane Controller transaction data.

The TSP shall ensure that the DVAS can be installed without any Hardware or Software changes to the operational system. The DVAS shall have the capability to display video and data in real time and also record up to 48 hours of video and data to an electronic media for future review.

The DVAS shall include:

1) Digital Cameras;
2) Data Recorder; and
3) Digital Video Recorder and Player.

8 CUSTOMER SERVICE CENTER

8.1 General Description

TSP shall provide and maintain the staff, FF&E, Software, Hardware, systems, supplies, and services to design, build, operate, and maintain a CSC for Agencies and perform the O&M Work in accordance with the Contract for the duration of the O&M Term. TSP shall also provide the CSC Commencement Period Toll Services during the CSC Commencement Period in accordance with the Contract.

TSP shall support all of the Transaction processing, data management, Account management, customer service, and Violation processing activities associated with TCS.

TSP shall furnish the appropriate Hardware and Software to meet the requirements of the Contract and KPIs. TSP shall, where applicable, engineer, customize, furnish, install, integrate, deploy, and test all of the equipment and Software that is required to provide the operations and functionality described in these TPs. TSP shall be responsible for any Software customization, design engineering, Hardware and equipment installation, integration and configuration, testing, operations, database management, system administration, and maintenance of the CSC to provide a fully functional and operational CSC that meets, or exceeds, the requirements that are presented herein.

TSP shall provide Software to monitor and report on the operations of the CSC Call Center, accuracy of the IVR Call Center statistics, training of CSR staff, and performance audits on an approved schedule using randomly recorded calls in addition to complying with other requirements of the Contract.

The CSC shall meet the following top-level requirements through automation unless otherwise noted or demonstrated to be more efficient manually:

1) Provide a multifaceted operation with multiple means of customer access with person-to-person interaction to be provided at the Walk-In Centers, a call center through an IVR option, and web inquiry through the responsive web design;
2) Create an environment and processes that encourage customer use of the IVR and web, to open accounts, and to opt for electronic communications;
3) Provide efficient and accurate processing of all Transactions and customer requests.
4) Provide high system accuracy, reliability, availability, and maintainability;
5) Provide data security, integrity, and accountability;
6) Track and report on all CSC operations activities;
7) Support full and complete disposition and reconciliation of all Transaction, Trips, and revenues from lane data to general ledger;
8) Comply with all CTOC rules and regulations to foster reciprocity of transponder and Transaction data;
9) Provide high quality customer service on the phone, through the Customer Website, at the Walk-In Center, and through website inquiries; and

10) Provide a set of financial statements which shall be fully auditable by both Agency's outside auditors. Financial statements shall comply with the applicable Agency's requested formats as determined in the D&D Phase.

TSP shall work with Agencies' staff and consultants to provide all requirements and deliverables defined in these TPs, and to facilitate life cycle improvements for efficiency and improved customer service. At all times during the Term, TSP shall utilize and comply with the most recent CTOC Technical Specifications in support of full interoperability with other CTOC member agencies, all ICDs, security policies as described in these TPs. Material changes to CTOC Technical Specifications or Governmental Rules may be a Change subject to Contract Section 20.

8.2 General Technical CSC Requirements

8.2.1 General Requirements

TSP shall provide staff, Software, Hardware, FF&E, supplies and materials, and any other equipment with the functionality needed to support the CSC administrative tasks as well as operational tasks at the ROC and Anaheim TOC. TSP shall provide all Software, Hardware and any other equipment with the functionality needed to support the CSC administrative and operational tasks at the OCTA WIC. The CSC Software will be used by system administrators, supervisors, managers, and CSRs authorized to perform various CSC tasks.

The CSC shall house the computer Equipment required to provide all of the CSC functions described in the following sections.

8.2.1.1 Obligation to Customers and Agencies

TSP shall cooperate with Agencies in matters relating to TCS and the CSC shall perform the tasks necessary to meet explicit requirements and shall respond to Agency, Department, and customer inquiries and requests. These matters are considered to be part of TSP's normal obligations. These obligations include, at a minimum, the following:

1) TSP shall devote scheduled and unscheduled time and effort working with Agencies, their partners, and their auditors throughout the Term to review reports, analyze data, resolve issues, facilitate understanding of programs, policies and procedures, respond to inquiries from customers or the public, deal with unique situations, ensure the accountability and financial integrity of the TCS, and report to Agencies on any such matters;

2) TSP shall cooperate with reciprocal toll agencies and their representatives to discuss or identify problems and/or inefficiencies and to take action to resolve these issues. Many issues related to reciprocity are the subjects of CTOC meetings. If requested by Agencies, TSP shall provide a qualified representative(s) to participate in CTOC meetings and to supply or review information related to meeting topics if necessary;

3) TSP shall attend meetings and provide supporting materials upon request. This may include investor reporting, Agency board meetings, public hearings or meetings related to the Work; the required supporting materials shall be determined in design and shall be subject to the applicable Agency's approval.

4) TSP shall provide courteous, timely, and informed service to customers. This service may involve resolving issues with reciprocal agencies and may require a CSR to identify the various California agencies to the customer, explain reciprocity, and direct questions to the proper resource. CSRs shall attend an initial in-house training course and subsequent refresher seminars, conducted by TSP, to ensure that information given to customers is relevant and accurate;

5) TSP shall have the fiduciary duty to track, report, and transfer all revenue due to Agencies or other toll agencies or persons. TSP shall promptly report to the applicable Agency any known or suspected instance of fraud, theft, illegal activity, or significant errors occurring at the CSC or associated with the operations of the CSC and its employees; and

6) TSP shall handle PII in accordance with the both Agencies' privacy policies, industry best practices, Contract terms and conditions and all state and federal laws.

8.2.1.2 Agency Access to the CSC System

Agencies shall be provided with remote, read-only access to the live CSC system and all Account, Transaction, Violation, and CTOC data. Agencies shall be provided with remote access to both live and recorded phone calls for the purpose of performing call monitoring. This access shall be provided to up to 10 users and shall be in addition to the number of CSC users required for TSP staff. Agencies shall provide workstations for remote access. TSP shall store recorded phone calls for a minimum of 120 days. TSP shall provide any necessary Software, installation procedure, and assistance as required. Agencies shall be granted unrestricted access to the ROC facilities. Agencies shall have the right to inspect the facilities of the TSP at the ROC at any time and shall have full access to the ROC for any purpose including internal audit and general observation or monitoring.

8.2.2 Facility

8.2.2.1 General Facility Requirements

The CSC will be located at the ROC along with the 15 EL TOC. TSP responsibilities and requirements associated with the ROC are described in Section 10.

The Walk-in Center shall be located at the ROC and display both Agencies' approved customer materials. The Walk-In Center shall have at least one self-service kiosk where the customer can perform all tasks that are available on the Customer Website. The Walk-In Center shall have at least one projection screen or television monitor where instructional and informational videos can be viewed by customers. Content for screen or monitor shall be provided by Agencies.

TSP shall perform all CSC Work at the ROC. If TSP proposes to perform CSC Work outside of the ROC facility, TSP shall explicitly identify the scope and services, and receive written approval from both Agencies. Agencies shall have the right to review agreements establishing services performed offsite, to make site visits, and to deny the use of such off-site services at its sole discretion. RCTC shall be entitled to rescind previously granted decisions regarding off-site services with 60 days' notice to TSP at any time during the Contract.

8.2.2.2 Hours of Operation

The Walk-In Center and Call Center shall be open to customers from 8:00 AM to 6:00 PM, Monday through Friday.

The CSC shall have necessary staff available to support the Walk-In Centers and Call Center during hours of operation. The TSP may observe the following holidays only, provided advanced notification is given to customers:

1) New Year's Day;
2) Martin Luther King Day;
3) President's Day;
4) Memorial Day;
5) Independence Day;
6) Labor Day;
7) Veteran's Day;
8) Thanksgiving Day;
9) Day after Thanksgiving; and
10) Christmas Day.

OCTA will provide staff for the OCTA WIC which may have a different holiday schedule. TSP shall be available to support the OCTA WIC staff during holidays observed by the CSC and WIC as needed. OCTA WIC hours are Monday through Friday 8:00am to 5:00pm.

8.2.2.3 Phone and Data

TSP shall establish the toll-free customer phone line(s), using the number reserved by Agencies, and any local dedicated CSC customer phone lines required for operation. The Agencies will determine how the existing 91 Express Lanes and Riverside Express Lanes phone numbers and fax lines are treated in the combined CSC. The TSP shall manage the connection of these numbers. Agencies will pay the monthly phone usage bill associated with the toll-free number and other customer dedicated phone lines.

The TSP shall be responsible for the cost of additional phone lines necessary for administration and operation of the CSC and TOC.

RCTC shall be responsible for the data communication lines between the 15 and RCTC 91 ELs and the ROC and OCTA shall be responsible for the data communication lines between the OCTA 91 Express Lanes and the Anaheim Facility.

The TSP shall be responsible for the acquisition and cost for all other data communication lines necessary for the operation of the CSC and TOC.

8.2.3 Staffing

TSP shall be responsible for all staffing requirements necessary to support the full operation of the CSC as described in these TPs. Staffing levels shall be adequate to perform all elements of these TPs within the specified time requirements as outlined in the Business Rules and, KPIs. TSP shall monitor and provide staffing based on actual volumes and service level requirements as specified in the KPIs.

A monthly staffing update shall be provided to Agencies and address turnover, hiring, scheduling, training, and coverage for vacations and spikes in Work. The monthly staffing update shall provide forecasted inbound volumes in each staffed area. The monthly staffing update shall identify all required positions, both temporary and permanent.

TSP shall utilize incentive, rewards, and/or disincentive programs to promote excellent customer service. All such programs are subject to Agencies' review and approval.

All staff members must understand, speak and write the English language and be legally eligible to work in the United States of America. Other supported languages are discussed in Section 8.6.1 for CSRs and supplemental services. TSP shall periodically submit a listing of all staffing personnel to Agencies. TSP shall be responsible for all wages, benefits, and payroll expenses associated with staffing. Agencies reserve the right to direct TSP to remove any employee whose qualifications or conduct, in Agencies' sole opinions, is not appropriate or commensurate with their position.

8.2.4 CSC Training

TSP shall be responsible for providing the internal training of its staff and OCTA WIC staff for the efficient, accurate and customer centric operation of the CSC.

Training for the CSC staff shall be completed before transition according to the Agencies' approved transition plan.

Ongoing refresher or remedial training shall be scheduled such that the training does not impact day-to-day operations. Agencies shall provide input on remedial training topics and approve training materials.

8.2.4.1 Training Plan

TSP shall update the Training Plan to include information regarding the OCTA operation and seek approval from Agencies. The plan shall address the TSP's training philosophy, ramp up training, new hire training, ongoing refresher training, continual improvement, and remedial training. The plan shall detail the training topics, schedule and training tools for each training phase by staff role. Special training should be provided for those employees who will be in direct and indirect contact with customers, including the call center, walk-in center, email, and mail. TSP employees shall be cross-trained to allow staffing resources to adjust to meet the needs of the CSC.

Each TSP employee shall be required to successfully complete a formal and practical training program prior to being assigned to a customer facing role. TSP shall be responsible for continuous remedial training, whether onsite or off-site, of its employees performing Toll Services and conduct continual policy and procedure quizzes. In addition, whenever new processes or

procedures are implemented or revised the TSP must incorporate them into training and quizzes. TSP shall provide all equipment and materials required for training sessions including facilities.

CSC management shall have regular performance reviews with customer service representatives to discuss quality and accuracy of work. Performance reviews shall be quarterly or more frequently if performance is below standards.

The TSP employee's skills, behavior and attitude shall, at a minimum, reflect the following:

1) A genuine desire to help customers;
2) Understanding of customers' needs;
3) First contact resolution;
4) Taking responsibility for assisting customers;
5) Teamwork;
6) Putting forth extra effort on the job;
7) Avoiding the mistakes that cause most customer conflicts; and
8) Providing customer satisfaction with a reasonable balance between customer requests and Agencies' interests.

TSP Shall be responsible for providing any employee training required by state or federal law.

8.2.4.2 Image Review Training

TSP shall be responsible for providing detailed training to all image review staff that shall consist of training to review California license plates as well as all other jurisdictions license plates. The plan shall detail the training topics, schedule and training tools for each training phase by staff role. Special training should be provided for those employees who will be reviewing license plate images that will be used for direct and indirect contact with customers. Each TSP employee shall be required to successfully complete a formal and practical training program in Image Review prior to being assigned. Continual refresher training shall be provided to ensure all Image Review staff is familiar with updated license plate designs.

8.2.4.3 PCI DSS, PII and DMV Training

TSP shall be responsible for certifying that all staff is familiar with and will adhere to all PCI DSS requirements, Governmental Rules applicable to PII and DMV requirements. Continual refresher training and quizzes shall be administered annually or as required based on performance and PCI standards, regarding PCI DSS requirements and standards, Governmental Rules applicable to PII, and DMV requirements.

TSP shall maintain any signed records required by the DMV for each staff member with access to registered owner information.

8.2.4.4 Training Reporting

TSP shall monitor, track, and report all employee training to include:

1) Training class attended;

2) Date class completed;

3) Class duration;

4) Score of any quiz completed; and

5) Location of training class.

8.2.4.5 OCTA/RCTC Staff Training

TSP shall notify Agencies of all scheduled training and accommodate up to a total of five (5) Agency representatives in any and all training sessions at no additional charge to Agencies.

In addition to the internal training, the TSP shall provide training at four (4) levels to Agencies and/or external entity staff and Agency designees:

1) Introduction to the CSC system and operations;

2) Yearly refresher course for the CSC system and operations;

3) Upon deployment or prior to deployment of system changes as needed; and

4) On request training as needed on the user interface, reports, etc.

8.3 CSC Host

TSP shall supply a CSC Host that will support the customer service functions. The CSC Host shall be designed and sized to accommodate Lane and Trip Transactions from the ETC Hosts and support all customer service and Violation management functions.

The CSC Host shall be operational 24 hours a day, seven (7) days a week; therefore the hosting solution shall include all necessary redundant components to achieve the Performance Requirements, facilitate maintenance and reduce the potential for single point failures.

The CSC Host shall generate alerts to send to MOMS as defined during the D&D Phase.

8.3.1 Database Management System

TSP shall provide an enterprise Database Management System (DBMS) (supporting data management needs, as well as the recovery sites) that meets the following minimum requirements:

1) Software and Hardware must be consistent across all aspects of the TCS;

2) Store logging data separately from application data, and store configuration data separately from application data;

3) Define and describe all CSC system data elements in a metadata dictionary;

4) Recover to the last committed transaction at all tiers of the CSC;

5) Be configured exclusively through the selection of parameter settings;

6) Have data encryption capability to the element level to be determined during the D&D Phase; and

7) Use Structured Query Language compliant with Open Database Connectivity capability.

The enterprise data residing at the CSC Host shall be the single, authoritative record of all Account Transaction data. The DBMS shall provide robust audit tracking, and further, records/files must not be overwritten without confirmation and posting to an audit log. Authorized Agency staff shall have access to the data at all times to allow independent review and reporting.

8.3.2 Data Storage and Availability

TSP shall provide a DBMS that supports and fulfills the required functionality described throughout these TPs for data stored online. TSP's data storage allocated for the CSC shall be sized to accommodate the requirements stated in these TPs over the Term. TSP shall provide sizing calculations at CDR. High capacity storage media shall be used to be able to archive data based on administrative procedures and the Business Rules. These procedures shall strive to minimize both data retrieval time and the cost of offline storage for data that may have a low expectation of being accessed in the future. Storage of data shall meet the following minimum requirements:

1) 4.5 years of Account statements, Account activity, all Transactions, Violations, and image-based tolling data shall be stored online and available to CSRs;

2) 4.5 years of Violation and image-based toll images stored online and available to CSRs;

3) 4.5 years of ODS images and data stored online and available to CSRs;

4) 2 years of Violation Transactions, images, and Account activity stored online and available through the website to customers;

5) 2 years of files exchanged with any third parties including TSP subcontractors, DMVs, cash payment networks, or collection agencies;

6) 4.5 years of all Transponder Transaction files and files exchanged with the CTOC network for use in toll dispute resolution and transaction reconciliation;

7) 3 years of all CSC reports shall either be stored online or readily accessible to produce during the Term, including any extensions, or as required by Governmental Rule;

8) All data mentioned above may be moved to offline electronic storage after the minimum period of online storage has expired and in no case shall PII data be stored for more than 54 months;

9) A reliable, high capacity, compact, data storage media shall be employed for offline storage;

10) All data other than PII must be stored for the Term;

11) TSP shall retrieve any data from offline storage within five (5) Business Days of a request by an Agency; and

12) All Transponder transaction files received from the CSC Host and/or sent by the CSC to another CTOC facility shall be stored in a non-compressed format and shall be available for review by the applicable Agency.

The original, machine generated, static PDF of all customer correspondence including statements, Violation Notices, and other notifications shall be stored in the system.

8.3.3 System Accuracy, Reliability, Maintainability, Flexibility, and Scalability

TSP shall ensure CSC system maintainability, accuracy, reliability, security, and availability over the term of the Contract. The system shall satisfy, at a minimum, the following requirements:

1) The CSC System shall provide up-time Availability according to the KPIs;
2) TSP shall utilize MOMS for responding to CSC Hardware and Software problems;
3) The CSC System shall allow scheduled preventative maintenance activities to be performed while the CSC System is online. Preventative maintenance actions shall be transparent to CSC operations and shall not introduce any degradation in TCS performance; and
4) The CSC System shall allow for the addition of new facilities and reporting by facility.

8.3.4 Host Locations

8.3.4.1 Primary Host

The primary CSC Host shall be located at the ROC. TSP shall furnish and install a complete CSC Host server configuration including storage, server racks, back-up library, communication/networking gear, conduits, and other Hardware as needed to support requirements.

8.3.4.2 Secondary Host

The secondary CSC Host shall be located at least 60 miles from the ROC and the I-15 EL, subject to Agencies' approval. TSP shall furnish and install a complete secondary CSC Host server configuration including communication to the secondary host, host location, electrical power, UPS, generator, storage, back-up library, communication/networking gear, and other Hardware as needed to support the requirements of the Contract and the KPIs. . The secondary CSC Host may be implemented using a virtual or cloud-based solution. The secondary CSC Host server configuration shall have redundancy features and capabilities wherein the CSC Host can be brought on-line and back into operations to allow the TCS to meet the KPIs. The secondary CSC Host data shall be synchronized with the primary CSC Host data in near real time. TSP's design shall ensure that no data created in the ELs is lost when the CSC Host is brought back to full operation.

8.3.5 Hardware and Equipment

The CSC Host configuration shall include all ancillary equipment needed to provide a complete CSC Host that meets all of the requirements of the Contract.

The CSC Host, including all major Hardware elements, shall be of the latest design and shall incorporate standard commercial products currently in production. The TSP shall use server configurations that support future upgrades to processors, memory, storage, operating system, and database. CSC Host servers shall be assigned unique IP addresses that identify their locations.

The CSC Host servers and related peripheral Hardware shall be supplied from the same manufacturer. All CSC Host system Hardware equipment performing similar functions shall be of the same manufacturer. Hardware shall be commercially available, off-the-shelf equipment.

The CSC Host shall maintain time synchronization with the ETC Host.

The CSC shall not lose any data upon controlled system shutdown. In the event of an uncontrolled system shut down, the CSC Host shall lose no more than in-progress or unprocessed user entries and Transactions.

8.3.6 Host Operations Failure Modes

In all failure modes listed below, the Host shall report through screens and alarms that it is operating in a failure mode and what the failure is. An indication of these failure modes shall appear on relevant financial and audit reports.

8.3.6.1 Loss of Communication with ETC Host

In the event of a loss of communication with the ETC Host:

1) The CSC Host shall continue to provide all customer service functions using data last received from the ETC Host;
2) The CSC Host shall store all Tag Status Files and queue other files to resume upon communication restoration;
3) The CSC Host shall have a mechanism by which files can be manually exchanged with the ETC Host; and
4) The CSC Host shall track which files were exchanged manually. When communications resume, it shall not send these files a second time or overwrite more current information sent by the CSC Host.

8.3.7 Data and Financial Security, Integrity, and Accountability

The CSC Host and associated systems shall include features to assure the security and integrity of all data collected and processed by the CSC. The CSC Host shall accurately and correctly process 100 percent of all data collected. The system shall employ redundancy as needed to meet the required Availability and functionality requirements and to protect against data loss and data corruption. Data loss includes the loss of any Account data, deposits, payment information, Transaction, Transaction history, Violation Transaction history, any system configuration or operational information, or any other information that would negatively affect operations of the CSC. Communication transmissions shall employ reliable means of confirming sent data is accurately received.

The CSC Host shall be designed to protect against data loss caused by equipment malfunction and failure, inadequate data storage capacity, communication loss, power outage, voltage drop or surges, extreme temperatures, deletion by unqualified and unauthorized users, or Software attacks (i.e., rogue users/hackers, virus attacks, etc.).

The CSC System shall employ an integrated and comprehensive anti-spam and anti-virus protection system.

The CSC System shall provide varying User Roles that are assigned by a qualified system administrator. CSC System access by personnel shall be limited to only those functions needed to perform their assigned work. CSR screens shall not display credit card numbers. Other operations staff shall have, at a minimum, read-only access to all Account, Transaction, Violation, and CTOC data and the ability to write notes or comments to the Account database to reflect conversations and/or correspondence with Account holders.

Any modifications to data (records) shall be made as adjustment entries with all actions recorded to a retrievable chronological log that includes notations to support TCS audits. The CSC System screens shall support this adjustment feature in both entry and review modes such that adjustments made to the data are readily available. The name and user ID of the person making the adjustment as well as the date, time, workstation, and specific notation that was made shall accompany each adjustment record. This component feature shall be assignable to user-access levels by the system administrator.

8.3.8 Data Protection and Integrity

The CSC system shall support encryption or other methods to ensure secure transmission of data. This requires encryption such that:

1) All manipulations or transmissions of data during the exchange are secure;
2) If intercepted during transmission, the data cannot be deciphered;
3) Confirmation is received when the intended recipient receives the data;
4) The exchange of information shall occur between secure end points; and
5) Entities shall use industry standard algorithms or cryptographic modules such as those validated by the National Institute of Standards and Technology (NIST).

The CSC System shall support the use of role-based security with various access levels, function rights, and controls over the visibility of information that can be assigned to different user groups or individuals by authorized users.

TSP shall prevent unauthorized access to the web server or the CSC System, including internal TSP staff, subcontractors, and or third party entities. As part of the Disaster Recovery Plan, TSP shall discuss its policies and procedures for addressing such events as data integrity disruptions, security breaches and or other errors. Any such event shall also be reported to RCTC immediately stating the incident and resolution planned or executed. The TCS shall encrypt all data transmitted through the web or extranet.

The CSC System shall comply with all applicable standards issued by the PCI DSS throughout the Term and as described in these TPs.

8.3.9 Backups & Redundancy

At a minimum, TSP shall perform daily incremental backups of the CSC Host data.

TSP shall also create monthly backups of the entire CSC Host and include all files, data, and Software necessary to completely restore the TCS to an operational state.

Backup equipment, processes, and data shall be tested on a periodic cycle as defined in the approved Disaster Recovery Plan.

8.3.10 CSC Host Graphical User Interface

The GUI shall, at a minimum, include:

1) Modern web browser based GUI design for all Software that requires a user interface, including the Chrome, MS Edge, Apple MAC and Safari;

2) Screen displays which are all printable;

3) Allow multiple windows to be open simultaneously with current data contents;

4) Browser window size which can be controlled by user;

5) Browser window aspect ratio which can be controlled by user;

6) The ability to halt a query/report request at any time. A consistent look and feel across the entire TCS;

7) A one-step method for going back to the previous screen (i.e., a “back” button);

8) Access to view and print help screens throughout the TCS; and

9) The ability to define user restrictions, access rights and priorities.

GUI design details will be defined and finalized during the D&D Phase.

8.3.11 Customer Service GUI

The TSP shall provide an efficient and accurate user interface for CSRs to use while interacting with customers, allowing CSRs to quickly answer questions, provide Account/Violator status, Account/Violator history, fulfill requests, process payments, and provide related customer service functions.

The CSC System shall respond to CSR input within 2 second for functions related to account creation, payment processing, account lookup, license plate lookup, and navigating between screens/functions within an account.

Warning pop-up message if the query or function the user has requested will take more than 30 seconds to load.

CSRs shall have one-step correspondence response, transaction adjustment, and Account note processing.

TSP shall provide CSRs with tools to speed processing such as workflows, hot keys, or add-ons.

The CSC System shall provide automated Account notes when appropriate.

8.4 IBT Image Review

The ETC Host shall provide IBTs that are below the confidence threshold for OCR to the CSC for Image Review.

The TSP shall provide a fully equipped and staffed image review department that will be responsible for review of all IBTs that were unable to reach the prescribed confidence level at the ETC Host. Until the confidence level is proven through System Acceptance Testing, the TSP shall

review all unique plate images the first time they are captured. These IBTs shall be reviewed by TSP image reviewers to identify the license plate number, jurisdiction, and type as discussed here and in Section 8.7.2. The TSP is responsible for providing the appropriate personnel and assuring all IBT transactions are processed and reported in an accurate and timely fashion. License Plate Image review and processing is permitted to be outsourced or offshored.

Once the IBT license plate number, jurisdiction, and type is identified, the ETC shall use the data to create Image Based Trip Transactions. Functions of the TSP related to IBT review shall include:

1) Monitoring of image reports to assure images are flowing through the TCS properly and in a timely manner;

2) Assure proper image review staffing to handle transaction volumes and meet KPIs;

3) Accurately enter plate numbers, plate types and state of registration; and

4) Properly code all images that are rejected.

The image review interface shall be efficient and effective for image reviewers' use and shall load new images and respond to users within 1 second of input or image request once the user is logged in and has begun processing. This does not include user login or batch loading time.

Images found to be incorrectly entered into the CSC System after posting shall be reviewed manually and post to the proper account or begin the Violation process.

8.4.1 Perform Image Review and Selection

1) Select the best IBT image to use in correspondence, notices or enforcement efforts related to the transaction as needed, and

2) Perform quality control (QC) on the image review process following key performance indicator requirements.

8.5 Customer Service Center

The TSP shall provide a fully equipped and staffed customer service center (CSC) within the ROC. The CSC shall support all Account based customer needs and Violation resolution through various methods including phone, mail, website, and a walk-in center.

8.5.1 IVR & Phone Call Management (PCM)

The TSP shall provide an IVR and phone call management system that maximizes customer satisfaction, accuracy, and efficiency. The phone system shall support inbound and outbound calls for customer service.

TSP shall support the transition of the 91 Express Lanes IVR to the Riverside Express IVR and updates to the current IVR to include the 91 Express Lanes and other changes specified in the Business Rules.

The IVR and PCM shall satisfy the following functional requirements:

1) All calls shall be routed through the IVR;

2) The IVR and PCM shall recognize customer caller identification number and associate it with an Account according to the Business Rules. The IVR and CSRs shall use the Account association to prompt an appropriate level of security Account validation to improve customer service and shorten call durations while maintaining Account security;

3) PCM shall allow live monitoring of all calls by supervisors and authorized personnel at the call center and remotely;

4) PCM shall record all calls for quality control and training purposes;

5) At the direction of OCTA/RCTC, the TSP shall provide a customer service survey Protocol, prompting callers to provide feedback after interacting with a CSR or the IVR;

6) Receive, queue, and route all calls as appropriate;

7) IVR shall provide both English and Spanish language prompts, and allow callers to select a preferred option;

8) The CSC shall provide CSRs to support English and Spanish speaking callers, as well as other languages through a relay service;

9) IVR shall provide appropriate prompts based on time of day and CSR hours of operations. Examples include:

    a. Disable routing to CSRs during non-CSR operating hours, and

    b. Direct customers to the website during non-CSR operating hours.

10) IVR shall provide customer service news and alerts at appropriate points in the call routing process and as in-queue messages as directed by OCTA/RCTC;

11) IVR shall provide callers with the following information through voice and numerical selection options:

    a. Hours and locations of customer service operations including Call Center and Walk-in Centers
    b. Account functions including:
        i. Providing pre-paid toll balance
        ii. Update replenishment method
        iii. Accept Account replenishment via credit/debit cards and ACH
        iv. Request additional transponders
        v. Request to speak to a CSR during business hours
    c. Violator functions including:
        i. Providing outstanding Violation balance including tolls, fees, and penalties
        ii. Accept Violation payments via credit/debit cards and ACH
        iii. Request access to CSR during business hours for information Account options and Account opening
    d. Other functions the TSP determines to support maximum customer satisfaction, accuracy, and efficiency in handling customer requests.

The IVR and PCM shall satisfy the following technical requirements:

1) Support call volumes and rates sufficient to ensure queuing of all calls over the O&M Term, meeting the KPIs;

2) Record and report system usage statistics with the purpose of:

    a. Measuring performance against KPIs;

    b. Improving IVR menu functions, options, and call routing efficiency and accuracy; and

    c. Supporting customer service functions and evaluate staffing levels.

3) Phone call type, issue(s) addressed, and duration shall be minimum data collected. Phone call types may include Violation, Account, or Other. Issues addressed may include Violation payments, Account replenishments, customer questions, transponder inquiry, etc. Actual classifications of phone calls shall be determined during detailed design and approved by Agencies. Classifications used by CSRs shall be changed during the O&M Term upon direction of Agencies.

4) IVR shall be designed to minimize levels of menu options prior to receiving requested information or initiating a customer service action.

5) Support up to five separate (5) in-queue messages.

6) All callers reaching a CSR or visiting their account on the web shall be asked to verify their address, email address, and phone number if it has been more than 60 (Configurable Parameter) days since their last verification.

7) Meet all KPIs.

8.5.2 Customer Service Representatives

The TSP shall fully staff the ROC with Customer Service Representatives (CSR) to meet the KPIs and provide high quality customer service. The TSP shall create customer service policies and procedures to include, at a minimum, the following:

1) Standardized responses;

2) Work flow tools;

3) Customer issue escalation procedures (i.e. escalation to work leads or supervisors);

4) After call issue resolution procedures (i.e. creation of service requests);

5) And other policies and procedures necessary to provide high quality customer service, meet the KPIs, and accurately and efficiently handle customer and Violator requests and inquiries;

6) Account noting policies and procedures; and

7) Language preferences for English or Spanish.

8.5.3 Customer Correspondence and Applications

All Account application and customer correspondence, which includes statements, Violation Notices, Account notifications, alerts, emails, and other communications shall be designed by TSP graphics designers to provide aesthetically pleasing, accurate, and user friendly materials.

TSP shall provide a document which includes all final OCTA/RCTC approved customer communications including letters, statements, emails, texts, applications, brochures, product instructions, outgoing phone messages, and other customer facing materials. The document shall clearly state the document version, method of delivery, and timing of delivery for each piece of communication. TSP shall present all customer communication to OCTA/ RCTC for approval at least 90 days prior to the transition Date.

TSP shall work with the Agencies to review and amend existing correspondence to meet the needs of both Agencies. The revised branding will need to be incorporated into all correspondence and customer facing materials.

8.5.4 Mail Processing and Fulfilment

All inbound and outbound mail shall be processed accurately and expeditiously. The TSP shall provide a CSC that meets the functional and technical requirements below related to mail processing and fulfilment Incoming Mail

1) The CSC shall meet the following functional requirements:
    a. Receive and process the following types of correspondence:
        i. Account applications: resulting in the establishment of a pre-paid toll Account
        ii. Account changes and updates
        iii. Account and Violation payments by check or credit/debit card number
        iv. Returned mail
        v. Other written correspondence.
    b. Call or email customers to address issues
    c. Scan all incoming mail
    d. Associate scans of incoming mail to the appropriate Accounts.
    e. Notate all returned mail by mailed piece of correspondence
    f. Process mailed payments and apply to the appropriate Account.
    g. Allow CSRs to quickly find received and scanned mail associated with customer Accounts or Violations.
2) The CSC shall meet the following technical requirements:
    a. All incoming mail shall be stamped with the receipt date.
    b. All incoming mail shall be scanned as an OCR PDF and associated with Accounts or Violations with the receipt date and document type indicated in the CSC System.
    c. Mail returned as undeliverable shall be recorded as such in the CSC Host and processed per the Business Rules

8.5.4.1 Outbound Mail

1) The CSC shall meet the following functional requirements for outbound mail through USPS:

    a. Create and send the following types of correspondence/materials:
        i. Account alert: Suspension/Closure
        ii. Account alert: Negative balance
        iii. Account alert: Credit Card Expiration warning 30 days in advance
        iv. Account alert: Credit Card Decline
        v. Account alert: Email bounce
        vi. Transponder not reading (Pay-by-Plate)
        vii. Account alert: Returned Check or ACH failure
        viii. Violation Notices
        ix. Account Statements (Subject to the applicable Agency's approval, Agencies may charge a printed statement fee for monthly printed statements)
        x. Transponders to individuals and businesses
        xi. Account alert: ODS adjustment and administrative fee
        xii. Results of contested Violations
        xiii. Violation alert: Returned check or credit card charge back
        xiv. Annual customer account update notification (general notice)
    b. Attach OCR PDFs of any mailed correspondence/materials to the appropriate Account
    c. Allow CSRs to quickly find sent mail associated with Accounts
    d. Record the mail date and correspondence name in the CSC database.
    e. Utilize Intelligent Mail Barcode (IMB) tracking data and populate address service data in the CSC database available to the CSRs
    f. Produce mail in either English or Spanish according to customer Account preferences.
    g. Mailing may be outsourced to subcontractors or vendors, but must be performed and mailed within the state of California.
    h. Outbound mailings may be printed front and back (duplex) and may be printed on paper size up to 8 ½ inches by 14 inches at the TSP's discretion.
    i. Note a customer account with the details of any returned or undeliverable customer correspondence and follow up on returned or undeliverable account holder mailings via email and/or phone.

2) The CSC System shall meet the following technical requirements for outbound mail:

    a. Mailings for account alerts should occur within one business day of trigger.

    b. Utilize National Change of Address (NCOA) database services or similar third party address services for each address (not each notice) in a given mailing period.

    c. Utilize address standardization services

    d. Utilize skip trace services for returned or undeliverable NTEV and NDTEVs

e. Utilize presorting and comingling services to obtain the best postage rates

f. IMB address services and data exchange to automatically update mailing addresses on Accounts and Violations as appropriate.

3) The TSP shall mail all outbound mailings using the best available postage rates through using aggregators, presorting, and comingling as available and cost effective.

4) All mailings shall be mailed from a location in southern California. Production and printing of mailings may occur from a location determined by the TSP.

5) Account related mailing payment

a. The TSP shall pass through to Agencies all mailing costs including postage, generation, printing, paper, and envelopes for Account related mailings. Account mailings include all mailed correspondence pertaining to the maintenance and use of a FasTrak account such as statements, account status and disputes for transactions posted to an account.

a. Postage for mailing Transponder welcome packages shall be a pass through cost to Agencies. Processing Transponder welcome packages and materials other than the welcome kit, transponder mounting instruction and account license agreement shall be borne by the TSP

b. Each month the amount of account pass through costs will be reduced by 17,000 units to offset the amount included in the fixed CSC Fee prior to the addition of the 91 Express Lanes

6) Violation Notice (NTEV and NDTEV) Mailings

a. The TSP shall pass through to Agencies all postage costs related to violation notice mailings.

b. The TSP shall be responsible for all other costs, excluding postage, related to mailing violation notices, including generation, printing, paper, envelopes, and processing mail. These costs shall be included in the Violation Processing line item.

7) Other Violation (Non NTEV and NDTEV) Mailings

a. The TSP shall pass through to Agencies all mailing costs including postage, generation, printing, paper, and envelopes for violation related mailings. Violation mailings include all mailed correspondence pertaining to the collection and processing of toll violations such as violation disputes and DMV hold notifications.

8.5.4.2 The 91 and 15 violation notices may be combined into a single notice based on the existing business rules. Returned and Undeliverable Mail

First class mail can be returned or rejected for a number of reasons including USPS standards or being returned as undeliverable. The TSP shall work to minimize these events. The TSP shall utilize Good Industry Practice in mail processes and address standardization.

1) Mail rejected due to USPS standards shall be marked as such in the CSC Host. No further mailings shall be attempted until the address is updated.
2) Mail returned as undeliverable shall be marked as such, with the reason noted in the CSC Host. No further mailings shall be attempted until the address is updated.
3) Undeliverable mail shall be reattempted upon receipt of an updated address from the NCOA database, USPS, CA DMV, or through the CSC.

8.5.4.3 Transponder Fulfillment

The TSP shall be responsible for all activities required to provide and manage Transponder fulfillment for customers and Non-Revenue Accounts. Responsibilities include, at a minimum, the following:

1) Coordinating orders of Transponders with Agencies based on forecast needs in order to always maintain transponder availability to fulfill customer and retailer requests (Agencies shall procure Transponder supplier and submit orders);
2) Receiving and testing incoming Transponders;
3) Storing and maintaining inventory controls to maintain inventory security;
4) Providing inventory reports and sales data to Agencies monthly along with a 12 month forecast;
5) Handling all Transponder warranty claims with the transponder vendor;
6) Processing Transponder requests from customers, mailing requested transponders within two (2) business days; and
7) Maintaining all Transponder mailing supplies (i.e. envelopes, Transponder welcome kits).
8) Delivering and tracking inventory at the OCTA WIC

8.5.5 Payment Processing

8.5.5.1 Payments

The TSP shall process all payments via mail, web, walk-in centers, and phone. Payment methods shall depend on location:

1) Mail: Checks and money orders only
2) Phone: Credit/debit card and ACH only
3) Walk-in Centers: Cash, Checks, money orders, credit/debit card, and ACH
4) IVR: Credit/debit card
5) Web - Violations: Credit/Debit and ACH
6) Web – Transponder Accounts: Credit/Debit and ACH for either one-time replenishments or automatic replenishments
7) Third Party Payment Processing & Collections ProviderCash

Payments by check shall be processed using local Check 21 compatible equipment. Personal and business check payments shall be held for a period of time per the Business Rules prior to funds availability. This shall be a Configurable Parameter.

Payments shall be permitted as a one-time payment or recurring payment based on replenishment thresholds per the Business Rules.

Replenishment amounts and thresholds shall be Configurable Parameters and may vary by Account and Account type. Automatic replenishments shall be accommodated per the business Rules. Both a primary and secondary replenishment payment method shall be accommodated for each Account.

Credit/Debit cards to be accepted include a minimum of:

1) MasterCard;
2) Visa;
3) American Express; and
4) Discover.

If the monthly volume does not cover the minimum of $1,000, the difference between actual charges and the minimum will be billed as a pass through cost to Agencies.

PAYNEARME Minimum

If the monthly volume does not cover the minimum of $1,000, the difference between actual charges and the minimum will be billed as a pass through cost to Agencies.

8.5.5.2 Refunds

The TSP shall process refunds for Accounts as needed Conditions which may warrant refunds include events such as the overpayment of a Violation, closure of a Transponder Account with a remaining balance, or from erroneous transactions that posted to an Account. Refunds shall:

1) Be issued by check or credited back to the credit/debit card used to make payment when possible;
2) Be mailed or credited within 3 (three) Business Days of being eligible for a refund;
3) Hold refunds for Transponder Accounts for a specified number of days (currently 21) per CTOC policies;
4) Refund amounts are processed according to the stated agency refund policy.
5) Credit amounts in which a customer or Violator is entitled to any amount automatically;
6) Reissue uncashed refund checks and manage escheatment process; and
7) Refunds shall all be issued with a letter explaining the nature of the refund.

8.5.5.3 Account Fees and Pricing

TSP shall provide a CSC system that includes various fee schedules and pricing for EL products. TSP shall collect payment for all products and fees. Some of these may include:

1) Paper statement fees;
2) Account management fees (which may be a flat, period rate or based on a minimum number of Trips during a period);
3) Violation fees and penalties;
4) Non-refundable Transponder deposits and fees;
5) Returned check fees;

ACH return fee

6) DMV hold fees;
7) Collection referral fees; and
8) Transponder prices (for Transponder sales)
9) ODS Fee

Fees and prices shall be Configurable Parameters and vary by Account types. See updated business rules for complete fee schedule.

TSP shall handle Financial Transactions associated with promotions, non-refundable deposits for Transponders or Account creation, and other customer payments or credits as determined in the D&D Phase. Promotions may include non-refundable Account credits and should be configurable by agency and EL segment

Pre-paid toll amounts shall be a Configurable Parameter by Account type and vary by Account as determined in the Business Rules.

8.5.5.4 Sales Tax

TSP shall collect and file sales tax for any products subject to California Sales Tax regulations on behalf of Agencies, including the possible sale of transponders.

8.5.6 Transponder Account Communications

The TSP shall communicate with customers by the most cost effective and efficient means available. Communications shall include notifications to assist customers in avoiding Violations, provide balance information, inform customers of Account customer fees and charges, and provide critical toll facility updates.

The CSC System shall notify opt-in customers by email and/or text message of the following:

1) When a customer's pre-paid toll balance reaches a low balance dollar amount identified in the Business Rules;
2) Within one business day of a cash or check customer's pre-paid toll balance reaching a balance that triggers suspension of toll payment;
3) Within 30 days and 15 days of the last day of the expiratory month of a customer's automatic replenishment credit card or debit card, requesting that the customer update their payment information;

4) Within one business day of a credit/debit card decline, returned check, or ACH failure;

5) Within one business day of an ODR resulting in the assessment of an administrative fee and Trip posting at the single occupancy toll rate;

6) When statements become available for viewing or downloading; and

7) If a Violation or Image Based Transactions occurs on a vehicle linked to the customer Transponder Account.

Upon Agencies' direction, the CSC System shall notify opt-in customers by email and/or text of critical toll facility information such as closures, accidents, or other events.

Good Industry Practice in email management shall be taken to ensure delivery and reduce soft and hard email rejections or bounces. Undelivered emails shall be logged with the reason for rejection. The TSP shall maintain an excellent email reputation, checking blacklists often, and using best practices in email format, method, frequency, and policies. Examples of Good Industry Practice include not including attachments, using double-opt-in methods, virus scanning, including an unsubscribe option in every email, running sender IP addresses through blacklist checkers, asking customers to add your email address to their contact list, do not send emails to bad or nonexistent emails, and validate email addresses when making phone contact.

The TSP shall send mailed Account Notices, in addition to email and text message notification for the following critical notices:

1) Account alert: Suspension/Closure;

2) Account alert: Credit/Debit Card Decline;

3) Account alert: Returned Check or ACH failure; and

4) Violation Notices.

Mailings for the above notices are not required to be certified but shall have IMB tracking as specified in 8.6.4.2.

TSP shall support outbound customer phone calls in certain circumstances to support customers in maintaining accurate Account information. The CSC System shall implement predictive dialing. The TSP shall contact customers by phone when the following occurs.

1) Suspended Transponder Account (one phone call)

2) A mailed statement is returned as undeliverable without a forwarding address (two phone call attempts)

3) A Violation for a customer with a phone number on record is returned as undeliverable without a forwarding address (one phone call)

4) More than 5 Trips post as Image Based Trip Transactions to an Account in one month

8.5.7 ROC Walk-In Center

TSP shall provide full customer service functions at the Walk-In Center including, at a minimum, the following tasks:

1) Obtain information and ask questions about the facility, Accounts, Violations, and payment options;
2) Obtain a Transponder application;
3) Obtain customer materials;
4) Receive general information regarding toll facilities;
5) Open an Account;
6) Obtain, return, or exchange a Transponder;
7) Obtain Transponder supplies such as additional adhesive strips;
8) Replenish or make payments to a transponder, license plate, or toll Violator Account;
9) Obtain a copy of Transponder statement, Violation Notice(s), or other correspondence;
10) Change/convert Account types;
11) Make changes to a Transponder Account or Violation Account;
12) Close a Transponder Account or Violation Account;
13) Resolve all Account and/or transaction issues;
14) Contest a Violation, invoice, or transponder fees;
15) Appeal the results of an Investigative Review and request an Administrative Hearing
16) Pay DMV hold fees and settle Violations on DMV hold, and obtain an abstract (manual DMV hold release);
17) Test that a non-sticker tag Transponder is working properly;
18) Replace sticker tag Transponders;
19) Provide a secure area to hold administrative reviews at the ROC;
20) Obtain/deliver Affidavits of Non-liability; and
21) Reactivate Suspended Transponder Accounts.

TSP shall provide services to customer in English and Spanish for all conversational and written communication including forms and marketing material. TSP shall make all other major foreign language services available in conversation as needed through staff fluent in the serviced languages or by a "language line" service.

8.5.8 OCTA Store Walk in Center

See requirements in Section 1.3.2.4 for the OCTA store Walk in Center. OCTA will provide the staff to perform the tasks outlined in 8.5.7 with the support and training of the TSP.

8.5.9 Customer Website

The TSP shall provide a Customer Website that provides efficient, convenient, and accurate customer service. The Customer Website shall also provide customers with timely news and alerts regarding the 15 and 91 ELs.

The Customer Website shall be developed by experienced website developers and graphic designers and in conjunction with marketing specialists to provide an aesthetically pleasing, functional, and user friendly interface. The Customer Website shall conform to the following functional requirements:

1) The Customer Website shall conform to Good Industry Practice and applicable Governmental Rules and regulations regarding accessibility, function, and security.
2) The Customer Website shall contain information about the toll facility including toll rates, Account creation, and Violation policies.
3) The Customer Website shall provide news and updates to customers and shall be updated from time to time as directed by Agencies.
4) The Customer Website shall utilize responsive design to provide a user friendly interface regardless of device. The design must adapt to smart phone and tablet screens when detected.
5) The Customer Website shall be offered in English and in Spanish.
6) The Customer Website shall prompt and request visitors to fill out a survey once they have completed their visit as directed by Agencies.
7) Website messaging and language shall be approved by Agencies.
8) The Customer Website shall allow customers to manage their Accounts and at a minimum:
    a. Provide pre-paid balance information
    b. Provide Account transaction information
    c. Add or remove Transponders to/from their Account
    d. Report a Transponder lost or stolen.
    e. Add or remove license plates to/from their Account
    f. Update their Account contact information
    g. Update their Account payment information and make one-time payments via credit/debit cards and ACH.
    h. Add a second/backup payment method via credit/debit card and ACH.
    i. Request additional transponders (associated with the Account at time of mailing).
    j. Establish and fund a pre-paid/Transponder Account
    k. Print or download PDF versions of Account statements, payment confirmations, or Violation Notices.
    l. Close the Account and request a refund of remaining pre-paid toll balances.
    m. Opt-in or out of email and text message notifications by type and frequency.
    n. View Violations associated with their Transponder Account and perform all Violation functions as described below
    o. Add a license plate associated with a Violator Account. The customer shall be required to enter the date they acquired the plate. All associated Violations shall be moved to the Transponder Account. Fees shall be transferred or dismissed per the Business Rules.
    p. Review Account Correspondence

q. Dispute a toll transaction

9) The Customer Website shall allow Violators to:

a. View their transactions and trips, (not Violation Notices) total amounts due, status of contested Violations, and notifications;
b. Pay Violations in full or partial amounts;
c. Pay select Violations in one payment by selecting specific Trips;
d. Print payment confirmations;
e. Appeal or contest Violations under conditions specified in Vehicle Code Sections 40250-40273 and provide evidence;
f. Select multiple Violations at once to contest and upload evidence;
g. Provide an alternative contact name and mailing address for future Violation Notices;
h. Convert the Violation Account into a Transponder Account. Fees shall be transferred or dismissed per the Business Rules; and
i. Pay the Violation(s) toll amount from an existing Transponder Account by adding the vehicle license plate with active dates to the Transponder Account in one step based on the earliest Violation Date. This functionality shall be available from both the Violation Account and Transponder Account management screens, resulting in the Transponder Account being updated with the plate and tolls paid from the Account.

The current website will require rebranding to reflect the consolidated operation of the 91 and 15 Els and information regarding the 91 Express Lanes. Agencies will provide the branding style guide and static information for use in the inclusion of the 91 Express Lanes.The rebranding may impact the template for each page in terms of color and presentation. The home page may require a redesign at the direction of Agencies. The website shall be configured to be used on all mobile devices.

RCTC has secured the URL 15and91expresslanes.com for use with the consolidated website. During a period of transition the existing riversideexpress.com and 91expresslanes.com shall be directed to 15and91expresslanes.com.

The TSP shall assist the agencies with the notification to customers regarding the consolidation including the promotion of the target 800 # and 15and91expresslanes.com url.

8.5.10 Account Management

The CSC system shall include, at a minimum, the following functions related to Account management and compliance with current PCI DSS requirements:

1) Customer Account Functions – Create and maintain prepaid Transponder Accounts via walk-in, mail, phone, web, and web enabled devices.

2) Customer Disputes – Receive toll charge disputes via walk-in, mail, phone, responsive webpage. Respond to disputes via walk-in, mail, phone, or responsive webpage.

3) Customer Applications and User Guides – Provide electronic access to Account applications, user guides, FAQs, and video tutorials for personal and commercial customers.

4) Replenishment/Account Status – Provide the functionality to process cash, credit card, Automatic Clearing House (ACH), check payments, and recurrent replenishment features both manually and automatically.

5) Customer Statements – Produce statements for customers with Account activity monthly or quarterly according to customer preference. Customers without Account activity shall not have a statement mailed or emailed. A fee shall be charged for customers who choose to receive statements by mail.

6) Notify opt-in customers by text and/or email that their statements are ready for viewing or downloading from the Web.

7) Mail statements to customers that request a paper statement and those whose emails are determined to be invalid or bounce. Marketing material will be included to request they update their Account information.

8) Credit Card Processing Security – Credit card numbers shall be encrypted in the system in accordance with industry-standard encryption standards and PCI DSS.

9) Promotions – provide CSR, website, and functional support to run promotions from time to time offering customers or potential customers discounts, credits, or transponders.

10) Customers shall have the ability to select either English or Spanish as a preferred communication method, and either shall be automatically accommodated with all customer communications.

11) Other functions and alternatives proposed by TSP.

8.5.10.1 Account Management Rules

1) A license plate shall only be active on one Account at a time. License plates shall have start and end dates and times on each Account, which will determine the active period on the Account.

    a. Image Based Toll Transactions shall post to Accounts based on posting guidelines established in the Business Rules and per CTOC guidelines.

2) A license plate on a Violator Account may be moved to a Transponder Account along with the associated Violation transactions and fees.

    a. Tolls and Fees shall be able to be reduced under certain circumstances as outlined in the Business Rules.

    b. Pre-paid toll balances shall be used to pay Violations and fees

3) Some discounts may be provided for specific plate types or vehicles as identified in the Business Rules. Validation of the proper use of Transponders associated with these plans shall be performed by the TSP through a sampled review each month and reported in the O&M Monthly Report.

8.5.10.2 Account Opening

TSP shall accurately process all Account applications within 2 business days.

TSP shall use address standardization when opening an Account.

TSP shall request customers to indicate marketing source when opening an Account.

8.5.10.3 Bankruptcy

The TSP and Agencies may be notified of a bankruptcy filed by a customer or violator from time to time. The TSP shall handle processing of bankruptcy notifications. Agencies shall forward bankruptcy notifications to TSP. When notified of a bankruptcy filing change, the Account status shall change to bankruptcy status. The TSP shall scan received documentation and attach to the Transponder or Violation Account.

Upon being notified of a customer/violator filing for bankruptcy, the TSP shall cease all enforcement actions for all Transactions/Violations occurring on or before the filing date. Vehicle registration holds/suspensions shall be lifted.

If the debt is discharged, or bankruptcy date adjusted, the TSP shall take appropriate action per the Business Rules.

Bankruptcy cases dismissed shall result in the resumption of enforcement by TSP including vehicle registration holds at the DMV.

8.5.10.4 Deceased Customers:

Upon being notified that an Account holder is deceased and receiving a death certificate, TSP shall suspend the account. TSP shall cease mailing Violation Notices and attempt to identify an alternative liable party such as a secondary vehicle owner. TSP shall follow the Business Rules.

8.5.11 Account Types

The CSC System shall maintain various types of Accounts to be determined in the D&D Phase. Account types shall have Configurable Parameters for pre-paid toll requirements, toll rates and discounts, fees, and Transaction posting rules. TSP shall allow customers to change Account types without having to open a new Account based on Business Rules. Below are examples of Account types.

8.5.11.1 Non-Revenue Accounts

Non-Revenue Accounts shall be created per the Business Rules to allow free passage on the ELs for those who qualify. Non-Revenue Account users may not have associated transponders due to fleet size and anticipated infrequent use, resulting in Image Based Transponder Trips. Transponders may be issued to frequent Non-Revenue Account vehicles when it is determined to be cost effective due to frequency of use by vehicles. The estimated number of Non-Revenue Accounts is thirty (30). Non- revenue accounts should be created based on agency segment.

8.5.11.2 Transponder Accounts

Transponder Accounts shall be Accounts created at the request of customers to maintain a pre-paid toll Account linked to their Transponder. Customers shall provide sufficient information for the TSP to properly maintain the Account and communicate with customers. The 91 Express

Lanes existing accounts shall be transitioned to the existing account base to form one transponder account base.

1) At a minimum, information obtained and included in the CSC Database includes:
    a. First name;
    b. Last name;
    c. Suffix;
    d. Company Name (if applicable);
    e. Mailing address;
    f. Phone number;
    g. Email address;
    h. Cell phone number able to receive texts;
    i. Vehicle license plate number, type, and state;
    j. License plate start and end date; and
    k. Vehicle make, model, and year.
2) Customers shall be permitted to update any information provided by the customer.
3) The TSP shall track the following Account activities at a minimum:
    a. Transponder assignment (pre-packaged or ROC distributed), removal, and history;
    b. License plate assignment, removal, and history;
    c. Pre-paid toll payments and replenishments through automatic replenishment, mailed, IVR, or walk-in payments, and history;
    d. Account balances and history;
    e. Trip detail;
    f. Account balance adjustments, fees, surcharges, and refunds;
    g. Trip appeals processes and results;
    h. Trip escalation through the Violation process and disposition;
    i. Account Status (i.e. suspended, closed, bankruptcy);
    j. Opening of an Accounts;
    k. Modification of Account type; and
    l. Additional Transponders and Transponder replacements.
4) Transponder Accounts shall become suspended when the pre-paid account balance drops below $0.00 (Configurable Parameter).
5) Transponder Accounts shall be closed in accordance with the Business Rules.
6) Transponder Accounts, individual Transponders, or individual license plates shall be eligible for discounts per the Business Rules. TSP shall confirm eligibility for certain discounts by reviewing required customer provided documentation. Some discount classes may be issued a specifically configured Transponder.
7) TSP shall not require a one-to-one relationship between Transponder and license plate. In other words, a Transponder may be associated with more than one License Plate. A license plate associated with more than one account shall post according to the posting Business Rules.

8.5.11.3 Violator Account

Violator Accounts shall be created when a license plate is not matched to an existing Account, and the resulting DMV information does not tie the customer to an existing Account. TSP and Agencies shall analyze the best method for transitioning the 91 Express Lanes violator accounts to the existing violator account data base (e.g. Maintain separate accounts, combine accounts, create a co-account relationship.)

1) The Account shall be created using the DMV information provided, including:
    a. First name;
    b. Last name;
    c. Suffix;
    d. Company name (if applicable);
    e. Address;
    f. Phone number (if available); and
    g. Vehicle make, model, and year.
2) Customers shall be permitted to add to their Violation Account contact information to support notification of toll Violations:
    a. Add one contact person and one mailing address which can be used for communications instead of the DMV records.
    b. Cell phone number able to receive texts
    c. Email address
3) Violation customers' updates shall not modify the data received from the DMV, which will serve as the source of the Account creation and management.
4) The TSP shall track the following Account activities at a minimum:
    a. License plate;
    b. Customer data updates as specified above;
    c. Trip details;
    d. DMV lookup details and history;
    e. Violator payments through mail, IVR, or walk-in and history;
    f. Account balance and history;
    g. Account balance adjustments, fees, surcharges, and refunds;
    h. Trip appeals processes and results;
    i. Trip escalation through the Violation process and disposition;
    j. Transactions by plate; and
    k. Conversion to a Transponder Account.

8.5.12 Transponder Inventory Management, Tracking, and Reporting

8.5.12.1 Transponder Tracking

The system shall provide the necessary functionality to track Transponder inventory, including at a minimum:

1) Inventory levels by Transponder type;
2) Needs forecasting for the next 12 months;
3) Purchase orders initiated at a configurable threshold;
4) Acquisition of new orders;
5) Transport and distribution;
6) Sale to individual customers, businesses, or retail outlets;
7) Account assignment and transfer;
8) Returns;
9) Transponder warranty tracking of eligibility and fulfilment; and
10) Final disposition.

The TSP shall combine the 91 Express Lanes transponder inventory with the 15 Express Lanes inventory and make the necessary adjustments internally and within CTOC to host the 91 Express Lane valid tag list.

The TSP shall track Transponder quantities at each stage in a Transponder's life cycle so as to best safeguard the integrity of the TCS, Agency revenue, and provide exceptional customer service.

TSP shall perform a physical count of the Transponder inventory monthly. TSP shall provide the results of the physical inventory and reconciliation to the system inventory count monthly. TSP shall be responsible for reimbursing Agencies for any transponders missing from the physical inventory at the original cost of purchase.

8.5.12.2 Transponder Management

TSP shall provide full service Transponder management which, at a minimum, includes:

1) Inventory management;
2) Fulfillment;
3) Testing of new and returned inventory;
4) Replacement;
5) Adding and removing from Accounts;
6) Tracking Transponders with appropriate disposition codes to indicate lost, stolen, damaged, etc.;
7) Identification of non-working transponders based on customer Account activity;

8) Provide pro-active replacement as necessary;

9) Testing Transponders; and

10) Troubleshooting.

8.5.12.3 Transponder inventory management

Agencies shall procure and place orders for Transponders from a supplier. Transponders shall be managed by TSP once received from the supplier.

TSP shall provide Transponder inventory management including, at a minimum, the following:

1) Coordinating with Agencies to place orders for Transponders as needed based on forecasted demand of retail partners;

2) Receiving and processing orders from retail partners;

3) Distribution to retail locations or a central warehouse as directed by the retail partner;

4) Invoicing retail partners upon delivery of Transponder orders;

5) Post payments and track outstanding invoices for retail partners, supported by inventory records such as transponder numbers and quantities, box numbers and quantities, and shipping confirmations;

6) Track and account for negotiated discounts provided to retail partners or fees paid to retail partners through netting invoices, credits, or refunds as necessary;

7) Associate unique activation codes provided in pre-packaged transponders to a transponder number and pre-paid toll value in the CSC System. Pre-packaged Transponder cost may vary by retail location;

8) Allow customers to activate the pre-packaged Transponder through the Customer Website, Walk-in Center, or call center using the activation code provided in the pre-packaged materials; and

9) Include the Transponder in the CTOC active tag file upon activation.

8.5.12.4 Transponder Reporting

TSP shall report on Transponder inventory management and tracking through:

1) Reporting to forecast Transponder needs and request Agencies to place Transponder orders with supplier;

2) Reporting to indicate how many Transponders are in inventory, transit, or a retail location;

3) Reporting to indicate how many retail Transponders have been sold, of what value, and which retailer, by time-frame;

4) Reporting to indicate inactive and active tags by retailer with active tags broken down into new Account creation vs. existing Account addition. Aging reports for retail partner receivables; and

5) Reporting to indicate the number of inactive tags detected on Agency facilities so that the CSC can research tags and contact customers regarding Transponder activation.

8.6 Transaction Processing

The system shall receive and process all Toll Transactions sent to the CSC Host from the Roadside Host computers of Agencies' toll facilities and other CTOC interoperable agencies in accordance with the approved ICDs. TSP shall provide, at a minimum, the following functions associated with processing Toll Transactions:

8.6.1 Trip Transaction Processing

The CSC Host shall process and post Trip Transactions to Accounts in accordance with the CSC operational, functional, and performance requirements described in these TPs and in accordance with TSP's FDD approved by Agencies. A transaction processing module shall process files containing transaction records received from each Host computer.

1) Receive and process Trip Transactions from the ETC Hosts;
2) Receive and process other CTOC interoperable agency's ETC Transactions;
3) Post Trip Transactions to the applicable Agency Transponder or Violation Account at the appropriate toll rate. Toll rates may vary by transaction type: Transponder, IBT, or Violation according to the Business Rules;
4) Post trips based on CTOC and Agency hierarchy per the Business Rules;
5) Send Trip Transactions to the appropriate CTOC interoperable agencies; and
6) Reject Trips provided by the applicable Agency's toll facility Roadside Hosts that violate established Business Rules such that a Trip cannot or should not be posted to an Account or pursued through the Violations process:
    a. Duplicate Trips;
    b. Incomplete Trips;
    c. Invalid Toll Zones; and
    d. Other Trips as provided in Business Rules, to be defined during the D&D phase.

8.6.2 Image Based Transaction Processing

The CSC shall receive and process Image Based Transactions (IBT) and Image Based Trip Transactions. Processing includes the following tasks as a minimum:

1) Perform automated image review using OCR/ALPR and fingerprinting technologies, utilizing rear images to generate an accuracy confidence level, and identify license plate number, type, and jurisdiction of issuance. License plate type includes temporary plates, diplomatic, commercial, disabled, local and federal government, commercial, etc. as applicable and in accordance with business rules;
2) Establish an automated image review confidence level as a Configurable Parameter, below which transactions are queued for manual review. The confidence level shall be established and modified with RCTC's authorization. The confidence level of each

image shall be stored in the CSC Host Database and associated with the image and transaction;

3) Identify the image region of interest and create an imbedded enlarged image of that area;

4) Imprint the date, time, toll facility, lane, and Toll Zone on the image;

5) Identification of the best or highest confidence image from a trip to serve as the primary image on the Customer Website and NDTEV as determined by the system, or image reviewer if the confidence level was not sufficient;

6) Match IBTs to create Trip Transactions per established Business Rules;

7) Attempt to associate IBT Trips to Transponder Accounts at every step in the Violation escalation process. Post Trip Transactions to Transponder Accounts and deduct the appropriate toll amount from the Transponder Account;

8) Attempt to associate IBT Trips to CTOC agency accounts through the appropriate interfaces; and

9) All license plates associated with open Violations shall be compared to Transponder Account License plate lists and CTOC lists daily. If the Violation occurred within the License Plate Date Range on the Account, the Trip Transaction shall post to the Transponder Account or CTOC account. Fees and penalties shall be adjusted per the Business Rules. This is known as a Plate Sweep. Plate Sweep shall occur daily and include all open Violations, regardless of the level of escalation the Trip Transaction has reached.

The TSP shall provide manual image review staff and supervisors to enter license plates which are not or cannot be read through OCR/ALPR Software and maintain satisfaction of the KPIs for image review staff and backlogs. This team shall be responsible for review of all images that do not pass the OCR/ALPR with the established confidence level. Image Review shall include the following at a minimum:

1) A first image review by personnel to identify/verify the license plate number, type and state. Unreadable images shall be rejected using unique rejection codes. Rejection codes and conditions of use are to be determined during detailed design.

2) A second image review by a different person shall be required to verify the initial image review results under certain circumstances as determined in the Business Rules.

3) The TSP shall accurately identify new and un-matched license plates to the correct owner of record and Account using search tools and mechanisms consistent with good industry practices.

4) The TSP shall provide a process to maintain a high level of quality control in the review and recording of license plate image data in the System.

5) The TSP shall ensure that image review clerks perform quality control procedures on a minimum of ten percent of images entered or update data for those images not recognized automatically.

6) The image identified by OCR/ALPR or the image reviewer as the clearest and most readable image shall be the image used in correspondence.

7) The System shall incorporate features which allow license plates incorrectly read by the OCS to be sent for manual review if detected again per the Business Rules.

8) Misread plates after a Violation Notice has been mailed shall be dismissed and reprocessed with the correct license plate and registered owner information.

8.6.3 Large Account, Rental, Fleet Vehicle Processing

TSP shall efficiently process Transactions incurred by Large Account holders, rental cars, and fleet vehicles according to the terms of the existing and future agreements with Agencies and the existing or developed ICDs. TSP shall enter into data exchange agreements with Large Account Holders to facilitate efficient Transaction processing. These agreements may include the exchange of data files such as:

1) Sending and receiving transponder tag files to update Large Accounts;

2) Sending license plate data and receiving driver/lessee contact information;

3) Sending transaction information for third party Violation processing; and

4) Processing Payments.

8.6.4 Violations

In-lane transactions in which no Transponder is detected and the license plate is not on a Transponder Account, on a CTOC agency account available for posting, or the Transponder is linked to an Account with insufficient funds to pay the toll shall be deemed a Violation.

8.6.4.1 Violation Posting

Once a Violation transaction is identified the Violation transaction shall be Posted to an Account by the CSC in the following manner:

1) Violations associated with California license plates:

    a. The license plate shall be used to obtain the primary and secondary registered owner information from the California DMV

    b. The license plate, name, and address information obtained from the DMV shall be used to identify an existing Transponder Account or Violator Account for which to post the Transaction using Business Rules established during detailed design.

    c. If no existing Account is found, a Violator Account shall be created.

2) Violations associated with out-of-state license plates:

    a. The license plate shall be used to identify existing Violator Accounts.

        i. If no existing Violator Account exists per identified criteria identified in the Business Rules, Vendor shall use the license plate to obtain the registered owner information and create a new Violator Account.

ii. If an existing Violator Account is found per identified criteria in the Business Rules, the transaction shall post to the Account if the registered owner information has been received from the responsible agency within the preceding 30 days (Configurable Parameter). If the information is over 30 days (Configurable Parameter) old, the license plate shall be used to obtain current registered owner information. The resulting information shall confirm Account identity and allow the transaction to post to the Account, or result in the creation of a new Violator Account.

3) Process all violation transactions per the CA Vehicle Code and as determined in the Business Rules.

8.6.4.2 Violation Noticing

Toll Violations shall escalate according to CA Vehicle Code 40250 through 40273.

1) Notice of Toll Evasion Violation (NTEV): This notice shall serve as the initial notification that a vehicle registered to the recipient has been recorded using a toll facility without a Transponder and/or a properly funded Transponder Account. The NTEV shall include all unresolved Violations recorded by the TCS over a 7 day period or 10 violations whichever occurs first.

3) Notice of Delinquent Toll Evasion Violation (NDTEV): An unresolved NTEV shall escalate and initiate the mailing of the NDTEV. This notice shall serve as past-due notice for the Violation and also as a warning that non-payment will result in a vehicle registration hold and may result in referral of the debt to a collection agency. Violation Notices shall comply with Vehicle Code Section 40254. Violation Notices may be printed front and back (duplex) and on paper size up to 8 ½ inches by 14 inches at the TSP's discretion.

2) Violation Notices shall have a penalty associated with each Trip Transaction per the Business Rules. Expected value of these penalties is $25 per Trip Transaction (Configurable Parameter) on the NTEV and $30 per Trip Transaction (Configurable Parameter) on the NDTEV, however this penalty is subject to Agencies' Board approval, and the final value will be determined in the Business Rules.

3) Unresolved NDTEV debt shall result in escalation of the debt per CA Vehicle Code 40250 through 40273. The CSC Host shall:

   a. File a registration hold for the license plate of the vehicle used in the Violation at the CA DMV using both Agencies' DMV assigned codes

4) The TSP shall implement grace periods as Configurable Parameters as determined by the Business Rules for NTEVs and NDTEVs.

5) The TSP shall refer unpaid debt to a collection agency per the Business Rules through an electronic interface and mutually developed ICD.

6) Upon registration hold or referral to collection, customers shall be able to pay their debt to the DMV, CSC, or collection agency.

a. Once all debt responsible for the registration hold is paid in full, the registration hold shall be removed immediately after payment processing.

b. If Agencies or their vendors were responsible for an error that resulted in a vehicle registration being held or debt being referred to collection, the tolls and fees shall be waived and tolls dismissed or transferred to the appropriate party restarting the Violation process.

7) Any checks returned as unpaid and successful credit card charge-backs for Violation payments will result in a reversal of payment and reissuance of the NDTEV including a Returned Check fee or Charge-back Fee per the Business Rules (Configurable Parameter) in addition to the penalties or fees already assessed.

8) Violation Notices returned as undeliverable:

a. The TSP shall process returned mail and update addresses when available.

b. If a new address is available, the Violation Notice shall be reissued as an NTEV to the new address per the Business Rules. The notice shall indicate it has been "reissued" and have an updated due date.

c. If no address is available, the TSP shall utilize skip trace services per Section 6.14.

9) Plate Sweeps shall occur daily and transfer Violations to Transponder Accounts at any point in the Violation escalation process, with the exception of Trips in bankruptcy or referred to a collections agency.

10) Violation Notices shall include other correspondence identified in the Business Rules and necessary to operate an effective Violation process.

8.6.4.3 Investigations and Administrative Hearings

The TSP shall process contested violations through processing Affidavits of Non-Liability and requests for Investigative Reviews. Alleged Violators shall have the ability to contest Violations through the Customer Website, by mail, through the phone with a live CSR, or in person at the Walk-in Centers.

The TSP shall process Affidavits of Non-Liability and conduct Investigative Reviews per CA Vehicle Code 40262 through 40265. A notice shall be mailed to the original individual alleged liable for the Violation who has submitted an affidavit of non-liability or request for Investigative Review notifying such individual of acceptance or rejection of contested Violation.

Violations with approved transfers of liability shall restart the notification process and a Violation Notice shall be mailed to the individual alleged liable in the Affidavit of Non-Liability. Penalties and fees shall be adjusted in accordance with the Business Rules.

If it is discovered that the license plate image and the license plate number, type, or jurisdiction as recorded in the CSC Host do not match, the TSP shall correct the CSC Host and the Violations enforcement process shall restart.

TSP shall process requests for Administrative Hearing and appeals of the contested Violation findings per CA Vehicle Code 40255. Alleged Violators shall have the ability to appeal or request

Administrative Hearings through the Customer Website, by mail, or in person at the Walk-in Center. These requests must be in writing and will not be accepted by phone or IVR.

Processing of appeals and requests for Administrative Hearing includes receiving the request and supporting documentation, recording the request in the proper Account, and reporting to Agencies and/or a third party who will conduct the Administrative Hearing. TSP shall provide records from the CSC Host necessary to support the Administrative Hearing and appeals process. The CSC System shall record the outcome of the appeal or Administrative Hearing, update Accounts as appropriate and record necessary Transactions in the CSC Host.

TSP shall be responsible for conduction the Administrative Hearing. TSP shall be responsible for contracting with the Administrative Hearing Officer to conduct Administrative Hearings on behalf of Agencies.

TSP shall make staff available as witnesses as needed for appeals to court.

All disputes, contests, and appeals and results shall be recorded in the CSC Host with sufficient information to define the dispute for tracking and resolution purposes and according to the Business Rules.

All disputes requests shall be responded to by mail, or email as defined in the Business Rules.

Following the completion of an Investigative Review or Administrative Hearing, TSP shall indicate the resulting decision in the CSC System. The CSC System shall have disposition codes for the various outcomes as Configurable Parameters. By selecting the appropriate code, the System shall automatically apply the appropriate reduction in penalties if applicable, initiate the reprocessing or reissuance of the Trip if applicable, and generate the proper correspondence informing the customer of the results per the Business Rules. Disposition codes resulting from an Investigative Review or Administrative hearing shall be applied to a single Violation or a group of Violations efficiently.

TSP shall dismiss any Violations found to be issued in error and reissue to the correct registered owner.

All costs of administrative hearings shall be borne by TSP, except for the hearing officer services. The cost for the administrative hearing officer services shall be a pass through cost to Agencies.

8.6.5 Exceptions

The CSC system shall allow for exceptions and properly dispose of Lane Transactions and Trip Transactions resulting from:

1) Emergency traffic diversions onto the ELs, and
2) Other situations identified at the agency's discretion.

Motorcycles shall be permitted to use the ELs without a Transponder and without a Toll charge on the RCTC express lanes. OCTA requires a transponder for motorcycles. Image Based Trip Transactions shall be recorded by the CSC and disposed of according to the Business Rules. Motorcycle transactions shall be formed into a trip and accounted for as such in transaction and to be posted to an Account. The System shall identify motorcycles by the license plate configuration and not require pre-registration by the registered owner.

8.7 TSP Financial Accounting

8.7.1 General Requirements

TSP shall account for all Transactions. The TCS shall be easily Configurable to allow for the addition of new agencies, facilities, general ledger accounts and transaction types with proper accounting treatment. TCS shall provide separate tracking and reporting for each Agency, and for each facility (Ex. Separate tracking shall be provided for the RCTC 91 EL, OCTA 91 EL and RCTC 15 EL.

TSP finance staff shall include two full-time Finance Managers dedicated to the Toll Services who shall be located at the ROC until the Expiry Date of the agreement. The Finance Manager will oversee the toll accounting and reporting for the Toll Services and interface with Agencies to ensure all accounting needs are met.

The requirements in this section are regarding the TSP financial accounting system, and do not require an automated interface to the Agencies' accounting system.

TSP and the TCS shall meet the following accounting requirements:

1) Comply with GAAP;
2) Comply with both Agencies' accounting policies and procedures;
3) Provide Configurable Parameter processing rules.
4) Automatically generate double-entry bookkeeping entries for each Financial Transaction;
5) Provide for the identification of the source of all Financial Transactions at the Financial Transaction level;
6) Provide a configurable mapping of all Financial Transactions to the TSP general ledger demonstrating the corresponding TSP general ledger debit and credit for each Financial Transaction type;
7) Provide an audit trail for each Transaction from lane to Trip, Account, revenue, and general ledger;
8) Provide automated generation of fully supported financial statements for each Agency and each facility including: a general ledger, trial balance and subsidiary ledgers;
9) Provide for the accounting of revenue by Agency, Trip Transaction, Trip Transaction type, and posting date;
10) Provide for the accounting of general account revenue by a configurable percent, provided by Agency, for each facility.
11) Maintain multiple TSP general ledgers (by Agency and/or facility to be determined by Agencies);
12) Prepare and provide timely and accurate financial information and reports;
13) Make daily transfer of funds to designated parties accounts;

14) Posts Financial Transactions to the proper accounting period according to the accounting treatment agreed upon with Agencies. Should the TCS system post Financial Transactions to the general ledger in a summarized process TSP shall have the ability to provide detailed reporting of each account balance at any given time;

15) Adhere to both Agencies' daily, monthly and year-end closing schedule;

16) Report any unresolved discrepancies to the applicable Agency that remain open longer than 30 calendar days until they are resolved;

17) The accounting system shall match each Agency's fiscal year and provide for the annual close of all nominal accounts and dual-year operation to allow for delayed posting of Financial Transactions in the prior year while the current year is open and operating; and

18) Adhere to proper daily, monthly and year-end cut-off procedures.

8.7.2 Financial Management

The TCS shall include, at a minimum, the following functions related to financial management:

1) Accounting Features – Develop and utilize an internal TSP financial accounting system consistent with GAAP that includes a multi-account general ledger.
2) Account Mapping – Provide TSP general ledger account mapping for all Financial Transactions.
3) Financial Statements – Provide GAAP compliant statements for inclusion in each Agency's financials and audited by the applicable Agency's audit firm.
4) Internal Controls – Provide control measures for business processing and IT processing subject to periodic review by Agencies.
5) Credit Card Clearinghouse – Provide interface to a credit card clearinghouse.
6) Report Capability – Provide reports for financial audit, batch control totals, checks and balances, and revenue reconciliation.
7) Check 21 – Provide interface to bank equipment for Check 21 processing.

8.7.3 Internal Controls

TSP shall follow methods and procedures necessary to provide reassurance that the following objectives are achieved at a minimum:

1) Safeguard assets and minimize revenue loss.
2) Ensure validity of financial records and reports.
3) Provide adherence to policies, procedures, Governmental Rules and regulations.
4) Provide effective and efficient operations.
5) Properly classify activity and segregate balances by agency and facility.

8.7.3.1 Financial Control Plan

TSP shall create and submit to Agencies for review and approval a Financial Control Plan documenting the internal controls in place for the lifecycle of all transactions. The Financial Control Plan shall be submitted and approved with the Final Design Review. The Financial Control

Plan shall provide the framework for the internal control system including, at a minimum, the following:

1) Control environment:
    a. Management's focus on integrity;
    b. Commitment to investigating discrepancies;
    c. Diligence on designing systems; and
    d. Assigning responsibilities.
2) Risk assessment:
    a. Identifying the areas where errors and loss may occur; and
    b. Providing the controls to mitigate such risk.
3) Monitoring and reviewing:
    a. The schedule for management to review the plan;
    b. Assess if the controls remain adequate; and
    c. Identify new risks that may have arisen.
4) Communication:
    a. The plan for communicating the controls to staff to ensure adherence.
5) Control activities:
    a. The policies, procedures and daily activities that occur within the control system to prevent and detect loss or error.
6) Audit and reconciliation procedures.
7) The Financial Control Plan (including reconciliation and audit procedures described below) shall be reviewed and updated for all relevant changes, no less frequently than annually, prior to each Agency's fiscal year ends.

8.7.4 Reconciliation and Audit

The Financial Control Plan shall include reconciliation and audit procedures (also known as SOPs) necessary to ensure that there are no errors or loss of revenue for all transaction cycles. Such reconciliation and audit procedures shall include, at a minimum, the following:

1) Daily reconciliation of all Lane Transitions through posting Trips to the TCS general ledger. All un-posted transactions shall be accounted for according to agreed-upon reject codes. TSP shall provide weekly reporting, research and analysis of un-posted Lane Transactions;
2) Daily reconciliation of all major accounts between the general ledger and supporting records, including cash, pre-paid toll liability, credit card merchant processing, check 21 processing, DMV hold funds and fees, collection funds and fees and interoperable receivables and payables on a daily basis;
3) Daily trending of rejected transactions by source location (plaza and lane) and transaction volumes at various stages of processing and by transaction type;
4) Daily reconciliation of the subsidiary ledgers to the general ledger;

5) Monthly review, trending and investigation of adjusted (reduced or written off transactions by employee and reason code) transactions;

6) Daily reconciliation of all processes that involve the completion of Transaction posting (e.g. each process step that accounts for ETC Transactions through Account posting and image Transactions through posting or Violation Notice creation);

7) Reconciliation of Lane Transaction to Trip construction. All unposted Transactions shall be investigated and reconciled on a daily basis;

8) Monthly physical transponder inventory; and

9) Reconciliation of revenue collected and individual Transactions posted in the TCS daily.

10) Monthly reconciliation of all financial activity between the general ledger and each Agency's general ledger (E.g. reconcile the TCS general ledger to ensure it is in synch with each Agency's general ledgers at the end of each reporting period).

TSP shall provide Agencies with a monthly summary of all reconciliations, audits and trending analysis. Monthly summary shall demonstrate that the TCS general ledger ending balances reconcile to the agency general ledger ending balances and underlying balance reports and that the roll-forward of prior month ending balances to current month ending balances reconcile to the monthly activity.

TSP shall provide an annual Service Organization Control Type 2 report according to the Standards for Attestation Engagements (SSAE) No. 18. Should the reporting standards change during the Term, TSP shall provide the annual Service Organization Control report recommended by the American Institute of Certified Public Accountants.

TSP shall support the Agencies' independent auditors in the performance of their annual financial audit of the 15 Express Lanes and 91 Express Lanes. TSP shall provide the auditors with all reports, reconciliations, documents and detailed transaction records they request. TSP shall provide a work space for the auditors at the ROC during the course of their audits.

The TCS shall perform daily and monthly reconciliation of changes in Account balances resulting from the opening of an Account with the required deposits, the closing of an Account involving the refund of the outstanding balance and deposit, Account replenishments and payments posted to the Account, the posting all Financial Transactions and adjustments. Daily and monthly deposits shall be reconciled with changes in Account balances on an aggregate basis and for each acceptable payment type. Deposits made to the applicable Agency's bank by operations staff and electronically by the credit card processing companies shall be reconciled with counted and verified cash and credit card receipts.

The TCS shall reconcile every reciprocal transaction with the appropriate reciprocal agency.

The TCS shall have the ability to charge interoperable agencies a fixed or variable transaction fee and/o provide for netting of credit card fees between one or more interoperable agencies..

TSP shall reconcile amounts paid and amounts received with the transaction files and resolve any differences with the reciprocal agency.

TSP shall support the calculation of user fees as outlined in the User Fee Processing Agreement, credit card, and other cost settlement among CTOC agencies and shall prepare a monthly statement.

8.7.5 Funds Handling

TSP shall be responsible for all funds related to the Toll Operations.

TSP shall ensure that all funds are maintained in a secure fashion minimizing the risk of theft or loss.

TSP shall provide all services related to the handling of negotiable funds.

TSP shall provide and maintain any start funds necessary for the operation of the Walk-in Center locations.

TSP shall deposit all funds into the designated bank account for the applicable Agency within one business day of receipt.

TSP shall prepare all deposits in accordance with the applicable Agency's bank's preferred policies and procedures.

TSP shall provide for the secure method of delivery of funds to the bank.

TSP shall provide a secure location for the storage of negotiable funds awaiting transfer to the bank.

TSP shall reimburse the Agencies for any lost, stolen, or embezzled funds as provided in the Contract.

8.7.5.1 Start Fund

TSP shall provide the start fund required to make change with customers. TSP shall replace all shortage of funds and increase or decrease the start fund over the course of operations as becomes prudent and necessary.

8.7.5.2 Daily Reconciliation and Deposit

TSP shall perform daily reconciliation of funds and accounts. TSP shall report any reconciliation differences to Agencies. TSP shall prepare all funds for deposit at the close of business each day and make deposits daily. All funds shall be deposited within one business day of receipt or as approved by Agencies per the KPIs.

8.7.6 Accounts Receivable and Accounts Payable

TSP shall perform all Toll Services required to process toll and Transponder payables and receivables.

The TCS shall prepare invoices, post payments received and process payment of amounts owed and aging for each payable and receivable account.

TSP shall provide invoices via paper or electronic exchange according to the terms of each third party or retail agreement entered into by TSP.

TSP shall provide payment of receivables via check or wire according to the terms of each third party or retail agreement entered into by TSP.

TSP shall make payments and manage the receipt of payments according to the terms of the retail and interoperable agreements.

The TCS shall provide the capability for the reporting of each payable and receivable by partner, providing details contributing to any outstanding amounts and reconciling the payable ledgers to the associated general ledger accounts.

TSP shall manage any outstanding receivables due from interoperable and retail partners to ensure invoiced amounts are collected within 60 days from the date of invoicing.

TSP shall generate reports of each payable by interoperable partner and retail partner, providing details contributing to any outstanding amounts and reconcile the payable ledgers to the associated general ledger accounts.

TSP shall perform all customer refunds due to customer overpayment or designation of a refund being due and perform the escheatment of uncashed checks according to the applicable Agency's policies and Business Rules. TSP shall maintain proper records and manage the Escheatment process as approved by Agencies from start to finish, including advertising a Notice of Publication of Unclaimed Funds. TSP shall be responsible for providing the refund checks and initiating the transfer of funds from the pre-paid toll cash Account or the Violation Account in accordance with the Business Rules.

TSP shall prepare a monthly finance package for each Agency as agreed upon with Agencies within ten (10) calendar days of month end close. As agreed upon within four (4) business days of TSP shall prepare and post a journal entry to each of the Agency's accounting systems by either manual or automated means. In addition to the monthly close journal entry, TSP shall post weekly entries into each Agency's finance system as determined by the Agencies.

TSP shall prepare monthly invoices for Agencies for all Pass–Through Cost Items, which will be accompanied by sufficient support to substantiate the expenses. Invoice format shall be developed by TSP and approved by Agencies. Agencies will work with TSP to determine the portion of invoices to be submitted to each agency. Invoices shall be submitted to Agencies within ten (10) calendar days of MMR approval.

The TSP shall prepare a quarterly violation Accounts Receivable (A/R) collectability analysis for purposes of determining the Allowance for Doubtful Accounts, Bad Debt Expense, and projected violation revenue. The analysis shall incorporate collection performance data from both internal collection activities and all third-party collection agencies engaged on behalf of the Agency. The analysis shall include explanation of material changes from the prior quarter and prior fiscal year. The methodology used in the analysis, including recovery rate assumptions and historical periods utilized, shall be documented and consistently applied unless otherwise approved in writing by Agencies. The TSP shall submit the quarterly A/R analysis for approval within 20 business days of the end of the quarter.

8.7.7 Financial Institutions

If requested by an Agencies, TSP shall assist with the establishment of bank accounts required for the O&M Work. The bank accounts will be established in the names of the Agencies.

If requested by Agencies,, TSP shall be responsible for the transition of all accounts to a new bank should Agencies' banking relationship change.

If requested by Agencies, TSP shall establish a refund account which will be a zero balance account and funded by the source account of the refund.

If requested by Agencies, TSP shall account for all bank fees related to the back accounts within the general ledger system.

If requested by Agencies, TSP shall enter into an arrangement with the Agencies' bank for the processing of payments via Check 21 processes. All costs and equipment related to the Check 21 processing shall be paid by TSP at its expense in accordance with Contract Exhibit 7.

TSP shall enter into credit card merchant account/service agreements with all major credit card processors (MasterCard, Visa, Discover and American Express) and Agencies shall have the right to approve all merchant account/service agreements. Merchant account/service agreements shall be no less favorable than those offered to other customers. Agencies shall retain the right to contract directly for such services at any time.

Merchant account/credit card processing service agreements shall include automatic update of credit card expiration dates when available and other services intended to keep account information up to date.

TSP shall be responsible for all Equipment, set-up fees, subscription fees related to merchant accounts and credit card processing. Agencies shall be responsible for funding any credit card transaction processing fees netted by the credit card servicing company from the customer payment amounts. Fees shall be compared across at least three (3) merchant service providers and evaluated with input and approval by Agencies.

TSP shall be responsible for reconciling all financial institution accounts to the general ledger. TSP shall correct or resolve any reconciling differences prior to the following month's reconciliation.

8.7.8 Transition and Data Migration

TSP shall develop transition and data migration procedures that demonstrate full end to end validation and reconciliation of all account balances (customer accounts, interoperable agency accounts, collections, DMV, and general ledger accounts). TSP shall coordinate with Agencies and the 91 Express Lanes current vendors to seamlessly migrate financial activity and balances.

TSP shall reconcile all migrated data, including identifying balances by balance type from the source system (current 91EL system), appropriately mapping and migrating these balances and demonstrating that balances in the target system (TCS), net of any activities related to data cleansing, reconcile to the source.

TSP shall calculate and post beginning balances to the TCS general ledger. TSP shall reconcile beginning balances from the source system to the agencies' general ledgers and the TCS general ledger.

TSP shall calculate and perform cash transfers required as part of the data migration and transition plan.

TSP shall track and manage all payables and receivables that exist at the time of migration. The TCS shall escalate and correctly age these migrated balances.

TSP shall track and manage all customer prepaid balances, violations receivable, outstanding overpayments, outstanding refunds, interoperable agency, collections, DMV and other balances from the source system through the entire revenue cycle through to escheatment or write-off, as applicable.

8.8 Communications

TSP shall provide, at a minimum, the following communications functions during the O&M Term:

1) Public relations and media interaction – coordinate with Agencies in responding to media inquiries, staging and executing press events and carrying out a proactive media relations strategy;
2) Collateral material – Design, produce and update print and electronic collateral material related to Accounts and general toll facility information;
3) All customer correspondence (including statements, Violations, Account alerts and notifications) and marketing shall be approved by Agencies and be prepared by TSP's graphic designer;
4) The TSP shall include CTOC and Agency marketing materials or messages in the customer correspondence up to three (3) times per year and Customer Website at the direction of the Agencies;
5) TSP shall provide up to one (1) general correspondence mailing and one (1) general email correspondence each year to all customers at Agencies' direction;
6) Agencies shall provide approvals for all communications in advance of distribution or publication;
7) The TSP shall adhere to the proper use of logos as defined by license and trademark usage provisions in interoperability agreements;
8) The TSP shall adhere to proper use of the and FasTrak® related logos as defined by license or trademark agreements; and
9) TSP will not be responsible for customer communications through social media, though will be expected to coordinate messages through CSRs as appropriate.

9 TRAFFIC MANAGEMENT SYSTEM (RCTC Only)

9.1 General

TSP shall provide the Traffic Management System that shall manage the traffic for the I-15 ELs. To ensure the optimal performance of the ELs the Traffic Management System shall monitor and manage the traffic throughout the ELs 24/7. The Traffic Management System shall verify the functional status of the traffic management field equipment. In case of an equipment failure the Traffic Management System Software will identify and provide alerts to MOMS.

TSP shall conduct all Work necessary to meet the requirements to design, furnish and install the Traffic Management System. The primary purpose of the Traffic Management System is to collect and manage data to support incident management and to provide support to dynamic pricing, changeable message signing and allow the dispatch of towing and emergency management vehicles. The primary components of the Traffic Management System are the CMS, CCTV, speed detection sensors, and the Equipment installed at the traffic operation center (TOC).

The traffic management system shall communicate to the Host in real time to allow for the traffic data to be used by the Dynamic Pricing algorithm.

Each traffic management device shall have a unique IP address that identifies its location.

The Traffic Management System shall be capable of operating in a stand-alone mode if communications between the Traffic Management System and Host are down. Upon re-establishing communications with the Host, all back-logged messages shall be transmitted to the Host without affecting or degrading near real time lane operations.

TSP shall develop and operate a toll system real-time operator dashboard to collect and display real-time data from CHP CAD, 511, Department, Sig Alerts and other traffic condition providers such as private party data (e.g. Waze). The dashboard shall be web enabled by login with alert capabilities and filters.

The Traffic Management System shall be capable of storing all traffic information while in stand-alone mode for a minimum of seven (7) days using normal traffic data collection settings. The CCTV system shall store video for three (3) days.

TSP may incorporate supplemental alternative Traffic Management System devices in order to capture traffic queuing data in EL and GP lanes.

To the extent possible Traffic Management System devices should be collocated with ETC Equipment to share cabinets, power and communications infrastructure.

All TCS Equipment shall be purchased (not leased).

The TMS shall use the interface described in Section 7.3.9 and be available to RCTC for remote access.

9.2 Traffic Detection and Sensors (RCTC Only)

TSP shall furnish and install traffic detection, such as side fire radar, to be subject to final review during the D&D Phase. The traffic detection system shall be an out of pavement solution. The location and spacing of the traffic detection shall be determined during the D&D Phase, but will be approximately every one mile. The primary purpose of the traffic detection system is to obtain data for the pricing algorithm as well as general monitoring of the corridor. The traffic detection shall measure the traffic conditions in the ELs and all GP lanes with the following functionalities including, at a minimum, the following:

1) Detect traffic by lane in the ELs and all I-15 General Purpose Lanes at vehicle speed between 0 and 100 MPH;
2) If the sensors store time internally, they shall synchronize time with the Lane Controller or through the network to the same source as the Lane Controller within 1/100 of a second;
3) Ensure that the Traffic Management System can compute, store, and provide all required traffic parameter measurements per detector in user-selected time intervals from 30 seconds to 60 minutes, including 10 seconds, 20 seconds, 30 seconds, 60 seconds, 5 minutes, 10 minutes, 15 minutes, 30 minutes, and 60 minutes;
4) Provide a volume accuracy of greater than 95 percent per direction and 90 percent per lane for all lanes. Provide speed accuracy of +/- 5 MPH per direction and +/- 10 MPH per lane for all lanes;
5) Report at minimum the following in each lane:
    a. Speed,
    b. Volume
6) Work over barriers, guardrails, medians and gores;
7) Allow for remote configuration and have auto-configuration of lanes/detection Toll Zones;
8) Be capable of monitoring its health and communicate it to MOMS;
9) Transmit traffic data to the Host in time intervals approved by RCTC during the D&D Phase; and
10) TSP may incorporate supplemental alternative TMS devices in order to capture traffic queuing data in the EL and GP lanes at any potential bottleneck locations.

9.3 Changeable Message Signs (RCTC Only)

The TSP shall utilize changeable message signs (CMS) to convey travel information to motorists. The CMS signs may also display pre-approved messages from the Department. The CMS shall at a minimum:

1) Be approximately 306” x 80”;
2) Support 3 lines of text, 16 characters per line at 18”high; and
3) Be full matrix display.

The Work to be performed by TSP for the CMS includes:

1) Furnish three (3) full-matrix CMS and housings that utilize state-of-the-art LED technology that comply with all applicable standards, Governmental Rules, and requirements, are CA MUTCD compliant and subject to Department approval;
2) Provide equipment and Software that fully integrates the control and operation of each of the three (3) CMS with the TOC;
3) Provide failure mode monitoring and reporting for all CMS and related system elements at the TOC;
4) Furnish ground-mounted cabinets to house CMS controllers and other ancillary equipment at the roadside CMS Site;
5) Integrate and test the CMS at the roadside Site and at the TOC;
6) Design, furnish and install the equipment and Software required to monitor and operate the roadside CMS equipment; and
7) Provide TOC application and client servers to support the TCS.

TSP shall design and furnish the CMS, and the cabinets for the CMS installation. The CMS roadside subsystem shall communicate with the TOC using the Network Communications System. The cabinets installed for the CMS site shall contain the necessary communications equipment for the CMS to interface with the TOC. TSP shall furnish and install all cables and wiring between the CMS, the cabinets, and the power in accordance with Section 19.3.

The DB Contractor will design and construct the CMS site infrastructure to support the CMS, and install the equipment furnished by TSP. DB Contractor will design, furnish, and install CMS foundation and structures, conduits, splice vaults, pull boxes, power service cabinets, and the cabinet foundations at the CMS site in accordance with Section 19.3.

9.3.1 General Requirements

1) CMS shall be used to communicate ELs messages to motorist via full CMS. The CMS LED panels shall be managed by roadside CMS controllers that will communicate with the TOC to display pre-approved messages by EL operators.
2) TSP shall provide CMS LED panels that can display 18-inch high characters as required by the CA MUTCD.
3) The CMS shall comply with AASHTO “Standards Specifications for Structural Supports for Highway Signs, Luminaries and the section titled Dynamic Message Sign Assembly” and the Department requirements.
4) Each CMS controller shall have a unique IP address that identifies its location.
5) The CMS shall be NTCIP 1203v1 compliant.
6) The CMS with associated controllers and Software shall be capable of displaying CA MUTCD, the Department and RCTC approved text, graphical images and shapes. The CMS shall be able to display amber color to comply with the Department’s requirement at a minimum.
7) The CMS shall enable the CMS controller to report to the Host what is being displayed by interrogating the sign.
8) The CMS LED shall include a light sensor to measure the ambient light and adjust the intensity of the LEDs to be visible under all light conditions.

9) The CMS shall be capable of operating in a stand-alone mode if communications between the CMS and Host are down using pre-defined messages.

10) The CMS shall be capable of storing all displayed information while in stand-alone mode for a minimum of 30 days.

11) CMS controllers shall be located in weather hardened roadside enclosures to be specified, provided, installed and integrated by the TSP.

12) The CMS controller shall monitor its health and that of CMS subcomponents in order to report health diagnostic information and send alert messages to MOMS.

13) During the D&D Phase TSP shall provide details on how to handle the coordination with the SR-91 CMS and nearby Department CMS to avoid excessive signage information that may cause confusion to the motorist.

14) In the event the CMS is used for travel time or road incident information, the TSP shall provide details on coordination with the Department CMS, and provide consistent information.

15) Subscription based wireless backup communication shall be provided for each CMS. The wireless backup shall consist of a system compatible wireless modem, antenna and power supply.

16) Each CMS shall be equipped with an Ethernet switch to facilitate the switching from the primary fiber-optic communication channel to the backup wireless circuit.

The TSP shall coordinate with DB Contractor on the power service connection and design of the support structure for the CMS. The TSP shall review DB Contractor's designs of CMS site infrastructure during the design review process to confirm the design and locations of all components.

9.4 Closed Circuit Television System (RCTC Only)

CCTV is used by the EL operators for monitoring, verification, security, and management of the EL. CCTV facilitates EL operators in responding to road incidents. TSP shall design, furnish and install a CCTV system to support the traffic management operations at the TOC. The Traffic Management System shall incorporate a series of CCTV cameras to monitor the movement of traffic within the ELs and allow the TOC to respond as appropriate to incidents within the ELs. CCTV video cameras will be mounted throughout the ELs to provide continuous video feed of current traffic conditions and alert operators to incidents. Video analytics shall supplement the TCS operations when operators are not monitoring the video displays.

9.4.1 TSP Responsibilities

TSP shall be responsible for the following at a minimum:

1) TSP shall provide a CCTV system for the purpose of remotely viewing the EL facility in real time, including upstream and downstream of the Corridor;

2) TSP shall provide CCTV cameras with full color, provisions for PTZ, and with optical and digital zoom. The cameras shall be capable of showing legible images of the Variable Toll Message Signs in all light conditions.

3) TSP shall provide an interface that provides for the selection and control of CCTV cameras for the viewing of live streaming video;

4) TSP shall review DB Contractor's line of site surveys and proposed locations;

5) TSP shall coordinate with DB Contractor on service and power connections. TSP shall be responsible for running power/data connections from the power/data equipment enclosure(s) to TSP installed equipment;

6) TSP shall coordinate with DB Contractor on items that require DB Contractor's input and which may impact on the cost, operation, maintenance, system performance and accuracy of the Toll Services with the oversight from RCTC;

7) TSP shall not disrupt the existing CCTV video surveillance functionality in the Corridor area except with prior written approval of the Department and RCTC;

8) TSP shall provide a direct CCTV feed to the Department through the Network Communication System; and

9) TSP shall provide a video distribution server.

9.4.2 CCTV System Requirements

The CCTV System shall meet the following requirements at a minimum:

1) The TSP shall provide CCTV cameras with full color, provisions for pan, tilt and zoom (PTZ), and with optical and digital zoom. The cameras shall be capable of showing legible images of the VTMS displays in all light conditions;

2) The CCTV System shall support up to 30 concurrent streams;

3) The CCTV system shall allow for the remote view of traffic conditions in the EL and GP lanes and verify Variable Toll Message Sign displays and CMS displays;

4) The CCTV system shall allow for the assignment of user rights (e.g., view only or view and control) by log in;

5) The CCTV system shall provide preset camera PTZ location setting capabilities and the ability to exclude views (i.e. ensure that a camera cannot pan into someone's backyard);

6) All externally mounted or installed components of the CCTV system (brackets, enclosures, cabling, connectors, etc.) shall be appropriately sealed and/or enclosed such that they will operate continuously and will provide legible images of the lane(s) under all-weather/lighting conditions;

7) The CCTV system shall report CCTV subcomponent messages to MOMS and log diagnostics;

8) The CCTV system shall have the ability to prioritize which users have control of any given PTZ camera;

9) The CCTV system shall include the ability for managing CCTV bandwidth usage; and

10) Each CCTV device controller located roadside shall connect directly to and through the Host.

The video analytics system shall at a minimum:

1) Detect incidents anywhere along the Express Lane with CCTV system, including; stopped vehicles, objects in the Lane, pedestrians, wrong-way vehicles, slowed traffic, congestion, and fire/smoke;

2) Utilize the PTZ cameras, day and night, regardless of weather conditions;
3) Automatically send an alert, via multiple electronic formats i.e. email, sms, etc., to designated user(s) when an incident is detected;
4) Automatically record video before and after a detected incident occurs;
5) Be Configurable to allow the user to set up specific incident thresholds for notifications including configurable parameters for time of day and day of the week;
6) Be Configurable to work with multiple camera presets;
7) Provide real time data collection and reporting including; traffic speed, vehicle counts, Lane occupancy and flow rate;
8) Create and alarm on the operator GUI;
9) Perform video analytics on a centralized server to allow for scalability,
10) Tuning and maintenance throughout the duration of the contract; and
11) Save all data to the Data Mart for reporting.

The CCTV interface shall at minimum:

1) Allow viewing of multiple CCTV cameras simultaneously;
2) Provide capabilities to control the PTZ functionalities of the cameras;
3) Provide capabilities to record and play back video feeds; and
4) Allow remote viewing and control of the cameras from offsite locations

9.4.3 Coordination with DB Contractor (RCTC Only)

DB Contractor will design, furnish, and install foundations and poles for all CCTV cameras. As part of the DB Contractor's design work, DB Contractor is responsible for identifying the CCTV camera locations and spacing in accordance with the following criteria:

1) Provide full coverage of the ELs within the planned right-of-way limits;
2) CCTV cameras must not be located within the median of the roadway;
3) Locate cameras between interchanges with other overcrossing roadways, to allow monitoring under structures; and
4) Place cameras in a location that doesn't require a lane closure to safely maintain the camera where possible.

TSP shall review DB Contractor's designs during the design review process to confirm the locations and pole heights for each camera location. TSP shall furnish a NEMA 3R cabinet to be installed by DB Contractor on the camera pole.

DB Contractor will provide all electrical power at the CCTV camera site, providing 120 VAC service at each site. The power service cabinet will be provided at the CCTV camera site, and will contain a transformer, main disconnect switch, and load circuit breakers for circuit protection in accordance with TSP's Infrastructure Requirement.

TSP shall furnish and install all cables and wiring between the camera, the NEMA 3R cabinets, and the power service cabinets.

9.5 Traffic Operations Center (RCTC 15 EL)

TSP shall provide the TOC that will be utilized by TSP TOC staff to view the Corridor traffic in real-time, and to review recorded/historical video data. The TSP shall design, furnish and install all of the Equipment and Software required to implement the TMS to monitor and control all the roadside TMS Equipment and systems on the ELs and at the TOC. The TMS shall provide the TOC operator with the capability of viewing images from all CCTV cameras. Large screen monitors shall be located in the TOC where the operator can display a specific camera or where the host computer upon receiving an alarm will trigger an indication on the operator's console and automatically display the nearest camera. The TOC operator shall have direct control of the PTZ features of all CCTV cameras to scan and observe activity. The Traffic Management System shall provide split screen capability for all monitors.

9.5.1 Video Wall

TSP Operators at the TOC shall be able to display all real time CCTV camera images and TMS generated graphics (i.e. situational awareness displays, including: roadway schematics, traffic conditions, and toll rates; map displays and User selected GUI displays) as controlled from operator workstations.

The video wall shall include at a minimum 4-55" LCD monitors with 1020p resolution and all necessary brackets and mounting equipment.

9.5.2 TMS Workstations

TSP shall provide all computer workstations, peripherals, and monitors as defined during the D&D Phase to allow TSP to efficiently operate the ELs.

9.5.3 Network Connectivity

TSP shall provide local area network connectivity between video wall, workstations, peripherals, and the Communication Network.

9.6 15 Express Lane Operations/Traffic Operations Center (91 EL TOC refer to Section 20)

The TSP shall staff operators to oversee daily operations of the ELs. The hours of operation are 5:00 a.m. to 9:30 p.m each day, Sunday through Saturday.. Overnight hours, from 9:00pm to 5:30am, and weekend hours, 9:00pm Friday through 5:00am Monday, are staffed remotely by operations personnel The overnight hours primary focus pertains to managing closure incidents, performing rate verification, asset/equipment checks, and incident management. The TSP shall provide on-call staff or automated solutions, outside the hours of operation, to perform changes to the lane system mode of operation, the CMS and the VTMS. Any change in hours is subject to the Change Order process per Contract Section 20.

The TSP shall coordinate and interface with several other agencies, including RCTC staff and TSPs, The Department District 8 TOC operators, The Department District 8 maintenance, FSP, SR-91 Operations and CHP.

9.6.1 General Requirements

TSP shall provide support to all relevant parties during system malfunctions and other escalated events per the SOP.

TSP shall manage EL Operations staff – hire, remove, discipline, schedule, train, and provide them the necessary tools and instructions to operate efficiently.

TSP shall coordinate with CHP, the Department's maintenance department, ROC Operations, RCTC and consultant staff during special events and when otherwise required.

TSP shall create and provide updates to SOPs for TOC functions. SOPs shall be submitted to RCTC 90 days before the CSC Commencement Deadline per Section 2.10.1. The TSP shall annually update the SOPs and keep a running list of changes to SOPs. Annual updates to the SOPs shall be reviewed and approved by RCTC.

TSP shall monitor and evaluate operator performance, and coordinate with RCTC staff on monthly audits.

TSP shall develop emergency staffing plans.

TSP shall ensure operations staff coverage during planned and unplanned operator absences.

9.6.2 Operations Requirements

The TSP shall, at a minimum, perform the following tasks as part of its O&M Work:

1) Perform incident management of the ELs and support incident management in the general purpose lanes.
2) Field real-time traffic and toll rate inquiries by others, e.g. RCTC management, CSC.
3) Coordinate with CHP on requests to change display messaging and system operations (e.g. displaying and placing system into, "HOV-Only"), planned lane closures, special events and other field coordination activities.
4) Coordinate with the Department's traffic incident management program, communicating changes that could impact general purpose lane operations, including planned lane closures.
5) Monitor toll rates, roadway and traffic conditions, and dynamic pricing using system tools, CCTV feeds, toll system real-time operator dashboard, CHP CAD, 511, and Department Sig Alerts and other traffic condition providers such as private party data (e.g., Waze).
6) Perform rate adjustments and manual pricing overrides per SOP.
7) Traffic incident response: Perform manual overrides and change VTMS and CMS signs as appropriate.
8) Monitor TCS maintenance alerts and report any issues to the appropriate party (RCTC, TSP maintenance, etc.).
9) Assist with TCS troubleshooting and diagnostics.
10) Conduct Incident Management workshops with Department, CHP, FSP and other local agencies.
11) Coordinate with FSP to identify disabled vehicles or debris in the express lanes.
12) Fulfill other duties, as will be defined in the SOP.

9.6.3 Systems Checks and Maintenance

TSP shall, at a minimum, perform the following systems checks and maintenance as part of O&M Work:

1) Monitor TCS maintenance alerts and report any issues to the appropriate party per the SOPs (RCTC, TSP maintenance, etc.). MOMS should have already alerted most parties. The express lanes operators will act as a back-up for notification.
2) Monitor performance on non-TCS roadside maintenance activities by the Department or RCTC TSP on the EL to ensure no impacts to EL operations, e.g. sweeping, litter pickup, etc. Coordinate with RCTC maintenance staff if issues persist.
3) See "Data Analysis" section below, on documentation and reporting of TCS maintenance issues.

9.6.4 Coordination/Other Assignments

TSP shall coordinate with other entities as part of O&M Work, including but not limited to:

1) Coordinate with CHP and FSP on their efforts to provide enforcement and incident management.
2) Assist with TCS data analyses/research questions from CSC.
3) Manage user requests for TCS login credentials.

9.6.5 Data Analysis

The TSP shall perform the following data analysis as part of O&M Work, including at a minimum:

1) Create trend analyses for daily operations and prepare incident summaries.
2) Review and approve TSP performance monitoring reports, including penalty calculation, and ensure compliance with requirements of the Contract and KPIs, including field maintenance activities such as response and repair times.
3) Create TSP performance monitoring trend analysis.
4) Coordinate data and analysis QA/QC, including verifying data accuracy and historical trends.
5) Verify historical rates are being updated and pushed out to the Lane Controller.

10 REGIONAL OPERATIONS CENTER

10.1 General Description

The ROC will be the operations center for the Express Lanes and will house the centralized functions necessary for the O&M Work. The ROC will be located in a single facility that is capable of supporting all operations and maintenance functions associated with the ETC System, TMS, CSC System, Communications Network and MOMS. The location of the ROC will be in close proximity to the Express Lanes to facilitate ease of access for customers.

The ROC facility will be acquired by RCTC and RCTC will facilitate all building improvements necessary to support the requirements supplied by TSP and agreed upon by RCTC. TSP shall be responsible for furnishing and installing all Equipment, furniture and other items necessary for daily operations in the ROC. A detailed demarcation of responsibilities between RCTC and TSP with respect to the build-out of the ROC is presented below in Section 10.2.

It is RCTC's intent to co-locate all of the centralized components of the TCS in the ROC. However, RCTC may, in its sole discretion, consider solutions that are hosted offsite if presented as an alternative which may result in cost savings or improved operations. All items to be provided by TSP for the ROC will be owned by RCTC.

10.2 Facility Buildout (This work has been performed but is retained for purposes of establishing responsibility between RCTC and TSP)

The build-out of the ROC will be accomplished by RCTC in cooperation with the TSP as described below.

10.2.1 RCTC ROC Responsibilities

RCTC will obtain the ROC facility space, including all permits, and perform commercial facility improvements as described in this Section 10.2.1. The improvements to be provided by RCTC are generally expected to include interior remodeling (walls, floors, partitions, doors, etc.) as well as electrical, mechanical, plumbing and accessibility improvements. These improvements will be based on the preliminary ROC facility requirements specified as a deliverable to be provided by the TSP as part of the TCS Infrastructure Design Document described in Section 4.2.

RCTC will also provide a communications connection from the Express Lanes to the ROC.

10.2.2 TSP ROC Responsibilities

The TSP shall submit preliminary ROC facility requirements to RCTC as part of the TCS Infrastructure Design Document described in Section 4.2. After the ROC facility is acquired and facility improvements are completed by RCTC, the ROC will be turned over to the TSP for completion of the build-out.

The TSP shall furnish and install all FF&E, workstations and other materials as necessary to operate the ROC. This includes all labor necessary to procure, transport, install, configure and test the ROC items furnished by TSP.

10.2.3 Facility Build-out Demarcation

Table 10-1 below shows the general demarcation of responsibilities for build-out of the ROC.

Table 10-1: RCTC vs. TSP ROC Buildout Responsibilities

Category	RCTC Provided	TSP Provided
Architectural Enhancements	• Provides all facility architectural modifications, e.g. construction of walls, hard partitions, painting, lighting, doorways etc. • Develops architectural plans for facility modifications or building construction	• Provides facility system requirements and facility floor plan diagrams for input to the architect.
HVAC	• Furnish and install central HVAC systems for all parts of the facility, including the additional HVAC and backup HVAC systems for the computer rooms.	
Signage	• Design, furnish and install wayfinding signage to the ROC facility, e.g. signs on nearby arterial streets. • Design, furnish and install signage on the side of the building, e.g. ROC/RCTC Logos and door decals.	• Furnish and install informational signs on the ROC Visitors Center entry, e.g. information on office hours.
Parking and Outdoor Furnishings	• Furnishes and installs parking lot and lot striping. Includes parking for tow trucks and maintenance vehicles. • Furnish and install outdoor landscaping, lighting and other outdoor furnishings.	
Furniture		• Furnish and install desktop computers and laptops. • Furnish and install office printers, copiers, scanners, mail and fax machines. • Furnish and install ROC furniture and operator Consoles. • Furnish and install general office furniture and cubicle systems. This includes lobby and walk-in center amenities • Furnish and install kitchen appliances (refrigerator, microwave, coffee machine). • Furnish and install lockers.
Storage		• Furnish and install storage rack for Transponders, supplies and mail.
Computer Room		• Furnishes and installs all computer racks and bracing (e.g. earthquake mounting).

Category	RCTC Provided	TSP Provided
Communications	• Furnish and install the communication network from the ROC to the tolling sites.	• Furnish and install outside telephone and internet access connection into the building, i.e. TSP arranges for necessary AT&T circuits into the building. • Furnish and install facility phone system. Includes physical phones, PBX and/or Voice over Internet protocol (VOIP) servers.
Electrical and Cabling	• Furnish and install all electrical power circuits and outlets/receptacles, including the computer rooms. • Furnish and install all standard electrical, telephone, LAN, video and specialty cabling within walls and other duct work, and fiber. • Furnish and install fiber optic cable into the building computer room. • Provide electrical generator for entire facility, including power for computer room. • Furnish and install all standard network and telephone outlets/receptacles. • Furnish and install conduits, ductwork and raceways for general office use. Excludes computer room raceways.	• Furnish and install overhead cable tray system. • Furnish and install computer room UPS systems.
Security	• Furnish and install general building access control and monitoring systems, i.e. front door card key access of the building.	• Furnish and install CCTV security cameras. • Furnish and install ACAMS for those rooms that need to be secured, e.g. computer rooms, transaction processing, etc. • Furnish and install panic buttons in secure areas. • Furnish and install externally monitored facility security system, e.g. ADP.
Video Wall	• Furnish and install bracing/backboard system for video wall.	• Furnish and install video wall mounting brackets. • Furnish and install Video Wall Monitors and video wall system in ROC. • Furnish and install flat panel monitors for other parts of the facility, e.g. conference rooms.

10.3 Physical Characteristics

The ROC will be a single facility in close proximity to the Express Lanes capable of housing all the centralized functions associated with the O&M Work and the CSC Commencement Period Services. Specifically, the ROC will be capable of supporting the Host systems, workstations, monitoring equipment and personnel to operate and maintain the ETC System, CSC System, TMS, Communications Network and MOMS. The TSP shall provide adequate requirements for the layout and configuration of the ROC to aid in the facility selection process and the design of facility improvements.

RCTC will provide TSP with approximately 8,000 square feet of space in the ROC. Additional space required for storage of spare parts, transponders, mail supplies or maintenance activities that cannot be accomplished at the ROC will be furnished by RCTC, limited to 2,000 square feet. The storage facility will have drive-in access and a locked gate for the storage of TSP maintenance vehicles. The layout and configuration of the ROC shall comply with all applicable building and fire code requirements. Facility improvements to be provided by RCTC will ensure sufficient space, accessibility, electricity, communications, mechanical and plumbing requirements are met for the ROC. The square footage will be adjusted based on the TSP facility use plan to be provided with the amendment proposal. At that point the TSP and RCTC will determine what improvements are required and assign the responsible party. The requirements will be updated following that discussion.

Table 10-2: ROC Elements

ROC Element	Requirements/ Considerations	Security Camera	Secure Access
Walk-In Center	First floor access meeting ADA standards	Yes	Yes
Call Center	Ability to group in teams; noise environment considerations; cubes	Yes	Yes
Traffic Operations Center	Video Wall/high ceiling preferred (15' to 20')	No	Yes
RCTC Staff Offices	Separate, enclosed offices located together	No	Yes
TSP Administrative Offices	Located together	No	Yes
TSP Administrative Cubes			
Conference Room(s)	Audio/visual capabilities for teleconferencing	No	No
Mail Room	Noise and dust control	Yes	Yes
Printer/Copier and Office Supply Closet		No	No
Restrooms		No	No
Kitchen/Breakroom		No	No
Payment Processing/Mail Processing	Work tables; ideally within the warehouse	Yes	Yes
Computer Server /Data Center	A/C and Humidifier; Communications connections	Yes	Yes
Parking	Compliant with ADA standards; Sufficient space for customers, employees, maintenance vehicles	Yes	No
Warehousing (transponders, spare parts, channelizers, signs, mail supplies, customer materials)	Double wide door, ground floor access, concrete or tile flooring, work space for transponder testing and packaging; mail processing; correspondence printer	Yes	Yes

10.4 Facility Management and Operations

The TSP shall be responsible for the operations of all activities that are to take place at the ROC, the maintenance of all FF&E provided by the TSP, and the payment for all services required by these TPs.

RCTC will be responsible for the ongoing provision of the building, including cleaning/janitorial, repair and maintenance of the building, and payment of basic utilities.

TSP acknowledges and agrees that available parking at the ROC will be limited. To the extent practicable, TSP shall use its best efforts to encourage the use of public transportation, ride-sharing, the use of shuttle buses or other pooled-means of transportation to and from the ROC.

TSP shall work in conjunction with RCTC to provide and administer a carpool / rideshare incentive based program for TSP staff from the CSC Commencement Date.

Within 6 months of CSC Commencement Date TSP shall use best efforts to achieve a 25% (1 out of every 4 employee) reduction in TSP employee vehicles on-site at the ROC.

RCTC's commuter assistance staff will be available to assist the TSP with the development of a successful carpool / rideshare incentive based program.

10.4.1 Facility Condition

TSP shall maintain the ROC in good and serviceable condition at all times and be responsible for day-to-day operations. RCTC and the TSP will participate in a facility condition survey prior to and at the completion of occupancy of the ROC. If office spaces or FF&E are destroyed, damaged, or stolen, except when such damage is a direct result of willful misconduct of RCTC, the TSP must, at its cost and within 15 days after the occurrence of such damage, repair those items to their original condition or replace them. However, in the case of lost, damaged, or stolen office equipment (e.g., computers, printers) necessary for normal office operations, replacement will occur within two Business Days.

10.4.2 Access and Security

TSP shall institute stringent security measures to prevent unauthorized access to the ROC and shall be responsible for the physical security of the ROC and all property within it. TSP shall utilize all necessary security measures and devices, such as site access controls, safes or vaults, surveillance cameras, environmental controls, data security, inventory security, software security, and internal controls that will safeguard the TSP's operations, including money and other assets located at the ROC facilities. In addition, TSP shall provide adequate security practices for the receipt, storage, and transfer of money.

11 COMMUNICATIONS NETWORK (RCTC Only)

11.1 General Requirements

The Communication Network shall serve as the backbone for communications for the TCS. The infrastructure of the TCS communication system is largely the responsibility of DB Contractor in accordance with the Demarcation Table in Section 19.3. The DB Contractor will install and test fiber-optic conduit and fiber-optic cables. The TSP shall be responsible for all fiber optic connections to field devices, including all switches. The TSP is responsible for the communications systems within the ROC. The TSP shall be responsible for coordination with DB Contractor and to provide bandwidth needs and the logical communication system design. The TSP is responsible for operating and maintaining the Communications Network. The TSP shall perform an end to end test of the fiber installed by the DB Contractor prior to operating and maintaining.

TSP shall furnish all required network electronics, software, cables, and components necessary to support communications per Section 19.3.

If leased lines are required to complete the Communication Network for the I-15 EL to the ROC, RCTC will be responsible for payments of the lease line.

The following requirements apply to the portions of the Communications Network that are the responsibility of the TSP per Section 19.3.

11.1.1 Fiber-Optic Cable

The TSP shall furnish, install, and test all underground and outdoor single mode fiber-optic (SMFO) cables and cable terminations.

SMFO cable shall meet or exceed all TIA/EIA standards applicable to fiber optic cables and fiber optic terminations.

SMFO cable length shall be appropriate for each installation and provide additional spare length for service loops.

The SMFO cable shall be of type and quality to support the implementation of optical wavelength division multiplexing.

SMFO pigtails shall be provided with appropriate factory-assembled connectors on one end.

Fiber cable specifications shall be further developed as part of the design stage and all materials and quantities shall be approved by RCTC. The TSP shall provide 100% spare fiber capacity or 24 spare fiber strands, whichever is greater.

TSP shall furnish, install and test SMFO drop cable that meets the material requirements described above for single mode fiber-optic cable.

11.1.2 Fiber-Optic Splice Centers, Splice Interconnect Centers and Interconnect Centers

The TSP shall furnish and install compact, modular fiber-optic interconnect centers, fiber-optic splice enclosures, housing and all necessary hardware.

Specifications for splice center, enclosure, interconnect centers and all necessary hardware shall be further developed as part of the design stage and all materials and quantities shall be approved by RCTC.

The TSP shall use fusion splicing methods and materials. No mechanical splicing shall be used by the TSP.

11.1.3 Ethernet Cable

The TSP shall provide Category 6 Ethernet cable that complies with American National Standards Institute (ANSI)/TIA standards.

Outdoor Cable shall be shielded, outdoor-rated and have an ultraviolet light (UV)-resistant jacket.

11.1.4 Patch Panel

The TSP shall provide patch panels to terminate all Ethernet cable plus 100% spare.

Patch panels shall have write-on areas for port and panel identification. The patch panels shall be designed for Category 6 cable and shall meet TIA/EIA-568-A-5 Category 6 and ISO 11801 Class D standards.

11.1.5 Ethernet Communications Hardware

The Hardware shall at a minimum:

1) Provide management of each Ethernet communication device individually and as a group for switch configuration, performance monitoring, and troubleshooting;
2) Be fully compatible and interoperable with the trunk Ethernet network interface;
3) Support a virtual chassis configuration (i.e., stacking);
4) Provides Simple Network Management Protocol (SNMP), Remote Monitoring (RMON), switch monitoring (SMON), or the Trivial File Transfer Protocol (TFTP) and Telnet interface support;
5) Network Time Protocol (NTP) for an accurate and consistent timestamp;
6) Support port mirroring for troubleshooting purposes when combined with a network analyzer;
7) Support of remote and local setup and management via console port, telnet, secure shell (SSH) and secure Web-based GUI;
8) Provide local and centralized Authorization Authentication Accounting (AAA) for user authentication; and
9) Utilize RADIUS remote access services.

11.1.6 Network Management Software

The Network Management System (NMS) software shall provide a secure, simple, intuitive interface to the network administrator for monitoring and maintenance of the network.

The TSP shall furnish and install NMS software that shall provide global and device specific configuration and protocol management, troubleshooting and root-cause analysis, security, and system performance and health monitoring for the communications network.

The NMS provide network alarms and health status to MOMS.

The NMS shall be web-based. Any database software that is required to support the NMS shall be included as incidental with the NMS software.

The NMS shall provide centralized AAA for user authentication.

The NMS shall provide multi-level or role-based access control.

The NMS shall utilize active directory for access control.

Layer 2 / 3 network discovery shall be provided with licenses for up to 100 switches. These switches shall allow for automated network discovery and mapping capability

NMS shall provide functions to capture, modify, print and save and restore running configurations on all TCS network communications device.

The NMS shall provide functions to update and roll back firmware to all TCS network communications devices via TFTP and additionally, any of the following:

1) Secure File Transfer Protocol (SFTP)
2) SSH
3) Hypertext Transfer Protocol Secure (HTTPS)

12 SECURITY AND ACCESS CONTROL

As a revenue collection system, it is critical that the systems, data, and physical locations of all TCS components are appropriately protected against unauthorized access.

TSP shall secure and protect all personally identifiable information (PII) to which it has access in connection with the Toll Services in accordance with the terms and conditions of the Contract. Among other requirements, TSP shall not disclose, distribute or make available to any third party the names, addresses, or any other PII of Account holders or customers without their express consent except as required to comply with Governmental Rules or legal processes served on OCTA/RCTC. Appropriate security measures shall be implemented and demonstrated to the satisfaction of Agencies to assure the integrity of Agencies' data and PII policies.

TSP shall secure all data received from the DMV in accordance with DMV policies and procedures.

12.1 System and Data Security

Access to all data shall be limited to authorized personnel including Agency, and TSP personnel, and shall be password controlled. The access control shall apply to all applications using the TCS. Each user shall have only one user ID and one password for access to any part of the TCS to which she/he is authorized. This ID and password shall protect the user interface, the command line and database access.

Access control privileges shall be role-based and use active directory groups, group membership and group permissions to control user access to configuration parameters, GUI, reports, and other functionalities as determined during the D&D Phase. TSP shall develop an access level matrix during the D&D Phase.

The TCS shall require passwords to be changed periodically. The TCS shall be configurable so that the period may be changed without additional programming. Password challenge, authentication, length, reuse and expiration shall be incorporated. The use of encrypted hard drives is encouraged.

The application authentication shall be mapped into the operating system and not placed inside an individual application.

All Host, network electronics and Software shall be free of all known security vulnerabilities, worms and viruses. The TCS shall incorporate industry standard antivirus Software.

The TCS shall provide network security including, segment based access control, and stateful packet inspection and filtering of authorized source and destination IPs, protocols and protection against attacks to the TCS.

TCS shall comply with security requirements of the DMV for the vehicle registration look up.

12.2 Security Audit

The TCS shall at a minimum:

1) Provide interim and final audit reports including a list of deficiencies;

2) Provide audit and accountability control functions. Enable security event logging, collection, storage, and monitoring;

3) Implement the information collection and reporting processes for detection, analysis, and response to security incidents and events;

4) Implement secure storage of audit logs, collect machine state and system usage information, and all items required for forensic investigations; and

5) Provide audit logging features for tracking database activity which includes but is not limited to read, write, and modify (each record shall include (at minimum) a time stamp, the activity, the result, and requester).

12.3 Physical Security

TSP shall provide a detailed security access plan detailing access requirements, badges, protocol, and video surveillance. A security access control system shall be utilized that will monitor and record all access to secure locations. Access to computer equipment shall be restricted and only authorized personnel shall be allowed to enter the computer rooms. All cabinets and housings installed will be access controlled using keys/locks. All cabinet and enclosure keys shall be unique to the TCS and not interchangeable with the Department key sets. Access to Lane Controller, VTMS, TMS, CCTV, and ROC cabinets shall be recorded automatically and transmitted to the MOMS. Pull boxes shall be secured.

12.4 Personally Identifiable Information

The CSC System shall protect the integrity and confidentiality of all personally identifiable information (PII), customer records and data on the CSC System at all locations. TSP shall not disclose PII. TSP shall comply with both Ageny’s Privacy Policy and current Governmental Rule.

12.5 Payment Card Industry Security Standards

The TSP shall comply with all requirements of the current PCI DSS version and individual payment brands.

The TSP shall provide the necessary procedures and system security features to ensure that the TCS is PCI DSS compliant. The credit card readers shall have PCI DSS encryption within the readers such that the remainder of the TCS is isolated from credit card personal data.

The TSP shall provide the policies, system features, assessments, reviews, scans, and audits required for the TSP's designated PCI Level.

The TSP shall have an annual PCI DSS Assessment performed by a qualified security assessor.

The TSP shall provide Agencies with the results of the annual PCI DSS assessment and a plan for correcting any items of deficiency or non-compliance.

The TSP shall notify Agencies of any actions or events that are non-compliant with the TSP's own policies, or those of PCI DSS or the payment brands within four (4) hours of initial discovery.

12.6 DMV Security Standards

The TSP shall comply with all requirements of the CA DMV regarding storage and use of registered vehicle owner information. The TSP shall utilize the established DMV user access codes assigned to the RCTC 15 EL, RCTC 91 EL and OCTA 91 EL.

13 MAINTENANCE ONLINE MANAGEMENT SYSTEM (This section applies to all systems including the RCTC Only TCS and ETC systems)

13.1 MOMS Functionality

TSP shall provide a fully integrated MOMS application that automates the tracking and reporting of work orders, alarm messages, equipment inventory, equipment and network health. The MOMS shall support configurable alarm priorities, as well as maintenance personnel tracking, paging and assignments. Critical alarms shall contact the maintenance personnel on duty. The MOMS shall be able to contact multiple people for a given alarm.

The MOMS shall track information related to Priority O&M Events, response, repair and total down times associated with work orders.

The MOMS shall include all elements of the TCS including the ETC system, TMS systems, CSC system and the Communication Network.

In addition to TSP's self-monitoring and reporting process, Agency personnel and the Agency Representatives shall also be entitled to identify Noncompliance Events and other Event Transactions, and document such events directly into MOMS.

13.2 Alarms and Alerts

The TCS shall provide a wide variety of system alarms and alerts, as well as system administration of alarms/alerts. TSP shall develop these alarms in compliance with RCTC's specific design specifications, including prioritization and management, to be developed during the D&D Phase.

TCS alarms and alerts shall include:

1) Preventive maintenance program – define and track preventive maintenance program activity, costs and system performance results;

2) Supplier information – company name, contact person name, company address, telephone number(s), fax number(s) and email address;

3) Equipment inventory – part or component supplier, location, serial number, purchase date, price, date placed into service, warranty expiration date, RCTC asset number and part/component identification;

4) Error detection;

5) Equipment conditions; and

6) Logical conditions/Business Rule exceptions.

13.3 Work Orders

Automated and manual work orders shall be supported by the MOMS. The automated work orders shall be generated for scheduled preventive and predictive tasks as well as for alarms generated by equipment. The MOMS shall require that any updates to the maintenance work order, alarm response, and maintenance activity be appended to the ticket with a searchable date and time stamp to record the entire history of the activity.

13.4 Asset Inventory and Tracking

The inventory portion of the MOMS shall track equipment and spare parts and shall generate automated messages when warranties are nearing expiration or when levels of spare inventory reach a configurable minimum threshold.

Inventory information shall include at a minimum:

1) Supplier information – company name, contact person name, company address, telephone number(s), fax number(s) and email address;
2) Location;
3) Serial number;
4) Purchase date;
5) Lead time;
6) Price;
7) Date placed into service;
8) Warranty expiration date;
9) RCTC asset number and part/component identification; and
10) Consumable inventory – traffic light bulbs or other items that are ordered in bulk and do not have an individual serial number.

Issuance of items from inventory shall be made under specific work orders in accordance with a work order system to be reviewed and approved by RCTC in accordance with the Submittal Process. TSP shall provide Notice to RCTC when shipments of spare parts are received so that RCTC may verify and approve that the Spare Parts have been received and properly entered into the MOMS. Within 10 Business Days of Notice by RCTC, TSP shall complete physical inventory of such items at the Site or the approved warehouse facility (as applicable), and shall provide a report thereof to RCTC, together with a reconciliation to the preceding such report.

13.5 Noncompliance O&M Events (O & M Events apply to the RCTC 15 and 91 ETC systems and the RCTC/OCTA BOS. All requirements related to the BOS will involve both OCTA and RCTC)

TSP shall, upon becoming aware of any Noncompliance O&M Event, track the Noncompliance Event within the MOMS including:

1) Describing the Noncompliance O&M Event in detail;

2) Identifying the applicable priority level as defined in Section 16.16 along with Response Time and Repair Time for each Priority O&M Event;

3) Reporting on status of the Response or Repairs (as applicable) for each Priority O&M Event; and

4) Identifying any Performance Liquidated or Performance Stipulated Damages that should be assessed for each Noncompliance O&M Event.

Each Response Time or Repair Time for a Priority O&M Event commences upon the earlier of the time the Priority O&M Event:

1) Is reported to the MOMS system; or

2) Should have been reported to the MOMS system if TSP was complying with its obligations under the Contract.

A Priority O&M Event which is incorrectly classified may be reclassified with the approval of the Agency Representatives, and such approval will not be unreasonably withheld.

If a Priority O&M Event is reclassified, any applicable Performance Liquidated or Performance Stipulated Damages will be re-calculated and the Performance Liquidated or Performance Stipulated Damages will be reapplied accordingly.

Each Response Time and Repair Time runs concurrently.

Subject to Section 16.16 where there is a Priority O&M Event, TSP must:

1) as soon as practicable:

    a. establish the nature, location and cause of the Priority O&M Event;

    b. provide the applicable Agency Representative with details of the action (if any) taken, any work required and estimated time to complete it and limitations that this may impose on any Lane or the performance of the O&M Work;

2) take all necessary actions to Respond to the relevant event within the Response Time;

3) Repair the Priority O&M Event as soon as reasonably practicable in all circumstances, and in any event within the Repair Time allowed for Priority O&M Event, using methods which are consistent with this Contract, Good Industry Practice and in accordance with Governmental Rules;

4) minimize the disruption to the O&M Work during any Response or Repair; and

5) notify the applicable Agency Representative and update the MOMS when each Response and Repair is complete.

A Priority O&M Event will only have been responded to or remedied (as applicable) when the the applicable Agency Representative, acting in good faith, is satisfied that the Priority O&M Event has been fully responded to or remedied (as applicable).

If TSP does not Repair the Priority O&M Event within the Repair Time, then following expiration of the original Repair Period, TSP shall Repair the Priority O&M Event within a further Repair Period commencing upon expiration of the previous Repair Period (Further Repair Period).

Where a Priority O&M Event is not Repaired within the Further Repair Period, additional Further Repair Period(s) of equal duration shall apply (and Performance Liquidated Damages or Performance Stipulated Damages shall continue to be applied) until the Priority O&M Event is Repaired.

13.6 MOMS Reporting

The MOMS reporting system shall support the generation of reports that provide the following types of data at a minimum:

1) Equipment inventory including Hardware, Software and firmware versions, serial numbers and warranty information;

2) Equipment, subsystem and total TCS availability;

3) Summary and detail history of alarms with drill down functionality;

4) Summary and detail work order status;

5) Incident logs;

6) Response Time and Repair Time by maintenance personnel, TCS location and Priority O&M Event (including authorization of any Temporary Repair);

7) Preventive and corrective maintenance history including component failure rates; and

8) Equipment use and repair history.

14 REPORTING

TSP shall provide comprehensive reporting during CSC Commencement Period and the O&M Term. Reporting shall be sufficient to support TSP management and operation of CSC Commencement Services and O&M Work, identify trends, aid in the identification of efficiency improvement needs, and support Agencies' oversight of TSP and evaluation of the TCS and fulfil Agencies' external reporting requirements to stakeholders. TSP shall provide a comprehensive set of standard reports, modify standard reports as needed, and develop custom reports to satisfy the requirements of these TPs and Contract.

14.1 Reporting Interface and General Requirements

TSP shall provide a reporting interface and system for authorized users. The reporting system shall at a minimum:

1) Restrict access based on User Role;
2) Allow users to browse, choose, schedule and run reports through a clearly displayed and user-friendly GUI;
3) Provide reports based on pre-determined thresholds and support automatic distribution without any user intervention;
4) Support reports with single or multiple data sources, tables, and databases;
5) Allow users to schedule reports to be run at specific times and days, both one-time and recurring;
6) Allow users to save all reports for archiving;
7) Show reports on screen, and allow printing and downloading to Excel, PDF, or CSV files;
8) Provide detail and summary reports and the capability to drill down from summary reports to detailed reports;
9) Notify users that a report may take a long time if the report will take longer than 5 minutes;
10) Run all standard daily reports within 30 seconds and weekly reports within 5 minutes; and
11) Allow users to select date/time ranges, select Segments or Corridors or other applicable selection criteria to be determined during the D&D Phase.

TSP shall ensure data and reporting queries are managed to optimize system performance.

TSP shall regularly evaluate the databases to ensure summary tables and queries are efficient and effective at providing reports timely.

14.2 Data Mart (Only CSC Host applies to OCTA)

TSP shall provide RCTC access to all Lane, ETC Host, and CSC Host data through the use of a separate and identical copy of all data in a Data Mart. This Data Mart shall be used by RCTC and

OCTA to create ad hoc reports, run queries, and support other oversight functions. At a minimum, the Data Mart shall:

1) Be a near live copy (within one (1) hour) of all Lane, ETC Host, and CSC Host databases within the TCS;
2) Have data mirror the Lane, ETC, and CSC Host databases without alteration or manipulation of the data;
3) Provide a segregated database of historical Trip data with all relevant elements related to Trip Transactions;
4) Restrict access by User Role;
5) Be available to remote users;
6) Support a minimum of 10 concurrent agency support users;
7) Allow the export of data from queries into Microsoft Excel, Microsoft Access, delimited text files, or Crystal Reports; and
8) Allow users to create additional summary tables, custom queries, and reports without altering the database copies.
9) Provide a commercial off the shelf data analytics solution that works in conjunction with the Data Mart available to all authorized users as described above.

TSP shall provide daily reporting or validation to demonstrate that the Data Mart is an exact copy of the live production databases.

TSP shall provide a comprehensive data dictionary and access instructions to RCTC 60 days prior to the CSC Commencement Deadline. TSP shall update the data dictionary as appropriate and resubmit annually or after material changes in the TCS or database architecture.

Data fields and information stored within the data mart is to be defined by TSP and RCTC during the detailed design phase.

OCTA shall be provided with CSC data mart fields and access prior to transition.

14.3 Ad Hoc Reports

The TCS shall have the capability to generate ad hoc reports from the Data Mart. The technical and performance requirements shall be the same as production reports as outlined in these TPs. Ad hoc capabilities shall include the following at a minimum:

1) Allow user to create, submit or store ad-hoc queries in a common directory for future use;
2) Provide run-time control limits to manage large queries or downloads; and
3) Provide the ability to preview ad-hoc query results and reports before downloading or printing.
4) The TSP shall support Agencies in the development of a set of queries during design. The TSP shall support RCTC in the development of up to eight additional queries during the

first six months of operation and up to one additional query a month throughout the O&M Term. The TSP shall respond to an Agency's request for query development within 5 business days of the request.

14.4 System Performance Monitoring

The TCS shall provide reports that support monitoring of its KPIs and other functional requirements of the Contract. At a minimum, these reports will:

1) Provide historical reports to show lane accuracy and performance;
2) Demonstrate subsystems' performance (i.e. AVI, VES, Website, IVR, and ODS);
3) Trace transactions from Lane Controllers to ETC Host to CSC Host;
4) Monitor the ability of users to access the system, including users through the web, including information on successful and unsuccessful attempts to log in, logout, access screens or information;
5) Summarize the comparative speed, volume and density data from adjacent AVD and TMS sites for the purposes of device "error checking" and sensor calibration. The TCS shall also be able to provide MOMS alarms if and when the two systems fall out of a configurable tolerance level from one another;
6) Show the history of the time required to build Trip Transactions by Corridor;
7) Identify sequential Lane Transactions missed in building Trip Transactions;
8) Show failure histories for various components and subsystems;
9) Show communication failures and server downtime;
10) Provide a log of Event Transactions by system, subsystem, and Toll Point;
11) Analyze the impact of TCS performance on operations and revenue; and
12) Any other metrics required to report on, validate, and audit TSP's performance as defined by The KPIs.

14.5 Specific Report Requirements

TSP shall provide all reports as requested within these TPs and as needed to complete Toll Services. The following reporting requirements are a preliminary and non-exhaustive list of the TCS activities that will require the production of reports. This list is provided to give TSP insight into the scope and type of reports required in actual production. The final list of reports will be mutually agreed upon during the D&D Phase.

14.5.1 Financial Reports

TCS shall provide a full set of financial reports available upon demand. The reporting system shall be Configurable to allow for changes in reporting requirements. Financial reports shall be available as frequently as daily and shall be available upon demand.

TCS shall allow for the running of reports from current and prior accounting periods.

TCS shall report on Trip Transactions and revenue daily. TSP shall initiate a wire for earned revenue daily and provide a complete reconciliation of the earned revenue to the ETC and CSC System.

TSP shall provide a daily journal entry for daily activity and enter into each Agency's financial system. TSP shall coordinate with each Agency's finance to determine the best method, automated interface or manual entry, for integrating with each Agency's financial system for the purpose of recording the EL financial activity. TSP shall provide month end journal entry reports within four (4) business days of the end of the month.

TSP shall provide a monthly finance package within 10 calendar days of the end of the month which shall include the following at a minimum:

1) A summary of the monthly and year to date wire transfer amount to each Agency;
2) The monthly journal entry to be posted to each Agency's financial system;
3) The Financial statements;
4) The summary and detailed trial balance;
5) Reconciliation of all cash accounts;
6) Reconciliation of the prepaid toll liability account from the prior month end to the current month end;
7) Reconciliation of the Transponder physical inventory to the system inventory;
8) Aging of any uncashed customer checks;
9) Aging of retail and interoperable receivables and payables;
10) Reconciliation of DMV holds and fee balances and activity to the DMV;
13) Reconciliation of collection balances and activity to the collection agency;
14) Separate Transponder Transactions and IBT, various types of Trip Transactions, and home and CTOC Trip Transactions at detailed and summary levels;
15) Separate SOV and HOV3+ trips;
16) Reconciliation of ODS, ODRs and appeals, and dispositions with revenues and administrative fees;
17) See detailed and summary variance listings by Revenue or Transaction day and month;
18) Reconcile Lane Transactions, Trip Transactions and revenues separately for Corridor, Segments and Read Points;
19) Reconcile TCS Trip Transaction counts and expected revenue versus ROC Transaction counts and posted revenue by revenue day or posting day in detailed and summary level, daily and monthly or by CSC batch file, and allow users to separate posted Trip Transactions by the type of Account they posted to and by Revenue Day or posting day or by CSC batch file;

20) Summarize Trip Transaction counts and revenue by posting date, including the ability to see what transactions from a given month posted in the next month;

21) Determine which toll rates applied to each Trip Transaction;

22) Track which Lane Transactions the System consolidated into a Trip Transaction;

23) Report on CTOC Trip Transactions;

24) Reconcile files sent between all system interfaces and response files; and

25) Violation receivable aging showing resolution and payment by processing stage and number of days aged; age of transactions by processing status.

14.5.2 Auditing Reports

The TCS shall supply reports to support the audit of the System. At a minimum, these reports will allow users to:

1) Identify and explore system variances;

2) Examine exception and anomaly transactions;

3) Determine that the system took images for each Lane Transaction, sent images for Lane Transactions to the Host and sent images for each IBT to the CSC as a Trip;

4) Determine that the ODS took images and collected data for each Lane Transaction in which a Transponder was switched to HOV mode, determined confidence level, and sent appropriate Trips for ODR;

5) Examine unresolved or rejected Lane Transactions and Trip Transactions by reason code;

6) Determine the source of variances through reporting on incidents, system alarms, toll rates, and comments;

7) View a log of Event Transactions by system and subsystem;

8) View overrides, corrections, adjustments and reversals;

9) Reconcile and validate individual accounts within the pre-paid toll liability account;

10) Reconcile and validate individual accounts within the violations receivable account; and

11) Drill down to the transaction level from any general ledger account for any unit of time or by a specified date range

14.5.3 Traffic Reports (RCTC Only)

The TCS shall supply reports that allow users to examine traffic patterns and historical trends. At a minimum, these reports shall allow users to:

1) Perform trend analysis on traffic data and revenue;

2) Examine use of the EL by HOV status claimed and actual;

3) Perform trend analysis on ETC vs IBT transaction by toll point;

4) Perform trend analysis on average toll segment price;

5) Perform trend analysis on origin and destination of I-15 EL users;

6) Perform trend analysis on traffic speed, density, LOS, and volumes in EL and GP lanes. The trend analysis on traffic speed shall identify whether speeds fall below 60 mph more than three times in a consecutive 30 day period; and

7) Compare travel times based on Trip Transactions and travel times calculated for real time monitoring in the EL and GP lanes.

14.5.4 Traffic Operations Reports

TCS shall provide reports that support operations of the Agencies' ELs and monitoring of traffic flows and the pricing algorithm. At a minimum, these reports shall allow users to:

1) Examine the identity, reason and toll rate change for manual toll overrides;

2) View current and past implemented toll rates by Segment;

3) Perform trend analysis and comparisons of average and maximum tolls by location, by date, and by time of day;

4) See trends in Corridor travel times based on Trip Transactions between various destinations;

5) Show all incidents reported;

6) Perform historical analysis of Trip Transactions by specific locations included or missed, and number of locations included or missed;

7) View the number of Trip Transactions by Corridor of SOV, and HOV 3+ claimed and actual;

8) View enforcement web portal activities, including the number of queries processed and emailed query results; and

9) View Express Lanes Maintenance Vehicle logs.

14.5.5 Customer Service Center Reporting

TSP shall create and schedule CSC Host reports to support necessary reporting and operations functions as specified within these TPs to perform the Work discussed within these TPs, and to provide measurements for KPIs. These reports shall be run from the non-production environment, but shall not inhibit resources available for Agencies to conduct queries as specified above. Some of these reports include:

1) Trend reporting;

2) Financial reconciliation;

3) Transaction reporting;

4) Aging reports for Transactions

5) Aging reports for Violations indicating the stage of each Violation was resolved or remains open;

6) Customer Service Center reporting;

7) Non Time Critical Performance Monitoring: Defined as performance reporting that is not sensitive to the delay between the production environment and the duplicate database;

8) Reconciliation of lane reporting and back office transactions so that transactions can be tracked from the lane equipment to the back office;

9) Real-time subsidiary leger showing transaction detail;

10) Auditability of transaction tracing from lane through back office to final disposition;

11) IBT Transaction reporting including by plate toll point;

12) ODS violation reporting;

13) Transaction, image, and trip rejection rates and reason codes;

14) Payment processing details;

15) Trip dismissals and reason codes;

16) Dashboards to be developed during the D&D Phase;

17) Violator report lists, including egregious and chronic violators as defined in the Business Rules.

18) Phone system and IVR reports including utilization rates by day and time of day, queue wait times, call duration times, call types and other information by day, user, and other parameters to measure and improve CSR performance, improve system functions, and calculate KPIs; and

19) Customer Website reports including utilization, uptime, visitor data, view and hit trends, among other measures; and

20) Transaction dismissal or write-off by specified date range, reason code, employee identification number, and transaction type.

The CSC Host shall automatically perform standard reporting functions from the production/live environment to support critical notifications and alerts. These shall include:

1) Production System CSC Host utilization alerts;

2) Alerts and notifications from monitored interfaces;

3) Reconciliation reports for all received and sent files along with associated acknowledgements and control totals for system interfaces and data exchange;

4) QA/QC;

5) Reconciliation Audit, and Internal Control plan;

6) Customer communications, including statements, Violation Notices, and all other correspondence broken down by method (email or mail), etc.;

7) Returned mail;

8) Account updates;

9) Account opening and closing, net accounts;

10) All Transactions within the system by type;

11) Image review results, rejection rates and codes, including by user;

12) ODR results and dispositions by user; and

13) Transponder inventory management.

14.5.6 System Administration Reporting

TCS shall provide reports that support the administration of the TCS. At a minimum, these reports shall allow users to:

1) Monitor system configurations by system area (i.e. VTMS, toll rate assignment, Dynamic Pricing algorithm, etc.), location (if applicable), and date range;

2) Monitor user access and rights by category or user;

3) Monitor and log assignments and changes to user and group rights; and

4) Examine at a detail and summary level, the amounts and types of usage queried by user type, by date/time range, user ID, or function. Detail will include information about the object of the user query.

15 TRAINING AND DOCUMENTATION

15.1 Training

One of Agencies' goals is to have a well-trained workforce responsible for the RCTC 15 EL, RCTC 91 EL and OCTA 91 EL. Both initial and continuous workforce training is paramount to the Toll Service's success.

15.1.1 Training Plan

TSP shall meet with Agencies to discover the various groups of Agency personnel and other TCS users who will need training and explore their training needs. TSP shall use the results of this meeting in developing the Training Plan.

TSP shall prepare and submit for Agencies' review and approval a Training Plan 90 days prior to the transition. The Training Plan shall include a supporting training schedule and a training system flowchart that depicts trainee groups with corresponding training courses.

For each specific training course, TSP shall include at a minimum: course title, content outline, method of delivery, equipment to be used, media to be employed, list of materials required, course length, optimum number of students, course objectives, course success criteria, and any required prerequisite courses for each proposed course.

15.1.2 Training Materials and User Manuals

At a minimum, TSP shall develop and provide Agencies approved training materials listed below in accordance with the Schedule and the Training Plan:

1) Classroom training materials for students
2) Classroom slide presentation or instructor materials
3) All user and maintenance manuals
4) Evaluation forms

TSP shall be responsible for providing all training material, computers, projectors, projector screens, video players, meals, and supplies required for the training class. All training classes shall be included in the Project Schedule.

TSP shall deliver training materials to Agencies in both hard copy and electronic format. TSP shall provide hard copies of the training materials for each person being trained.

TSP shall revise the training program, Training Plan and training documentation and classroom materials, as necessary, throughout the contract term based on feedback from Agencies.

15.1.3 Training Implementation

At a minimum, TSP shall:

1) Train various Agency employees, OCTA WIC Staff and TCS users in the operation, maintenance and support of the entire TCS. This shall include database administration and system administration training that provides a comprehensive overview of the system Software design.

2) Use a blended learning approach consisting of a combination of classroom, computer-based, hands-on, on-the-job, train-the-trainer, and interactive self-instructional modules.

3) For each course, provide a training exercise to demonstrate through hands-on activities the subject matter covered in the course lecture or course section.

4) Provide training directly to end users, including Agency staff, ROC CSRs, TOC, Finance, CHP officers, and others identified in the Training Plan. Training shall include initial and refresher courses twice a year.

5) Conduct training classes for the financial and audit staff on the usage of the TCS to generate reports, audit of collection, and preparation of ad hoc queries.

6) Provide training for Agency Software support, administration, IT and maintenance staff.

7) Ensure that all classroom training is provided by professional, qualified trainers supported by appropriate technical experts.

8) Develop and manage post-training evaluation and feedback from students immediately after each course completion and after 30 days of practical use of the TCS. These evaluations shall be used to refine future training sessions and courses.

TSP shall complete training according to the Schedule and Training Plan dates.

15.2 Documentation

TSP shall be responsible for documentation of all Toll Services activities. TSP shall update Toll Services documents in accordance with the PMP during the Term. If substantial changes occur in any aspect of the Project, the TSP shall update relevant documentation within one month of that change, unless a specific alternative update schedule is required.

All documents shall be submitted in the native editable format and pdf.

Documents may be combined with pre-approval from Agencies. Once accepted by the applicable Agency, all deliverables shall be owned by the applicable Agency.

TSP shall maintain a library of current versions of all Toll Services documents. TSP shall maintain this library in a secure location with web access by all approved members of the Toll Services team.

TSP shall submit all documentation and plans in the English language. All Toll Services documentation shall be maintained in formats found in the Microsoft Office suite. All Toll Services-related electronic files shall be partially backed up daily and fully backed up weekly.

Manuals shall be delivered as bound documents or in binders to facilitate review and use of the documents. Each manual produced for the TCS shall contain a title sheet, table of contents, a list of illustrations (if applicable), revision log, and a list of reference drawings (if applicable).

With the exception of the original equipment manufacturer standard documentation (e.g., manuals, catalogs), all manuals, section numbers, line numbers, page numbers, version numbers, records, and lists shall be printed double-side on 8-1/2" by 11" sheets and may include 11" by 17" “engineering fold” inserts. The left-hand margin of the sheets in the manuals shall be adequate to ensure binding without encumbering the reading of the material. All drawings, graphs,

plans, charts, illustrations, etc. shall be produced with the aid of computer aided drafting Software or other Software approved by Agencies (e.g. Microsoft Visio or Microstation).

TSP shall deliver all materials, Software and related documentation in compliance with the Contract regarding Source Code. TSP shall deliver these materials to Agencies with enough time to meet the Project Schedule and milestone dates.

All activities related to accessing, documenting, loading, and compiling the Source Code shall be performed exclusively in accordance with the procedures established under the existing escrow agreement among Agencies and the TSP, and the designated escrow agent.

The TSP designated and funded under the escrow agreement will perform the Source Code loading and compilation and will provide written notice if the compilation effort is unsuccessful. If the TSP successfully compiles the Source Code in accordance with the escrow agreement, the TSP will be deemed to have satisfied the applicable Source Code compilation requirement. The agencies may observe the compilation process to the extent permitted under the escrow agreement.

15.3 User Manuals

TSP shall produce and maintain, for the Term, a set of system user manuals. Standard user manuals for commercial products will be acceptable if they contain sufficient information to service the component equipment. User Manuals shall be submitted to Agencies for review and approval 90 days prior to the CSC Commencement Deadline.

Prior to developing user manuals, TSP shall prepare and submit for each Agency's review and approval, a draft table of contents and concept outline depicting the proposed content for all user manuals.

The user manuals shall provide complete and detailed descriptions of how and when users should operate the TCS. The user manuals shall include a general description, the theory of operation, instructions for navigating through the TCS and detailed step by step instructions for each TCS function.

The TSP shall provide user manuals, including:

1) Database and Software Administrator Manual;
2) System Configuration and Administration Manual (including ETC, CSC and TMS);
3) Network Administrator Manual;
4) Finance Manual;
5) Research Screens;
6) CHP Manual;
7) Ad-Hoc Reports Manual including a Data Dictionary;
8) Reports Manual; and
9) Traffic Operations Manual.

The user manuals may be combined with both Agency's approval.

15.4 As-Built Technical Drawings (RCTC Only)

Drawings that provide specific product and installation details shall be provide prior to TCS Acceptance. TSP shall prepare accurate and complete drawings for the entire TCS.

TSP shall create As-Built Technical Drawings for the TCS. TSP shall keep accurate records of as-built documentation and any Deviations from original drawings and diagrams. The set of diagrams shall include all schematics, block diagrams, logic diagrams, layouts, wiring diagrams, assembly drawings, Software build and implementation records, and parts detail drawings for all mechanical parts designed or modified. Documentation of the communication network shall include the sequential cable length markings at each splice box and pull box wall that the cable passes through and Ethernet cable manufacturer's recommended and maximum pulling tensions for each Ethernet cable size.

15.5 List of Materials (RCTC Only)

TSP shall prepare and submit a list of materials that includes parts and components making up each device implemented under this Contract and shall provide illustrations of the parts and components. A parts list for each TCS device shall include all parts and components making up that device and shall provide pictures, exploded view diagrams, part numbers and names. The list of materials shall be submitted to RCTC during the Critical Design Review.

15.6 Final Design Document (RCTC Only)

TSP shall update the FDD to reflect the design of the TCS at the time of TCS acceptance. TSP shall match the Final Design Document to an updated RTM that reflects all approved change orders. This document shall be submitted to RCTC for review and approval prior to TCS acceptance. TSP shall revise the document to reflect RCTC's comments and submit a final version for approval.

16 MAINTENANCE

TSP shall operate and maintain the TCS to support continued operations with no degradation so as to continuously meet the KPIs during the Term. TSP shall provide all preventative and corrective maintenance of the TCS.

Performance of maintenance activities shall be completed in a manner that does not disrupt or degrade operations. In the event a maintenance activity does require interruption of service or operations, TSP shall notify the applicable Agency and gain concurrence prior to such activity.

Hardware maintenance shall include repair and replacement activities to ensure the normal function of any TCS device or component such as servers, drives, workstation computers, peripherals, printers, specialized technology, or any other activities or equipment needed to maintain the performance standards set forth in these TPs.

All Software and firmware updates shall be scheduled and planned with the applicable Agency. Any such efforts shall be clearly documented in advance for the applicable Agency's concurrence.

The TSP shall be provided with Non-Revenue Account transponders for use while actively maintaining the I-15 EL by RCTC.

16.1 Maintenance Plan (RCTC Only)

TSP shall prepare and provide to RCTC for review and approval a proposed written Maintenance Plan for the TCS system. TSP shall prepare and provide to RCTC and OCTA for review and approval a proposed written Maintenance Plan for the CSC system. The Maintenance Plan shall be submitted 120 days prior to the CSC Commencement Deadline. Each system's Maintenance Plan shall include details of how maintenance activities will be performed including a plan for preventive maintenance and a preventive maintenance schedule showing what activities will be performed and when each preventive maintenance check will occur. The Maintenance Plan shall also include a plan for inventory management and control, including all activities required to maintain an adequate supply of materials, supplies, spares, configuration files, settings, parts and equipment to maintain the system at all times. The Maintenance Plan shall address the storage of spare channelizers in addition to the other TCS spare parts. The Maintenance Plan shall also include security maintenance tasks such as rotating passwords according to the password rotation policy, reviewing security log files and applying security patches.

The Maintenance Plan shall identify and TSP shall have on hand at all times an inventory of all spare parts anticipated to perform the O&M Work in accordance with the Contract for a three month rolling period. TSP shall update the Maintenance Plan and inventory to take into account anticipated rates of spare parts inventory depletion and the length of time required to procure the various spare parts when determining spare parts inventory quantities. The Maintenance Plan shall include a plan for monitoring and replacing, at TSP's Cost, any spare parts that may become obsolete.

The Maintenance Plan shall include a list of special tools, test equipment or specialty training needed for maintenance.

The Maintenance Plan shall also include a list of maintenance event scenarios, categorized by priorities as defined in Section 16.16.

Maintenance notifications may be provided to the TSP through various means. The start of the maintenance response time, for purposes of measuring the TSP's response time, shall be described as follows:

- Automatic Notification - Automatic alarm and alert messages shall be sent out by MOMS notifying the recipient responsible for response to respond to the failure. The time stamp of the notification within MOMS shall constitute the start of the response time, unless MOMS fails to notify in which case RCTC or TSP will document the start of response.

TSP shall review and provide necessary revisions to the preventive maintenance schedule upon review of any annual performance audit report by RCTC.

The Maintenance Plan shall describe how each system will be monitored to ensure jobs and scripts are running correctly, and that all processes are working correctly. The Maintenance Plan shall include a schedule for monitoring and periodic checks of systems along with remedial measures in the event a system is not working correctly. The Maintenance Plan shall also include tracking and reporting on system hardware utilization, anomaly reporting, external interfaces, and monitoring the health of any systems that are not monitored automatically by MOMS.

The Maintenance Plan shall also serve as a reference guide for maintenance managers and staff technicians and shall describe the following TCS maintenance program components at a minimum:

1) Performance requirements;
2) Maintenance, repair and preservation approaches and process schematics;
3) Installation and setup plans, including all configuration files and tuning required;
4) Diagnostic Hardware and Software tools and techniques;
5) Resource requirements, roles and responsibilities;
6) Schedule of activities, including preventive maintenance activities such as scheduled inspection, renewal or replacement and testing of on-Site and off-Site system components;
7) Quality Control/assurance procedures and reports on the condition of Software, Hardware, communications and peripheral equipment; and
8) Operation of MOMS including the handling of alarms, work orders, reports, inventory, scheduled preventative maintenance, scheduled monitoring and monitoring results.

TSP shall update the Maintenance Plan throughout the O&M Term at least once per year and whenever TSP makes a significant change in equipment or maintenance procedures.

Asset Management TSP shall provide RCTC and OCTA with a list of all assets provided for the Toll Services within 30 days of Revenue Services Commencement. The list shall clearly label each asset, its serial number, physical location, asset description and the date placed in service. Each label shall include a barcode/QR code for identification. The asset list shall be updated annually and provided to RCTC and OCTA. The Contractor shall conduct regular physical

inventories of all RCTC owned assets and support RCTC and OCTA auditors in the confirmation of such assets.

16.2 Warranties

TSP shall be responsible for the development, implementation, and administration of a warranty program for all Hardware, and third party Software provided under the Contract. TSP shall maintain warranty records and shall review Software discrepancy and available patch reports to determine if the Software requires upgrading.

TSP shall ensure that all Hardware and third party Software used by the TCS is supported by TSP and all warranties remain in effect. Agencies shall have the right to review warranties upon request.

16.3 Software Licenses

The TSP shall keep up to date all Software licenses needed to provide the Toll Services. The TSP shall transfer the Software Licenses to Agencies at the completion of the Contract Term.

16.4 Source Code Escrow

TSP shall enter into a Source Code Escrow with a Code Escrow Agent designated by Agencies and shall continue to deliver updates and upgrades to the Software Source Code to the Code Escrow Agent for deposit into the Source Code Escrow on a continuous basis during the Term, in accordance with Contract Section 29.8.3.

16.5 Maintenance of Traffic during Operations (RCTC Only)

TSP shall be responsible for all MOT required for performance of the O&M Work during the O&M Term.

TSP shall comply with the Department's then-current Standard Plans, Specifications, and the Department Encroachment Permit Provisions, Department Traffic Manual, and CA MUTCD. TSP will be responsible for coordinating the review and approval of the traffic control and sequencing plans with the RCTC, the Department, and applicable governmental entities.

TSP shall provide Notice to RCTC at least 15 Business Days in advance of any scheduled closure of any I-15 ELs required to perform Maintenance Work. Any closures of the I-15 ELs for TCS Maintenance Work shall be coordinated with the RCTC.

TSP shall obtain Department rider encroachment permits, based on the RCTC's encroachment permits prior to conducting Maintenance Work for which such permits are required. TSP shall follow the conditions stipulated in the encroachment permits.

16.5.1 Permitted Lane Closures of 91 Express Lanes (RCTC Only)

All Permitted Lane Closures that impact the SR-91 and the SR 91 to I-15 Express Lanes Flyover Connector are subject to the same requirements as set forth in Section 4.7.3.

TSP is allowed six (6) off peak Lane Closure hours for the I-15 Express Lanes per month. The closures are subject to approval by RCTC and will fall within the off-peak windows set forth in Section 19.5. Closure restrictions for designated holidays and special days are also included in Section 19.5. TSP shall pay to RCTC Lane Closure Charges for Permitted Lane Closures of I-15 Express Lanes outside the 6 hours per month as set forth in Exhibit 22 of the Contract.

16.6 Preventative Maintenance (RCTC Only)

TSP shall develop a comprehensive preventive maintenance plan as part of the Maintenance Plan that includes daily, weekly, monthly, quarterly and annual preventive maintenance activities and a plan for actively monitoring and reporting on TCS performance.

Scheduled preventive maintenance shall include inspecting, testing, calibrating, cleaning, lubricating, adjusting, repairing, and replacing field-installable parts that are approaching unserviceable status, to prevent TCS failures and extend the useful life of the TCS. Such maintenance shall be performed in accordance with the Maintenance Plan and at a minimum in accordance with the equipment manufacturers' recommendations or as directed by RCTC.

Preventive maintenance schedules are subject to the approval of RCTC. TSP shall not remove any piece of equipment from service for preventive maintenance during peak operational periods without prior approval of the RCTC.

TSP shall provide at a minimum bi-annual preventive maintenance of the ETC system and TMS. Preventive maintenance shall include but is not limited to:

1) cleaning front face of the sign;
2) replacing any filters;
3) cleaning the screen in front of the inlet fan;
4) visual check for worn, damaged or disconnected harnesses;
5) check camera images;
6) AVI adjustments;
7) TMS settings check;
8) clean camera lenses, all CMS, VTMS (not static signs);
9) preventive maintenance at the CSC;
10) preventative maintenance of the Communication Network;
11) database housekeeping; and
12) UPS and generators check.

16.7 Remedial Maintenance (RCTC Only)

TSP shall perform all on-call remedial or corrective maintenance that consists of actions necessary to diagnose and correct malfunctions and failures in the TCS

TSP shall repair, replace, document and maintain any part or parts of the TCS that become unsuitable and are deemed to not be in accordance with their original specified performance requirements. Such repair or replacement shall be performed so that any Read Point shall not be out of service for more than the allowable down time for repair specified in Section 16.16.

TSP shall provide methods and procedures for RCTC and the Department to report problems by phone and email, which will generate TSP work orders.

TSP shall establish, maintain and staff a system that is available 24 hours a day, 7 days a week for reporting problems and placing service requests to technicians. TSP shall establish a protocol and provide a contact list for escalation of issues by RCTC in the event of an unforeseen emergency and/or failure to respond by TSP.

16.8 Unanticipated Maintenance (RCTC Only)

Subject to Section 10.10 of the Contract, unanticipated maintenance services required due to Force Majeure Events shall entitle TSP to a Change Order pursuant to the terms set forth in Contract Section 20.

TSP shall immediately notify RCTC of the need for such unanticipated Maintenance Work and obtain prior written approval to respond to such an occurrence.

16.9 System Monitoring

TSP shall perform scheduled reviews of the TCS and regular TCS upkeep. On a scheduled basis, the TSP shall check the Hardware and Software components of the TSC to ensure that all components are present and operating within specified parameters. Based on these reviews, TSP shall perform needed TCS upkeep (e.g., de-fragmenting disk files, purging obsolete files from directories, etc.) to ensure uninterrupted operation of the TCS.

TSP shall monitor the TCS. During operation, TSP shall check system monitoring devices and programs, run-time system utilization parameters and other diagnostic tools (e.g., file size and allocations, processor loading, response times, etc.) to ensure that all aspects of the TCS are operating properly and the TCS is meeting all requirements of the Contract, KPIs, and Technical Provisions. The monitoring schedule shall be included in the SMP.

TSP shall monitor the integrity of databases. On a scheduled and real-time basis as appropriate, TSP shall review system databases (tables, indexes, views/queries, etc.) to ensure that all are properly updated and that appropriate integrity of all TCS databases is maintained. Alerts shall be generated for anomalies immediately upon recognition.

TSP shall maintain logs of all scheduled monitoring and TCS upkeep activities.

TSP shall maintain logs or other appropriate records of all monitoring activities, anomalies found and measures taken to correct these anomalies.

TSP shall respond to routine operational requests (e.g. network mask, IP addresses, reconfigure VLAN).

The ETC system shall perform periodic deletion of data as stipulated in these Technical Provisions and both Agencies' data retention rules and policies.

16.10 Communication Network Support

TSP shall establish, operate, and maintain the Communication Network system that is required to support the TCS. This includes connections for the TCS, ROC, CSC, WIC storefronts, web, mobile/smart phone applications, phones, IVR system, both Agencies' facilities, EL facilities, CTOC interfaces, credit/debit card clearing house, cash payment network, collection agency, California and out-of-state DMV vehicle registration providers, each Agency's financial system, web hosting facility (if applicable) and other third party systems as required by the Contract.

16.11 Software Maintenance

Software maintenance shall include system administration, database updates and upgrades, operating system updates, antivirus updates, firmware updates, license maintenance, and any other activities needed to maintain the performance standards set forth in these TPs and satisfy the KPIs.

TSP shall maintain third-party Software at the most current or one back version throughout the term of the Contract unless they go out of business or get replaced and unless such maintenance degrades the performance of the TSP's Software, in which case the TSP and the applicable Agency shall agree on the appropriate course of action.

TSP shall keep all Software instances (training, test, development, pre-production, and production) at the same configuration and patch level.

As standard practice when repairing deficiencies and releasing TCS fixes or upgrades, TSP shall prepare and run regression testing scripts to test each build that is delivered to the test environment to ensure that no regression problems have surfaced. Any regression issues shall be documented as deficiencies and resolved accordingly.

16.12 IT Services

TSP shall provide continuous (24 hours per day, 7 days per week) IT Services for the TCS to ensure that it is performing and will continue to perform as required by the Contract. IT Services shall include monitoring and corrective action to ensure the TCS performs in accordance with the requirements of these TPs. This shall include, but not be limited to, the following:

1) Manage user access inducing adding deleting users and password management.

2) Develop schedule and inform Agencies of all scheduled maintenance activity that will impact the Availability of the TCS, communications infrastructure, and system to system interfaces.

3) Establish and staff a help desk function for assisting Agency staff in answering user questions and identifying data errors.

4) Provide any daily, weekly, or periodic maintenance required to maintain the TCS at required performance levels.

5) Provide support for TOC and CSC computers and phones.

6) Conduct TCS shutdown and re-start, if required, to keep the TCS operational.

7) Re-establishment or re-installation of TCS files, programs and parameters, as required, following a failure or damage to the TCS.

8) Provide ongoing database performance monitoring, maintenance, upgrades, revised indexing, and tuning as needed to optimize TCS performance.

9) Complete daily backup of all TCS data. In addition, TSP shall be responsible for performing a restoration and recovery of any component of the TCS as required after a failure.

10) Utilize TCS tools and error logs to monitor and analyze the performance and health of the TCS with regular timely reporting of findings to Agencies.

11) Monitor TCS security and address any potential threats.

12) Investigate and analyze anomalies, including trend analysis.

13) Coordinate identification of potential problems, lead the problem resolution process, and initiate corrective actions to include modifying TCS functionality as needed with regular timely reporting of findings to Agencies.

14) Perform required installation and integration of new Software and Hardware, including application Software, databases, operating systems, security Software, third party Software, and other supporting Software.

15) Update systems and security in compliance with updated PCI DSS standards.

16) Verify time synchronization is occurring as configured and TCS clocks are not drifting beyond a threshold acceptable to Agencies.

17) Verify on a daily basis that all interfaces to other systems are functioning according to the requirements of these TPs and approved ICDs.

18) Verify processes, programs, and scheduled jobs are successful.

19) Make changes to TCS Configurable Parameters and rules and deploy changes in production.

20) Modify IVR call flow to correct routing and call flow problems identified during normal operations.

21) Modify the customer Website to maintain up-to-date information relating to toll rates and facility information, customer issues, and both Agencies' policies.

22) Perform ad hoc queries based on Agency requests and provide reports on all requests.

TSP shall maintain current and accurate records for all TCS Hardware and Software maintenance activities. TSP shall maintain records in an electronic form easily retrievable and transferable to Agencies. All records shall be the property of Agencies and Agencies shall have the right to review and retrieve data and records at any time via electronic or hard copy. TSP shall provide RCTC with direct access to TSP's database. OCTA shall have access to the CSC Host

16.13 Back up and Archiving

TSP shall perform scheduled data, application and system backups as specified in the Maintenance Plan and ensure that backup media are properly stored, rotated on schedule and replaced appropriately.

TSP shall perform scheduled backups for off-site storage or rotate backup media to and from the off-site storage location as appropriate. TSP shall ensure that viable and complete backups are delivered to the off-site storage location when scheduled and that media to be rotated are returned from off-site storage locations and returned to usage on the system as appropriate.

TSP shall maintain records of backups including logs of all backup activity, rotation of backups and usage/rotation of backup media and records of all off-site data storage.

TSP shall follow system archiving procedures to capture data to be archived to permanent storage media as required to maintain proper system functioning or as scheduled in the SOPs (whichever occurs first). TSP shall ensure that archived media are properly logged and maintained and that archived data is viable and accessible throughout the required archive retention period for the data.

TSP shall ensure that an adequate inventory of storage media for primary and backup purposes is available and procure additional storage media for backups and archiving data when needed.

TSP shall perform periodic tests on the full Host and lane recovery to ensure entire ETC system is recoverable from backups. Results of tests shall be documented and provided to Agencies.

16.14 Spare Parts (RCTC Only)

TSP shall provide a proposed list of spare parts for RCTC approval. RCTC shall provide space for storing spare TCS parts. TSP shall provide an inventory of all spare parts required to maintain the TCS. The initial inventory shall be a complete complement of spare parts. TSP shall maintain adequate reserve stock of spare parts and items of equipment located in proximity to the I-15 EL through the O&M Term. TSP shall maintain a comprehensive, accurate, and auditable parts and spares inventory at a system level by using the MOMS maintenance data base. RCTC shall own the spare parts inventory.

16.15 Maintenance Performance Requirements

Maintenance Staff – TSP shall maintain a full-time TCS maintenance staff, to effectively support and maintain the TCS on a 24 hours per day, 7 days per week schedule. Software and computer Hardware maintenance shall be provided through qualified personnel and contractors acceptable to Agencies.

Facilitating Communications with TSP – TSP shall establish and provide a 24 hour per day phone number for the reporting of TCS outages and problems. TSP shall provide Agencies with the contact information for technicians, supervisors, and managers.

The following priority definitions shall be used to classify each Priority O&M Event during the O&M Term:

O&M Priority 1:

1. Is impacting safety
2. Critical issues in which revenue and/or data loss has occurred, is imminent, or is reasonably expected to occur if repair, restoration, or remediation is not completed, or
3. Issues with interfaces between the TCS and external entities for scheduled production or data exchange.

O&M Priority 2:

1. Non-critical issues in which revenue and/or data loss is not reasonably expected to occur if repair, restoration, or remediation is not completed, and
2. Revenue and/or data loss risk is not imminent or expected to occur within the next 5 days.

O&M Priority 3:

1. Non-critical issues in which revenue and/or data loss is not at risk, and
2. TCS functions are not operating per the Contract requirements, or
3. TCS functions are not operating as designed or intended, or
4. Customers are adversely affected, or
5. Stakeholder perception or reputation of Agencies may be adversely affected.

TSP shall notify Agencies of all O&M Priority 1 and O&M Priority 2 issues as soon as TSP becomes aware of them. TSP shall provide Agencies status reports for the correction of all O&M Priority 1 items every four (4) hours until resolved.

TSP shall Respond, Repair, and/or correct issues during the O&M Term in the timeframes specified in the KPIs.

TSP shall Respond, either through remote access or on-site, and begin working on O&M Priority 1 and 2 issues within two (2) hours of notification 24 hours a day, seven (7) days a week.

TSP is required to have spare parts available at all times.

If a Priority O&M Event occurs, TSP may inform Agencies that it is unable to Repair the Priority O&M Event within the specified Repair Time due to:

1. the need for specialized materials or personnel that are not, and cannot reasonably be expected to be, immediately available; or
2. the circumstances being that TSP is not reasonably able to carry out a Repair, but that a Temporary Repair can be completed within the Repair Time.

If Agencies agree the paragraphs that (1) or (2) apply in their sole discretion, Agencies may:

3. permit TSP to carry out the Temporary Repair proposed by TSP and agreed with Agencies within the specified Repair Time; and

4. decrease the Priority Level of the Priority O&M Event, in which case the Permanent Repair shall be completed within the Repair Time applicable to the new Priority Level (Permanent Repair Time) and Section 13.5 will apply subject to the revised Priority Level.

If the agreed Temporary Repair is completed within the relevant Repair Time and the Permanent Repair is completed within the Permanent Repair Time, TSP's obligation to Respond to the Priority O&M Event remains unaffected however no Noncompliance O&M Event will occur for the failure to Repair the Priority O&M Event within the original Repair Time.

If the Temporary Repair is not carried out within the specified Repair Time:

5. a Noncompliance O&M Event will occur;
6. there shall be a further period commencing on the expiry of the Repair Time and of a duration equal to that of the Repair Time that will apply (Additional Repair Time); and
7. TSP shall carry out the Temporary Repair prior to the expiry of the Additional Repair Time.

If the Temporary Repair is not successfully carried out by TSP before the expiry of the Additional Repair Time:

8. a further Noncompliance O&M Event will occur from the time of expiry of the Additional Repair Time; and
9. paragraphs 5, 6 and 7 above will reapply until the Temporary Repair has been successfully carried out by TSP.

Whether or not a Temporary Repair has been successfully carried out, if a Permanent Repair has not been successfully carried out within the Permanent Repair Time:

10. TSP's right to carry out a Temporary Repair in accordance with this Section 16.6 ceases; and
11. a Noncompliance O&M Event will occur from the time of expiry of the original Repair Time.

17 BUSINESS CONTINUITY

The requirements in this section establish the baseline for business continuity to ensure that Agencies will be able to continue to provide TCS services with minimal interruption to daily operations under various business disruption scenarios.

17.1 Business Continuity Plan

At least six (6) months prior to the start of the O&M Term, TSP shall develop and submit a Business Continuity Plan for Agencies' review and approval. The plan shall document the TSP's day-to-day policies, guidelines, and procedures for ensuring that the TCS, functionality, and operations will be fully available to Agencies and users of the ELs and meet the Key Performance Indicators. The plan shall address, at a minimum, TSP management, TSP staffing, TSP communications with Agency staff, facilities, Software applications, computer Hardware, network communications, operations, maintenance, and issue identification, escalation, and remedies.

TSP shall maintain, validate, test, and resubmit this Business Continuity Plan for review and approval by Agencies annually and after any material changes to the TCS, its architecture, location(s), or operations (including contracted services).

17.1.1 Disaster Recovery Plan

As a component of the Business Continuity Plan, TSP shall develop and submit a Disaster Recovery Plan for OCTA/RCTC review and approval. This plan shall document the TSP's facilities and operations (including any contracted or outsourced services), assess the hazards and vulnerabilities that the TSP's facilities and operations could face (including natural and technological disasters, civil emergencies, criminal activity, and other business interruptions), and describe how TSP shall maintain or recover its operations in the event of a business interruption.

This plan shall include, at a minimum, the following:

1) Description of processes for backup of all Software and configuration following each release of, or change to, the TCS, including the disaster recovery site;
2) Implementation of a back-up TCS site with full database replication located at least 60 miles from the ROC and the I-15 EL, subject to OCTA/RCTC approval;
3) Discussion of daily back-up process for all new and changed data on the TCS;
4) Provision of the means for the daily back-up to be maintained at a secure offsite location; and
5) Storage of one (1) year of data back-ups in a secure offsite location.

TSP's Disaster Recovery Plan shall be fully tested by TSP prior to CSC Commencement and approved by Agencies as part of testing to achieve Revenue Service Commencement. TSP shall test the Disaster Recovery Plan on at least an annual basis during the Term. TSP shall notify Agencies of these ongoing tests, provide Agencies the opportunity to witness the testing and review the results of the testing with Agencies upon completion. At a minimum, TSP shall document and provide certification that the tests were conducted and report on the results.

17.2 Operations Recovery Requirements

TSP shall meet the following requirements for restoring production operations in the event of a catastrophic event (including Force Majeure Events. and other natural and technological disasters):

1) TSP shall restore all Recovery Priority 1 identified functions to operations levels within 12 hours.
2) TSP shall restore all Recovery Priority 2 identified functions to operations levels within five (5) Business Days.
3) TSP shall restore all Recovery Priority 3 identified functions to operations levels within 30 days.

Functional Priorities shall be as follows:

Table 17-1 Functional Priorities

Function	Recovery Priority 1	Recovery Priority 2	Recovery Priority 3
Hosts	X		
IVR	X		
Walk In			X
Call Center		X	
Account Establishment		X	
Account Maintenance		X	
Customer Management			
Transponder Inventory Management		X	
Customer Service Website	X		
Retail Account Management			X
Payment Processing	X		
Transaction Processing	X		
Financial Accounting		X	
Reconciliation		X	
Audit		X	
Reporting		X	
System Interfaces	X		

18 END OF CONTRACT TRANSITION OR SUSPENSION

18.1 End of Contract Transition Plan

TSP shall submit an End of Contract Transition Plan to Agencies and obtain Agencies' approval of such plan at least 90 days prior to the transition. The End of Contract Transition Plan shall include at a minimum the following aspects for transition of all or part of the O&M Work to a Successor in relation to the continuing operation and maintenance of the TCS, or subsystem, without disruption to users of the I-15 and 91 ELs at the end of the Term or upon Contract termination:

1) A detailed plan for the process that could be used to transition TCS, or subsystem, operation and maintenance to a Successor including details of the means to be used to ensure continuing provision of the Toll Services throughout the transfer process or until the cessation of the Toll Services, and a detailed description of the management structure to be used during the transition process;
2) A timeline for supporting the start-up of the TCS, CSC, ETC, TMS, and other operations by Successor, lead times required by TSP, TSP resources required, and any assumptions underlying the resource estimates;
3) A detailed outline of the transition period, the time period during which the equipment or systems will be removed or services terminated, in the event of early termination of the Contract. Such period of transition shall not exceed 180 days from notification by an Agency of intent to terminate and shall include planning, documentation, data migration, training, and completion of the transition;
4) Plans for the communication with TSP's Subcontractors, staff, suppliers, customers and any related third parties as necessary to avoid any material detrimental impact on operations of the I-15 ELs or EL users as a result of such transition;
5) Proposed arrangements for segregation of TSP's networks from any other networks employed by Agencies and identification of specific security tasks necessary at transition (as applicable);
6) A system-to-system interface transfer plan;
7) A customer contact transfer plan discussing outreach, transition of all customer and Violation Notices, and transition of the call center;
8) A training plan for all maintenance and operations processes and procedures;
9) Provisions to provide Agencies with approved as-built system documentation, spare parts and tools, updated manuals, maintenance records, any rights for Software in accordance with the Contract;
10) An operations shutdown plan to include the destruction of certain confidential Agency designated hardcopy and electronic records;
11) An issue escalation and resolution process to manage challenges during the transition;
12) Plans for provision of contingent support to Agencies for a reasonable period after transition;
13) An O&M Transition Plan that specifically describes how TSP will meet with replacement staff or contractors to facilitate handover of all Agency customer, Transaction, and

financial data maintained in the TCS and any other information and property of Agencies; and how TSP will ensure there are no disruptions to CSC or TMS operations or to the TCS at all times and at all locations during phase-out;

14) A list of assets and equipment to be transitioned, including a description of all equipment, serial code, and date placed into service, warranty data, and other data necessary for the continued operation and maintenance of the equipment. This list shall be updated with each End of Contract Transition Plan update;

15) Describe in detail each Agency's various options for maintaining continuity of operations; and

16) Include detailed processes for turning site control over to Agencies.

TSP shall update the End of Contract Transition Plan as appropriate and resubmit it for review and approval by Agencies annually or after material changes in the TCS, architecture, location(s), or operations (including contracted services).

Agencies may instruct TSP to modify the End of Contract Transition Plan from time to time to ensure this provision for seamless transition of operations is met.

18.2 TSP Assisted Transition of All or Part of Operations to Successor

Transition activities of this Contract shall overlap with start-up activities for a Successor. TSP shall assist and cooperate with Agencies in the transition to a Successor as provided in Contract Sections 13 and 24.3.5.

18.3 Transition Requirements

TSP shall designate a Transition Manager who shall serve as the single point of contact for transition-related activities.

Within 30 days of notification from an Agency of its intention to transition to the Successor, TSP shall provide an updated draft of the End of Contract Transition Plan for the Agency's approval.

TSP shall provide sufficient TCS and operations experienced personnel during the entire transition period to ensure that the qualities of services are maintained at the levels required by the Contract.

TSP shall provide support to help the Successor maintain the continuity and consistency of the Toll Services required by the Contract.

TSP shall review and update ROC related business processes, procedures, database, Business Rules, and related documentation as a part of the transition process. TSP shall add any missing information and correct any Deviations from current operating protocol and provide to Agencies for review and approval per current Contract requirements at least 90 days prior to the Expiry Date.

19 ATTACHMENTS

19.1 CTOC Technical Specifications

19.2 Planned ROW Limits

19.3 TSP/DB Contractor Demarcation Matrix and Figures (RCTC Only)

Table 19-1 DB Contractor and TSP Demarcation Table and Figure

In the event of any irreconcilable conflict, ambiguity or inconsistency between or among the Demarcation Matrix and the Demarcation Drawings in this Section the Demarcation Matrix shall prevail to the extent of the conflict, ambiguity or inconsistency. Any TCS Equipment needed outside of what is listed below is the responsibility of the TSP.

No.	Express Lane Element/Components/Sub-system	Toll Services Provider (TSP)				DB Contractor			
		Design	Furnish	Install	Maintenance	Design	Furnish	Install	Maintenance
Toll Collection System									
1	CCTV Camera Pole and Foundation	Input Required			Yes	Yes	Yes	Yes	
2	CCTV Camera Mounting Adapters	Yes	Yes	Yes	Yes				
3	CCTV Surveillance Cameras	Yes	Yes	Yes	Yes				
4	License Plate Recognition Cameras	Yes	Yes	Yes	Yes				
5	Equipment Cabinet	Yes	Yes	Yes	Yes				
6	Wireless Device for CMS	Yes	Yes	Yes	Yes				
7	Roadside Cabinet with Lane Controller	Yes	Yes	Yes	Yes				
8	Roadside Lane Controller Cabinet Foundation and Pads	Input Required			Yes	Yes	Yes	Yes	
9	Beacon (VES)	Yes	Yes	Yes	Yes				
10	Transponder Tag Reader (AVI)	Yes	Yes	Yes	Yes				
11	Brackets	Yes	Yes	Yes	Yes				
12	Toll Gantry (Median Cantilever Structure)	Input Required			**	Yes	Yes	Yes	
13	Toll Gantry Foundation	Input Required			**	Yes	Yes	Yes	
14	Grounding Rod and lightening protection	Input Required			Yes	Yes	Yes	Yes	
15	Post Mounted Traffic Detection for EL	Yes	Yes	Yes	Yes				
16	In-Roadway Traffic Detection for EL (Loops)	Input Required			**	Yes	Yes	Yes	
17	Occupancy Detection (scoped through PDR only)	Input Required	Yes	Yes	Yes				
Signs									
18	Variable Toll Message Sign LED Inserts	Yes	Yes	Yes	Yes	Input Required			
19	Full CMS (Informational)	Yes	Yes	Yes	Yes	Input Required			
20	Static Sign Panel (Without Insert)	Input Required			**	Yes	Yes	Yes	
21	Structure and Foundation for All Signs	Input Required			**	Yes	Yes	Yes	
Power & Communications									
22	Electrical Cable, Transformers, Service Connection and Conduit from Electric Meter to Roadside Equipment Cabinet	Input Required			Yes	Yes	Yes	Yes	
23	Electrical Cables from Roadside Equipment Cabinet to Tolling Gantry and Equipment, Variable Toll Message Signs, and Changeable Message Signs	Yes	Yes	Yes	Yes	Input Required			
24	TCS Communication Network Fiber Optic Conduit, Cables and Vaults	Input Required			Yes	Yes	Yes	Yes	
25	TCS Communication Network Fiber Optic Laterals/Directional Bores with Cable to Equipment Cabinet	Input Required			Yes	Yes	Yes	Yes	

No.	Express Lane Element/Components/Sub-system	Toll Services Provider (TSP)				DB Contractor			
		Design	Furnish	Install	Maintenance	Design	Furnish	Install	Maintenance
26	TCS Communication Network Fiber Optic Cable from Equipment Cabinet to Tolling Gantry and Equipment, Variable Toll Message Signs, and Changeable Message Signs	Yes	Yes	Yes	Yes	Input Required			
27	All Other Conduits and Pull Boxes	Input Required			Yes	Yes	Yes	Yes	
28	Electrical Service Cabinets with Concrete Pad/Foundation	Input Required			Yes	Yes	Yes	Yes	
Pavement									
29	Pavement for Express Lanes	Input Required			**	Yes	Yes	Yes	
30	Pavement for General Purpose Lanes				**	Yes	Yes	Yes	
31	Pavement for Shoulder				**	Yes	Yes	Yes	

*DB Contractor and Toll Services Provider need to coordinate on all items

**To Be Determined by RCTC

19.4 Key Performance Indicators

Table 19-2: Key Performance Indicators

TSP's obligations to meet KPIs and pay Performance Liquidated Damages or Performance Stipulated Damages are discussed in Section 11.5 and 11.6 of the Contract.

Item No.	KPI	KPI Description	Minimum Standard for KPI	Ramp-up – First 60 days Performance	Measurement	Reporting Frequency	LDs
1	Primary ETC Host Availability	Equal to or greater than 99.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.0%		=Total Primary ETC Host System Availibility in minutes per Month/ (Days in month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month during such month.
2	TMS Availability	Includes CCTV and Traffic Monitoring. Equal to or greater than 95.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	95.0%		=Total System Availibility in minutes per Month /(Days in month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month.
3	Primary CSC Host Availability	Equal to or greater than 99.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.0%		= Total Primary CSC Host System Availibility in minutes per Month / (Days in Month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month during such month.
4	MOMS Availability	Equal to or greater than 99.0% system availability exc/uding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.0%		= Total System Availibility in minutes per Month/(Days in Month x 24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per month.
5	VTMS Availability	Per VTMS. Equal to or greater than 99.0% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.5%		= Total System Availibility in minutesper Month /(Days in Monthx24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per week and Stipulated Damages
6	Toll Zone Equipment (any single component including AVI, AVD and LPR) Availability	Per Toll Point. Equal to or greater than 99.5% system availability excluding scheduled maintenance, on a 24 hour, seven days a week basis during the month.	99.5%		= Total System Availibility in minutes per Month /(24x60 – Scheduled Maintenance in minutes)	Monthly O&M	Deduction in monthly O&M by $100 per minute under the minimum performance requirement per week and Stipulated Damages
7	Transaction Integrity	No Loss of Trip Transactions and trips from lane to CSC: The ETC shall ensure that no Trip Transactions will be lost even when associated with periods when communications with the ROC is not available. Transactions recorded in-lane shall be reconciled with the Toll Host and CSC Host.	Zero Loss		Daily Processes and Monthly Summary Report (Submit with the progress report) ETC integrity reports shall be reconciled daily to assure that no Trip Transactions are lost. (TSP to provide report mechanism)	Monthly O&M	Performance Stipulated Damages pursuant to Contract Section 11.6.

Item No.	KPI	KPI Description	Minimum Standard for KPI	Ramp-up – First 60 days Performance	Measurement	Reporting Frequency	LDs
8	Image Capture	Capture human readable rear license plate images where both the plate number, issuing jurisdiction, and type are visible and the US state of registration is discernible.	99.0%		Daily Process and Monthly Summary Report (Submit with the monthly progress report). The ETC shall report the KPI of capturing human readable images of the correct vehicle where both plate number and US state are discernible. (TSP to provide report mechanism) The monthly percentage of readable license plate images out of total images capture minus non-maintenance related image rejects. Non-maintenance related image rejects include blocked plates, obstructions, missing plates, etc.	Monthly O&M	Performance Stipulated Damages pursuant to Contract Section 11.6
9	Variable Toll Message Sign (VTMS)	The ETC shall post the correct toll rate(s) and messages on the VTMS.	99%		Daily Process and Monthly Summary Report. TSP to provide reporting mechanism.		$5,000 per hour outside the minimum KPI standard - up to $10,000 per day
10	Compliance with ICD	100% of all required transmissions and acknowledgements completed every Business Day, per the requirements and specifications of each Interface Control Document for each interface.	100%		Monthly O&M report. TSP to provide reporting mechanism. Measured per file not exchanged accurately and timely in accordance with the ICD per day late.		$5,000 per file per day outside the Performance Requirement
11	Time to Respond – Priority 1	One hour Response Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident for which the TSP did not meet the Response Time
12	Time to Repair - Priority 1	Three hour Repair Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	500 for each incident that doesn't meet the Repair Times
13	Time to Respond – Priority 2	Two hour Response Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident for which the TSP did not meet the Response Time
14	Time to Repair - Priority 2	Forty-eight hour Repair Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident that doesn't meet the Repair Times up to a maximum
15	Time to Respond – Priority 3	Twenty-four hour Response Time			Measured per TCS incident, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each incident for which the TSP did not meet the Response Time
16	Time to Repair - Priority 3	Seven (7) day Repair Time or agreed upon schedule at RCTC's sole discretion.			Measured per day, based on MOMS Monthly Summary Report	Monthly O&M	$500 for each day beyond the requirement that the repair is not complete
17	Timely Reporting	The TSP is required to provide complete and accurate reports, as identified in Section 14 of the TPs, on the specified date to meet the reporting requirements and time. Specific critical reports with dates and times due will be defined in the D&D phase.			Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Measured as each report and each day late until complete and accurate report is received.		$1,000 per report per day late.
Item No.	**KPI**	**KPI Description**	**Minimum Standard for KPI**	**Ramp-up – First 60 days Performance**	**Measurement**	**Reporting Frequency**	**LDs**

18	Average Speed of Answer (ASA)	This is the weekly average number of seconds for a customer call to be answered by a live agent. This measurement will be the overall average number of seconds for all inbound customer calls from the moment they select a live agent option until their call is answered by a live agent.	(A) No more than 150 Seconds average over the week. (B) No more than 7 minutes average in any given hour during the Week	No more than 240 Seconds	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism (from IVR system reporting) Measured each week, the average number of minutes, or portion thereof, over the minimum KPI standard. Measured each operating hour over the given week.	Monthly O&M	(A) $ 1,000 per thirty second increment that the average per Week exceeds 150 seconds; (B) $ 2,000 for each hour for which the average exceeds 7 minutes.
19	Abandon Rate	This is the monthly percentage of overall calls that abandon. This measurement will be comprised of the total number of inbound customer calls that disconnect after the customer requested to speak to a live agent and prior to having their call answered by a live agent.	2.0%	Less than 5.0%	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. (from IVR system reporting) Measured each month as the average number of abandoned calls divided by the total number of inbound calls.	Monthly O&M	$5,000 per month per percentage point, or portion thereof, over the minimum KPI standard.
20	Customer Satisfaction	This is the percentage of customers that rate their interaction as satisfied or very satisfied with their interaction with a CSR. The requirement is that 90% of all customers surveyed will rate their interaction as satisfactory or better. The survey response rate should be at a minimum of 15% of total inbound volume. The proposal must explain how Customer Satisfaction will be measured and reported.	90.0%		Measured as the percentage of customers rating their call center experience as “satisfactory” or better each month. Customers will be prompted to complete a short survey at the end of their call.	Monthly O&M	$1,000 per percentage point below the minimum each month.
21	Email Response	All inbound customer email correspondence must be responded to and resolved completely within 2 full Business Days of receipt. The requirement is that 98% will be resolved in 1 Business Day and 100% will be resolved in 2 Business Days.	100% in 2 Business Days	100% in 3 Business Days	Daily Process and Monthly Summary Report which must show a daily email correspondence aging report. TSP to provide reporting mechanism. Measured as the number of emails received on a given Business Day and responded to within each 2, 3, and more Business Days, each divided by the total number of emails received on a given day.	Monthly O&M	$25 per email per day late, or portion thereof
Item No.	**KPI**	**KPI Description**	**Minimum Standard for KPI**	**Ramp-up – First 60 days Performance**	**Measurement**	**Reporting Frequency**	**LDs**

22	Mail Response	All written customer mail correspondence must be responded to and action required by the CSC taken with 3 business days of receipt. Written correspondence is all customer mail correspondence to include responding to customer, making account updates/changes/requests, and scanning all documents and posted to the appropriate account.	100% within 3 Business Days	100% in 4 Business Days	Daily Process and Monthly Summary Report which must show a daily mail correspondence aging report. TSP to provide reporting mechanism. Measured as the number of correspondence received on a given Business Day and responded to within each of 3, 4, and more Business Days, each divided by the total number of emails received on a given Business Day. Receipt dates shall be the date mail is received from the post office and stamped. Responded to date is the date the correspondence reaches the USPS.	Monthly O&M	$25 per correspondence per day late or portion thereof.
23	Fulfillment Response	Customer transponder request will be fulfilled and sent to customers in less than 2 Business Days. This will include all Transponder requests as well as any other equipment or supplies associated with Transponders.	100% in 2 Business Days	100% in 3 Business Days	Daily Process and Monthly Summary Report which must show a daily fulfilment request aging report. TSP to provide reporting mechanism. Measured as the number of days between the date of the request and the date the Transponder reaches the USPS.	Monthly O&M	$2.00 per Transponder per day late, or portion there of
24	Payment Posting	All customer payments received through mail or walk-in shall be posted to the customer's account within 1 Business Day of receipt.	100% in 1 Business Day	100% in 2 Business Days	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Measured from the date of receipt to the date of posting to the customer account and deposit to the bank. Postings and deposits shall occur on the same day.	Monthly O&M	5% of revenue delayed from posting or deposit
25	Image Quality	This is the percentage of correctly reviewed images that are posted to customer accounts and statements. The percentage of image license plate data recorded accurately in the CSC system is required to be at 98% or higher. Accurate license plate data includes a license plate number, type, and state recorded in the CSC system that matches the image. The requirement is that 98% of all images will be accurately read prior to posting to any customer account or statement. Reports that indicate how many license plate images were changed or dismissed post violation notice mailing compared to the total amount of license plate images mailed over each month will determine the quality percentage. The proposal must explain how Image Quality will be measured and reported.	98%		Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Ten percent of the violation images shall be reviewed monthly for accuracy. From this review, 98% of the images shall match the transaction data in the CSC system. The accuracy review shall include images and data as determined from OCR and human review, be a reasonable sampling from days throughout the month, day and night, from each toll point and each lane. The calculation will be the number of transactions associated with data requiring change or rejection in a month divided by the total number of images reviewed for accuracy for the month.	Monthly O&M	$1,000 per percentage point (or portion thereof) under the minimum performance requirement per month.
26	Image Review Backlog	First Review of all Images to be reviewed shall be within 3 days of the Lane Transaction.	Less than 3 Days (excluding Holidays)		Daily Process and Monthly Summary Report. TSP to provide reporting mechanism.	Monthly O&M	$50 per 500 images or portion thereof
Item No.	**KPI**	**KPI Description**	**Minimum Standard for KPI**	**Ramp-up – First 60 days Performance**	**Measurement**	**Reporting Frequency**	**LDs**

27	Image Review Reject Rate	This is the percentage of rejected images accurately coded with the correct reject reason. The requirement is that 95% of rejected images are coded correctly. There must be a minimum sample size of 10% of all rejected images reviewed to ensure proper reject coding occurred.	95.0%	90.0%	Daily Process and Monthly Summary Report. TSP to provide reporting mechanism. Measured as the number of correctly coded rejected images divided by the total rejected images reviewed in the sample size each month.	Monthly O&M	$1,000 per percentage (or portion thereof) under minimum performance
28	Mailing Notice Timing	Notices and correspondence shall be mailed within 3 Business Days of being eligible for mailing per the TSPs	3 Business Days	5 Business Days	Each notice or correspondence mailed more than 3 Business Days after being eligible for mailing shall be reported in a notice/correspondence aging report each month.	Monthly O&M	$1.00 per notice or correspondence per day (or portion thereof) late
29	Electronic Notifications	Electronic texts or emails eligible to be mailed per the Business Rules and TPs shall be sent within 24 hours.	24 hours	48 hours	Each electronic notification sent more than 24 hours after being eligible for notification shall be reported in an electronic correspondence aging report each month.	Monthly O&M	$1.00 per electronic notification per day (or portion thereof) late
30	Violation Expiration	Violation Notices shall be mailed according to the legal requirements for timing.	21 days if registered owner is known, additional 45 if needed		Violation aging report to include registered owner information request and receipt dates, and mailing date.	Monthly O&M	The average transaction price from the previous 30 days for each Violation transaction not noticed within the appropriate time frame.

19.5 Lane Closure Charts (RCTC Only)

See Contract Section 11 and Exhibit 22 of the Contract

19.6 Applicable Standards (RCTC Only)

Table below provides a list of standards, manuals, and guidelines that TSP must use to design and construct the project. Except as otherwise specified in the Contract or otherwise directed by RCTC, material and workmanship specified by the number, symbol or title of any standard established by reference to a described publication affecting any portion of the project must comply with the latest edition or revision thereof and amendments and supplements thereto in effect on the date of issuance of the last Setting Date. If the manual expires or revisions are issued during the course of the project, TSP shall contact RCTC to determine if it should continue to use the manual, use the revision, or if the standard, manual, or guideline will be replaced.

No.	*Organization*	*Description*
1	AASHTO	A Guide for Accommodating Utilities within Highway Right-of-Way
2	AASHTO	A Policy on Design Standards – Interstate System
3	AASHTO	A Policy on Geometric Design of Highways and Streets
4	AASHTO	A Policy On the Accommodation Of Utilities Within Freeway Right of Way
5	AASHTO	Load Resistance Factor design (LRFD) Bridge Design Specifications (Customary U.S. Units)
6	AASHTO	LRFD Bridge Construction Specifications,
7	AASHTO	Roadside Design Guide, Text with RSAP CD-ROMs and 2006 Chapter 6 Update
8	AASHTO	Roadway Lighting Design Guide
9	AASHTO	Manual for Bridge Evaluation
10	AASHTO	LRFD Specifications for Structural Supports for Highway Signs, Luminaires, and Traffic Signals, 1st Edition
11	AASHTO	Standard Specifications for Transportation Materials and Methods of Sampling and Testing, and Provisional Standards
12	ANSI	ANSI A300 (Part 1) - Pruning: Tree Care Operations - Tree, Shrub and Other Woody Plan Maintenance - Standard Practices
13	ANSI	ANSI Z133.1 - 2006. Standards for Arboricultural Operations: Safety Requirements
14	ANSI	ANSI Z60.1 American Standard for Nursery Stock
15	ANSI	Illuminating Engineering Society of North America Roadway Lighting ANSI Approved; RP-8-14 and RP-22-11 American National Standard Practice for Roadway Lighting
16	APWA	Southern California Chapter, Work Area Traffic Control Handbook (WATCH)
17	AREMA	Manual for Railway Engineering
18	ASTM	American Society of Testing and Materials Standards
19	ATSSA	Guidelines for the Use of Portable Changeable Message Signs
20	ATSSA	Quality Standards for Work Zone Traffic Control Devices

No.	Organization	Description
21	Department	215/91 Corridor Master Plan
22	Department	Standard Plans
23	Department	Standard Specifications July 2015 (excluding Sections 1-9)
24	Department	ARS ONLINE: Deterministic PGA Map and ARS Online Report, Fault Data Base, 2007 Fault Errata Report
25	Department	Bridge Construction Records and Procedures Manual, Volume I
26	Department	Bridge Construction Records and Procedures Manual, Volume II
27	Department	Bridge Deck Construction Manual
28	Department	Bridge Design Aids (BDA)
29	Department	Bridge Design Details (BDD)
30	Department	Bridge Design Practice, as appropriate
31	Department	Bridge Design Specifications (LFD Version, April 2000)
32	Department	Bridge Memo To Designers (MTD)
33	Department	Bridge Standard Detail Sheets-XS Sheets
34	Department	CADD User's Manual
35	Department	California Amendments to the AASHTO LRFD Bridge Design Specifications - V.3.06.01
36	Department	California Manual on Uniform Traffic Control Devices (CA MUTCD)
37	Department	California Seismic Hazard Map and Report
38	Department	California Test Methods
39	Department	Caltrans Environmental Handbook Volume 2 - Cultural Resources
40	Department	Caltrans Environmental Handbook Volume 3 - Biological Resources
41	Department	Caltrans Environmental Handbook Volume 4 - Community Impact
42	Department	Code of Safe Drilling Practices
43	Department	Code of Safe Surveying Practices

No.	Organization	Description
44	Department	Compatibility Specifications for Automatic Vehicle Identification Equipment (Title 21)
45	Department	Construction Manual
46	Department	Construction Policy Bulletins
47	Department	Construction Procedures Directives
48	Department	Deputy Directives by Number
49	Department	Design Information Bulletins
50	Department	Design Memoranda
51	Department	Design-Build Modifications to the Standard Specifications for Construction (excluding Sections 1-9)
52	Department	District 8 Drainage Report Submittal Guidance Memorandum
53	Department	Encroachment Permits Manual
54	Department	EZ Guide
55	Department	Falsework Manual
56	Department	Fiber Optic Design Guidelines
57	Department	Foundation Manual
58	Department	Foundation Report Preparation For Bridge Foundations
59	Department	Geotechnical Manual
60	Department	Geotechnical Services Design Manual
61	Department	Geotechnical Services Reports Titles and Guidelines
62	Department	Guidelines for Preparing Geotechnical Design Reports
63	Department	Guidelines for Structures Foundation Reports
64	Department	Highway Design Manual (HDM)
65	Department	HOV Guidelines for Planning, Design and Operations
66	Department	Independent Quality Assurance Manual

No.	*Organization*	*Description*
67	Department	Standards Special Provisions
68	Department	Landscape Architecture PS&E Guide
69	Department	Landscape and Structures Aesthetics Handbook
70	Department	Local Agency Structure Representative (LASR) Guidelines
71	Department	Maintenance Manuals
72	Department	Outline of Field Construction Practices
73	Department	Overhead Sign Foundation Guidelines
74	Department	OFSP Information and Procedures Guide
75	Department	Pavement Policy Bulletins
76	Department	Pavement Tapers and Transitions Guide
77	Department	Plans Preparation Manual
78	Department	Prestress Manual
79	Department	Project Development Procedure Manual
80	Department	Ramp Meter Design Manual
81	Department	Safety Manual
82	Department	Seismic Design Criteria (SDC)
83	Department	Seismic Design Specifications for Steel Bridges (Steel SDS)
84	Department	Signal, Lighting, and Electrical System Design Guide
85	Department	Soil and Rock, Logging, Classification, and Presentation Manual
86	Department	Statewide Storm Water Management Plan (SWMP)
87	Department	Storm Water Quality Handbook: Project Planning and Design Guide
88	Department	Structural Detailing Standards
89	Department	Staking Information Booklet
90	Department	Surveys Manual
91	Department	The Plant Setback and Spacing Guide
92	Department	Trenching and Shoring Manual
93	CAPUC	G.O. 128 - Rules for Construction of UG Electric Supply & Communication Systems

No.	Organization	Description
94	City of Corona	Planning Division Design Guidelines
95	City of Corona	Public Works Standard Plans and Special Provisions
96	City of Corona	Existing and Proposed Bicycle Facilities
97	City of Corona	Special Provisions, Section T - Traffic Signals and Street Lights Supplement and amendment to the Standard Specifications for Public works Construction (Green book)
98	City of Corona	Standard Plans and Specifications for Water and Sewer
99	City of Corona	Department of Water and Power Design Policy
100	City of Corona	Local Streets Within The City Of Corona Impacted By The SR-91 Corridor Improvement Project Letter
101	County of Riverside	Signal and Lighting, Special Provisions
102	County of Riverside	Road Improvement Standards & Specifications (Ordinance 461)
103	CTOC	Technical Specifications for Interagency Electronic Data Interchange
104	Greenbook Committee	Standard Specifications for Public Works Construction (Greenbook), including all supplements
105	International Society of Arboriculture (ISA)	Best Management Practices: Tree Pruning
106	NCHRP	Report 350, Recommended Procedures for the Safety Performance Evaluation of Highway Features
107	NFPA	NFPA 502: Standard for Road Tunnels, Bridges, and Other Limited Access Highways
108	RCFC&WCD	Riverside County Flood Control & Water Conservation District Hydrology Manual
109	RCFC&WCD	Riverside County Flood Control & Water Conservation District Standard Drawings
110	BNSF/UP	Guidelines for Railroad Grade Separation Projects and Guidelines for Temporary Shoring

No.	*Organization*	*Description*
111	RCTC	Right Of Way Policies and Procedures
112	Various	Western Riverside County MSHCP Sections 6.1.4 [Guidelines Pertaining to the Urban/Wildlands Interface] and 7.5 [Guidelines for Facilities within Criteria Areas and Public/Quasi Public Lands]
113	FHWA	Manual on Uniform Traffic Control Devices
114	BNSF/UP	BNSF Railway – Union Pacific Railroad Guidelines for Railroad Grade Separation Projects

19.7 TCS Infrastructure Baseline (RCTC Only)

The following are the TCS Infrastructure Baseline Requirements.

Toll Gantry Requirements

- Each gantry must support a minimum of 300 lb. of TCS Equipment in addition to meeting all Department Standards including wind and traffic loading.
- Gantry must allow TCS equipment to be suspended 19-20ft above the center of each lane of travel and meet all vertical clearance requirements per Department Standards.
- A single cantilevered gantry structure per toll zone
- 0.5” maximum deflection
- 2HZ maximum vibration
- Maximum of 2 roadside cabinets to support toll zone equipment at a maximum of 300 feet from the gantry post
- Median mounted pole for VES camera approximately 25 feet upstream of gantry (may be excluded by TSP vendor solution)

VTMS Gantry Requirements

- Each gantry must support 700 lb. of VTMS LED Panels (does not include static sign panels) in addition to meeting all Department Standards including wind and traffic loading.
- A single cantilevered structure per VTMS location
- Maximum of 2 roadside cabinets to support VTMS equipment at a maximum of 300 feet from the VTMS gantry post, preferable upstream of VTMS location so maintenance crew can view VTMS sign while at the cabinets

CCTV Requirements

- Per Department Standards
- Assume 1 per mile (covers both directions)

CMS Requirements

- Per Department Standards

Traffic Detection Requirements

- Pole for Side fire Vehicle Detection Equipment Per Department Standards
- Assume 1 per mile

Misc. Requirements

- Median Mount Pole required for directional beacon at CHP observation area
- 1 median mounted support per direction for Vehicle Occupancy Detection (scoped through PDR only)

20 EXHIBITS

20.1 Occupancy Detection System (ODS)

The following scope is for the Back-office integration of ODS. ODS is currently deployed on the RCTC 91 Express Lanes but could be installed on the OCTA 91 Express Lanes and the RCTC 15 Express Lanes. This scope is for the back office system integration of ODS not roadside integration. Any additional roadside installations will be a change order which will include the cost to install at each location and associated CSC work related to ODS image review.

20.1.1 TSP shall include the following application, UI and correspondence to incorporate the ODS data:

1. Transaction validation (This includes Impact analysis and Design changes)
    a. Once the SDR structure is received from the lane system, the system shall identify the ODS flag fields inside it.
    b. The system shall record new field data into the database along with ODS Flag and Image Data after the system has verified the ODS-related information.
2. Image Download (This includes Impact analysis and Design changes)
    a. The system shall implement the process to take the ODS image URL and Name from the BOS database and request to connect the lane system to download the images and store them into BOS separate location.
3. Transaction Processing (This includes Impact analysis and Design changes)
    a. New discounts logic based on the ODS flag, and ODS Fee assessment based on the configurable values shall be implemented. The system shall maintain the 2 configurable values.
        i. Fee Amount
        ii. Enable the Fee (Y/N).
        iii. Order of the Discounts (Veterans, Special Access and HOV)
        iv. Carpool Indicator - Counter for ODS
        v. Violation processing will have the option to include the toll charge and ODS fee
4. IOP Transactions
    a. New discounts logic based on the ODS flag, and ODS Fee assessment based on the configurable values shall be implemented. The system shall maintain the 2 configurable values.
        i. Fee Amount
        ii. Enable the Fee (Y/N).
    b. Transaction details will be distributed to IOP agencies in accordance with the technical specification version the receiving agency is using.
5. Trip History Page Changes Internal Portal and External Portal including images.
    a. ODS flag and ODS images shall be displayed in Trip History page in Internal and ODS Flag in External Portal
6. New Case Creation flow (creation/approval/rejected) including correspondences for RCTC transactions for 91 EL and IOP Customers.

a. New ODS case type shall be set up in the system and case flow.
b. The system shall validate only eligible trips raise an ODS dispute in Internal and External Portal. Case approval and rejected shall be implemented with related Correspondences.
c. New Adjustment Reason shall be implemented for processing adjustments for the trips when the ODS dispute case is approved.

7. IOP Case Creation flow (creation/approval/rejected) including correspondences. a. Manually a CSR will create the IOP case when an email is received from IOP. Based on the IOP trip images reports REP can be approved/rejected the case.
8. Reports
    a. Tolls and Fees Report
    b. Toll Revenue Report
    c. ODS Images/Trips - New Report
    d. IOP Images Report
    e. Case Reports
    f. Correspondence Reports

20.1.2 Operations Process Changes:

1. Call Center Handling
    a. The call center anticipates receiving additional calls from customers disputing trips.
    b. CSRs shall submit an ODS Dispute case on behalf of the customer.
2. ODS Dispute Handling
    a. 91EL Customers via Phone
        i. CSRs shall review trips with customers and submit an ODS Dispute case.
        ii. CSR Case Processers shall review case details and determine if case should be approved or rejected.
            1. Approved-Credit issued to the account, Case and Account is noted, and email correspondence is triggered.
            2. Rejected-Case and Account is noted, and email correspondence is triggered.
    b. 91EL Customers via Customer Portal
        i. CSR Case Processers shall review case details and determine if case should be approved or rejected.
            1. Approved-Credit issued to the account, Case and Account is noted, and email correspondence is triggered.
            2. Rejected-Case and Account is noted, and email correspondence is triggered.
            3. IOP Customer
        ii. The CSC Leadership Team receives ODS Trip Dispute request via email from IOP agency. CSC Lead/Supervisor shall create an ODS General case.
        iii. The CSC Manager shall review the case details and images to determine if IOP customers should receive credit for trips.

1. The CSC Manager shall notify the IOP agency if credit is approved or rejected and close the case.

3. System Monitoring and Enhanced Application Monitoring
    a. Daily System Checks for:
        i. Image download confirmation
        ii. Verify appropriate discounting.
        iii. Trend analysis and baseline establishment.
4. Finance Reconciliation
    a. Credit Reporting Process for Invoicing
    b. Credit Reporting Process for All IOP Agencies for GL Reconciliation with the Trial Balance
    c. IOP AR Accrual and Settlement Journal Entries for All IOP Agencies

20.1.3 RCTC 91 Express Lanes Storage Information

1. 5 images in total will be received per OBS transaction.

2. Approximately 600KB (for three images) in storage is needed per ODS transaction.

3. Approximately 50,000 monthly transactions are anticipated.

4. ODS Images will follow the same data retention rules as other transactions images and will be retained for 4.5 years.

20.2 91 Express Lanes Traffic Operations Center

TSP shall staff operators to oversee daily operations of the 91 ELs 24 hours per day, 365 days per year at the TOC Anaheim Processing Center. The TOC system, also referred to as the Advance Traffic Management System (ATMS), is provided by Agencies. The TSP shall have the following responsibilities for the Agency 91 Express Lanes:

- Detect, verify, log, notify, respond, monitor and clear the express lanes and operations of the toll collection systems;
- Coordinate express lanes roadway activities and incidents with the applicable Agency's staff; CHP, Caltrans, contractors, freeway service patrol, the TSP lane system contractors within each county, operations center for each agency; I-15 TOC (RCTC), I-405 TOC (OCTA), and the BOS administrators as required;
- Develop incident reports;
- Develop traffic and revenue cost estimates related to roadway incidents as requested by the agencies,
- Monitor all 91 Express Building and facilities including TUB's, CSC and Roadway Maintenance Staging areas.;
- Monitor and control of Changeable Message Signs (CMS) and CCTV systems;
- Responsibility to update toll rates and pricing for OCTA and posting per OCTA instructions;
- Troubleshoot of CCTV cameras, video wall, CMS signs;
- Retrieval, tracking and storage of CCTV recording, including following company policy regarding conditions for their release ;

- Notification and coordination of TOC system issues and repairs with the TOC/ATMS/CCTV/CMS sign contractor; and
- Manage special data requests from agencies.
- Maintain records and logs of incidents, system checks, toll rate verification and other daily checks as specified by Agencies;
- Assist Agencies with TOC tours as requested.

Develop and enforce standard operating procedures (SOP). TOC SOP shall be a living document and approved updates will be followed by the TSP. TSP shall update the TOC SOP at least once a year or more frequently as requested by Agencies.

Exhibit 25

Attachment 2

Scope of Work:

Business Rules

[attached behind this page]

Riverside County Transportation Commission

BOS - Business Rules Document

Document Control

Document Name	RCTC_I15 EL_BOS - Business Rules Document
File Name	20200817_Kapsch_RCTC_I15 EL_BOS-BRD_v3.0
Contract #	16-31-043-00
Project Title	I15 Express Lanes
Client	Riverside County Transportation Commission (RCTC)
Project Manager	Jason Stewart

Change Notice

Rev #	Change Reason	Quality Control	Quality Assurance	Completed
A1	Initial Draft Submittal	N/A	Kapsch	10-06-2017
A2	Addressed Comments	N/A	Kapsch	11-27-2017
A3	Addressed Comments	N/A	Kapsch	01-19-2018
A4	Addressed Comments	N/A	Kapsch	02-05-2018
A	First Approved Version	N/A	Kapsch	02-06-2018
2.1	Recalled Submission	Donna Currie	Samuel Herbert	04-02-2020
2.2	Workshop Revisions	Donna Currie	Samuel Herbert	06-15-2020
2.3	Comment Revision	Donna Currie	Samuel Herbert	08-04-2020
3.0	Second Approved Version	N/A	Samuel Herbert	08-17-2020

Reference to the status- and version administration:

Status:

Draft the document is being processed

Released	the document has been checked and released; it can only be modified if the version number is updated.
Final	the document is complete

Versions:

1.0, 1.1, etc.	"**Released**" versions
2.0	Accepted version with the status "**Final**"
2.1, 2.2, etc.	Minor revisions, supplements to version 2.0

Reference to the data classification	
Public	No restriction
Internal	Restricted to internal and external Kapsch employees (default)
Confidential	**Restricted to selected active directory and/or SharePoint groups,**
Secret	Restricted to selected employees, server encryption needed

Table of Contents

Page

1 General 7
1.1 Purpose of this document 7
1.2 Abbreviations 7
1.3 Definitions 9
1.4 Referenced Documents 13

2 CSC Business Rules 13
2.1 Account Management 13
2.2 Account Statuses 14
2.2.1 Account Creation 15
2.2.2 Account Creation (Continue) 17
2.2.3 Self Service Functions Per Channel 20
2.2.4 Accounts Suspension Process 23
2.2.5 Account Closure 24
2.2.6 Vehicle Management 25
2.3 Vehicle Management 26
2.3.1 Transponder Management 26
2.3.2 Transponder Life Cycle 27
2.4 Trip Posting Process 28
2.4.1 High-Level Overview 28
2.4.2 Trip Posting 28
2.5 Violation Process 30
2.5.1 Violation Account Creation 30
2.5.2 Notice of Toll Evasion Violation (NTEV) 32
2.5.3 Notice of Delinquent Toll Evasion Violation (NDTEV) 34
2.5.4 DMV Registration Hold 35
2.5.6 Referral to Collections Agency/Courts or Franchise Tax Board (FTB) (Not currently in use) 37
2.5.7 General Enforcement Rules 38
2.5.8 Affidavit of Non-Liability 39
2.6 Discounts 41
2.7 Promotions 43
2.8 Financials (Payments, Refunds, and Adjustments) 44
2.8.1 Payments 44
2.8.2 Replenishment Rules 45
2.8.3 Refunds 48
2.8.4 Adjustments 49
2.9 Fees 51
2.10 Shift Management 51
2.11 Case Management 53
2.12 Disputes 54

2.13 Write-Offs 56
2.14 Financial Accounting Rules 57
2.15 Correspondence and Communications 59
2.15.1 Notifications and Channels 59
2.15.2 Opt-In – Opt-Out Notifications 60
2.15.3 Incoming Mail Communications 60
2.15.4 Automatic Outbound Notifications 61
2.15.5 Returned Mail 62
2.16 Security 62
2.16.1 Privileges 62
2.16.2 Personally Identifiable Information 63
2.16.3 Encapsulation and Encryption 63
2.16.4 System(s) Session Management 63
2.17 Archiving Module 64
2.17.1 Data Retention Rules 64
2.18 Interfaces 65
2.18.1 Address Standardization 65
2.18.2 DMV 65
2.18.3 CTOC Interoperability 67
2.18.4 Website (Part 1) 68
2.18.5 Website (Part 2) 71
2.18.6 IVR Interface 71
2.18.7 Fleet Accounts (Not currently in use) 73
2.18.8 Retail (Not currently in use) 73

List of Figures

No table of figures entries found.

List of Tables

Table 1 List of used abbreviations 9
Table 2 Definitions 12
Table 3 List of Referenced Documents 13
Table 4 Account Creation Process Rules (1-2) 13
Table 5 Enrollment Channels Per Account Type 14
Table 6 Account Statuses Rules (3-9) 14
Table 7 Account Creation Process Rule (10) 15
Table 8 Enrollment Required Information 16
Table 9 Account Creation Process Rules (11-44) 20
Table 10 Self Service Functions Per Channel 22
Table 11 Account Suspension Rules (45-49) 23
Table 12 Account Creation Process Rules (50-56) 24
Table 13 Vehicle Management Rules (57-61) 25
Table 14 Transponder Reception Rules (1-3) 26
Table 15 Transponder Relationship Rules (4-12) 27
Table 16 Trip Posting Rules (1-12) 29

Table 17 Violation Account Creation Rules (1-17) 32
Table 18 Violation Account Creation Rules (18-25) 33
Table 19 Violation Account Creation Rules (26-30) 34
Table 20 Violation Account Creation Rules (31-34) 35
Table 21 Violation Account Creation Rules (35-41) 37
Table 22 General Enforcement Rules (42-55) 39
Table 23 Affidavit of Non-Liability Rules (56-59) 40
Table 24 Discounting Process Rules (1-9) 42
Table 25 Promotions Configuration Rules (1-8) 43
Table 26 Payment Rules (1-2) 44
Table 27 Available Payment Methods per Channel 44
Table 28 Replenishment Rules (3-26) 47
Table 29 Refund Scenario Rules (27-35) 49
Table 30 Adjustment Rules (36-38) 50
Table 31 Fee Rules (1-4) 51
Table 32 Shift Management Rules (1-3) 52
Table 33 Case Management Rules (1-2) 53
Table 34 Disputes Rules (1-7) 56
Table 35 Write-Off Rules (1-4) 57
Table 36 Financial Accounting Rules (1-6) 58
Table 37 Notifications and Channels Rule (1) 59
Table 38 Notifications and Channels 60
Table 39 Opt In – Opt Out Notifications Rule (2) 60
Table 40 Incoming Mail Communications Rule (3) 60
Table 41 Automatic Outbound Notifications Rules (4-20) 62
Table 42 Returned Mail Rule (21) 62
Table 43 Privileges (1) 62
Table 44 Personally Identifiable Information Rule (2) 63
Table 45 Encapsulation and Encryption Rule (3) 63
Table 46 BOS Session Management Rule (4-5) 63
Table 47 Data Retention Rules (1-10) 64
Table 48 Address Standardization Rules (1-3) 65
Table 49 DMV Rules (1-13) 66
Table 50 CTOC General Business Rules (1-9) 67
Table 51 Website - Part 1 Rules (1-9) 68
Table 52 Website Actions – Registered Users 70
Table 53 Website Actions – Violation Users 71
Table 54 Website -Part 2- Rules (10-13) 71
Table 55 IVR Interface Rules (1-6) 72
Table 56 Fleet Accounts Rules (1-6) 73
Table 57 Retail Business Rules (1-17) 74
Table 58 DMV Statuses 75

1 General

1.1 Purpose of this document

The purpose of this document is to record the business rules of the Orange County Transportation Authority (OCTA) and Riverside County Transportation Commission (RCTC). Business Rules are intended to assert business structure or to control or influence the behavior of the business. The Business Rules listed here identify all the decision points within the processes executed to operate the toll collection system and serve the Agency's customers. For each decision, the rules, the terms used in those rules and the rule's source will be documented. Additional process diagrams and narratives are added to clarify and provide context to the business rule.

1.2 Abbreviations

The following table contains a list of abbreviations used within this document.

Abbreviation	Description
ACH	Automated Clearing House
BOS	Back Office System
BRD	Business Rules Document
CA	California
CALTRANS	California Department of Transportation
CAV	Clean Air Vehicle
CCTV	Closed Circuit Television
CHP	California Highway Patrol
CRUD	Create, Read, Update and Delete
CSC	Customer Service Center
CSR	Customer Service Representative
CTOC	California Toll Operators Committee
CW	Customer Website
DCA	Debt Collection Agency
DMV	Department of Motor Vehicles
DSS	Data Security Standard
ENF	Enforcement
FL	Fleet Accounts
FTB	Franchise Tax Board

Abbreviation	Description
FTT	Financial Transaction Type
GL	General Ledger
HOV	High-Occupancy Vehicle
HOV3+	High-occupancy vehicle (3 or more people)
ICD	Interface Control Document
ID	Unique Identification Number
IOP	Interoperability
IVR	Interactive Voice Response
LPN	License Plate Number
NOR	Notice of Resolution
NDTEV	Notice of Delinquent Toll Evasion
NSF	Non-Sufficient Funds
NTEV	Notice of Toll Evasion
OCTA	Orange County Transportation Authority
ODR	Occupancy Detection Review
PAN	Primary Account Number
PCI	Payment Card Industry
PCI-DSS	Payment Card Industry Data Security Standard
PCM	Phone Call Management
PII	Personally Identifiable Information
PIN	Personal Identification Number
POS	Point of Sale
RCTC	Riverside County Transportation Commission
RH	Registration Hold
ROC	RCTC Operations Center
SAD	Sensitive Authentication Data
SM	Shift Management
SMS	Short Message Service
TP	Trip Posting
TSP	Toll Service Provider

Abbreviation	Description
VES	Violation Enforcement Systems

Table 1 List of used abbreviations

1.3 Definitions

The following table contains a list of defined terms commonly used within this document:

Term	Definition
Admin Privilege	Provides the ability in the system to grant access for specific functionality to a user or group. This privilege option is mainly used for actions (e.g., Replenishment, Open an Account, Edit an Account, etc.)
Account	The Account (Prepaid, Non-revenue, Violation) linked to a customer and associated with a payment method (if applicable). An account can include one or more transponders and/or vehicles.
Acquiring Agency	The owner/operator of the home agency for the facilities where a toll transaction occurred.
Affidavit of Non-Liability	The registered owner served has indicated that the car was not in their possession prior to the date of the alleged violation. Valid reasons include that the vehicle was stolen, rented, leased, or transferred in a bona fide sale prior to the date of the alleged violation.
Agency	OCTA and RCTC
User	An employee of OCTA/RCTC or an OCTA/RCTC subcontractor, working in the CSC, TOC, or remotely, who is maintaining and operating the system components for the agencies and their customers.
Automatic Replenishment Amount	The amount that will be automatically replenished by the system to a prepaid account.
Check 21	The processing of checks electronically to the bank without the transfer of an actual check.
California Highway Patrol (CHP)	State law enforcement agency under contract to the agencies to perform toll and High-Occupancy Vehicle (HOV) enforcement.
Configurable Parameters	Configurable Parameters in the system are referenced in the document by double asterisks (**). Maximum, Minimum, and Default values for each of the Configurable Parameters are defined in Appendix II. (Note: the values in this document represent the initial values. Values may change after the system goes live.)
Debit Card	The debit cards referenced in these business rules have the Visa or Master Card logo which are processed as credit cards.
Delivery Channel	Customer contact method. Valid methods are phone, SMS text message, email, or mail.

Term	Definition
Facility Code	A number within a range of numbers assigned by CALTRANS to the Issuing Agency, which is programmed into the transponder for automatic identification purposes.
Financial Transaction	Any transaction that affects the balance of the account, or OCTA/RCTC financial reporting.
Financial Transaction Type (FTT)	Defines the various types of financial transactions, indicating the reason why a financial transaction is created. For example: • Toll • Payment • Replenishment • Toll Adjustment • Customer Service Adjustment • Promo Credit • Refund Balance • Fee
General Ledger	Master set of accounts summarizing all journal entries. This allows aggregation of the required business information into financial statements.
Home Account	A road user with an Agency account (non-revenue or prepaid account).
High-Occupancy Vehicle (HOV)	A vehicle transporting 2 or more occupants and defined by the acquiring agency.
High-Occupancy Vehicle (HOV) 3+	A vehicle transporting 3 or more occupants.
Initial Deposit	The initial amount required for the customer to open a Prepaid Account. This amount may be used to pay for previous toll transactions, as well as any future toll transactions.
Interoperable Account	An account with a different home agency.
Investigative Review	The process in which a Trip or Violation can be disputed with a provided reason and a review will be performed.
Issuing Agency	The entity that establishes the account and issues transponders.
Late Toll Transactions	Toll transactions produced from the lane side and not immediately forwarded to the Customer Service Center (CSC). For example: due to technical issues.
Money Order	A payment method for a pre-specified amount of money. This type of payment is treated in the system as a check. i.e.: a picture of the Money Order will be taken as per Check 21 regulations.
Notification Templates	The possible notice options for communication with the primary contact, language, and the possible Delivery Channel options.

Term	Definition
Pay-by-Plate Toll Transaction	When a transaction is paid by a plate that is associated with a prepaid account.
Payment Gateway	A payment processing service provided by an e-commerce application service provider that authorizes credit card or direct payments processing. A payment gateway facilitates a payment transaction by the transfer of information between a payment portal and the front-end processor or acquiring bank.
Personal Identification Number (PIN)	Customer creates a 4-digit numeric code to access the IVR phone system.
Plate	The license plate of a vehicle issued by a Department of Motor Vehicles or Department of Licensing.
Primary Account Number (PAN)	The PAN is the account number visible on credit, debit, and stored value cards. This number is transmitted to a payment processor to charge an account.
Privilege	Specific access to a particular module task or process. Access to all the functionalities is managed through privileges.
Privilege Types	Privilege Types are as follows: • Access Privilege (Grants access to a Module and function). • Edit Privilege (User can edit fields within the module or function). • View Privilege (User is only able to view fields within the module or function). A functionality will have only one privilege type (which can be granted or revoked depending on the User privileges).
Replenishment	Your account will be automatically replenished $40, or the equivalent of one-month's usage averaged over a three-month period (whichever amount is greater), each time your account balance falls below $15, or one-week's usage averaged over a three-month period (whichever is greater).
Replenishment Threshold	The level in which the system will process a payment using the payment method on file, or register a "Low Balance" notification, to inform the customer that the account needs replenishment.
Statement	A summary generated for prepaid or non-revenue accounts. These documents inform customers of their current balance, payments, charges, and trips (i.e.: statements for Non-Revenue Account will just contain trips).
Suspension Threshold	The threshold for both time duration and balance that will trigger an account status to become suspended.
Temporary Paper Plate	A temporary license plate of a vehicle issued by a Department of Motor Vehicles or Department of Licensing.
Tokenization	A unique code provided by the merchant service provider used to identify a specific credit card.

Term	Definition
	Tokenization is used by the system to reduce security risks inherent in the collection and transfer of highly sensitive data.
Toll Net Amount	Gross toll amount – ∑ [Discounts].
Toll Transaction	Toll Transactions created at the lane-side for every vehicle that goes through the tolling location.
Transponder	A device in or on the vehicle, issued by an issuing agency to identify toll transactions captured by the lane-side. The device functions through radio frequency identification and returns the information programmed into it.
Transponder ID	A unique ID that is read by the lane system for each transponder.
Transponder Status	An indicator attached to each transponder describing its current status. Assigned: Active and associated with a prepaid account Replaced: Inactive due to operation of device Lost in Mail: Customer states they never received it Returned: Transponders returned by USPS or customer to be re-entered into inventory Inactive: Deactivated
Transponder Type	The physical type of transponder that is tracked in the system, such as an internal, external, or switchable transponder.
Trip	A billable transaction unit created by combining one or more toll transactions. A toll transaction is defined as one or more billable transaction(s) with one Entry and Exit point.
Universal Non-Revenue	Non-Revenue accounts that are recognized and shared across the CTOC network are called Universal Non-Revenue.
Violation Account	Accounts to post the trips of license plates that are not associated with an active prepaid, non-revenue, or Interoperable account.
Violation Enforcement System (VES)	Roadside equipment used for video enforcement, using video cameras to capture potential violator's license plate for further identification and forwarding to a violation processing system.
Violation Escalation Process	Escalation process for a Notice of Toll Evasion: Notice of Toll Evasion Violation (NTEV) Notice of Delinquent Toll Evasion Violation (NDTEV) Notice of Resolution/Pre-Collections Registration Hold (RH)
Violator	A registered owner of vehicle that is not associated with an active prepaid account
**	Configurable

Table 2 Definitions

1.4 Referenced Documents

Ref. No	Doc No	Doc Type	Document Title
[1]	KTCPRO-777515366-325	XLSX	RCTC_I15_Configurable Parameters.xlsx
[2]	CA Vehicle Code	Web Archive	CA Vehicle Code. ARTICLE 4. Procedure on Toll Evasion Violations [40250 - 40273]

Table 3 List of Referenced Documents

2 CSC Business Rules

2.1 Account Management

The Account Management business rules define how the system will handle the lifecycle of a customer account through various processes including creation, activity, suspension, pending closure, and closure. This section will also detail account reporting and communications with the customer and different thresholds required for each account.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-1	Account Types	The system shall have these account types: • Standard Prepaid Account (Transponder-Based) • Convenience Plan (Transponder Based) • Violation • Fleet • Non-revenue o Universal Non-Revenue (Not currently in use) o Local non-revenue account discounts will be applied to the designated segment for which they are eligible.
CSCBR-AM-2	Account Enrollment Channels	Customers are uniquely identifiable in the system and have different channels for enrollment. See the Enrollment Channels Per Account Type table.

Table 4 Account Creation Process Rules (1-2)

2.1.1.1 Enrollment Channels Per Account Type

Short Name	Prepaid	Convenience	Fleet Accounts	Non-Revenue	Violation Account
Account Types (Defined)	Customer created prepaid toll account	Customer created prepaid toll account	A business created tolling account for large quantity vehicles	Free toll account created in cooperation with OCTA/RCTC	Automatically Created by the system
Enrollment Channel	• Walk-in • Mail • Phone (CSR) • Website	• Walk-in • Mail • Phone (CSR) • Website	Agency Approval only	Agency Approval only	• BOS • CSC

Table 5 Enrollment Channels Per Account Type

2.2 Account Statuses

Rule	Short Name	Condition/Rule Description
CSCBR-AM-3	Prepaid Account Status Incomplete	A Prepaid account will be in the incomplete status until account registration is completed or closed.
CSCBR-AM-4	Prepaid Account Status Active	The Prepaid Account becomes activated once the enrollment information is completed, there is at least (1**) active vehicle, and a payment has been received.
CSCBR-AM-5	Non-Revenue and Fleet Account Status Active	The Non-Revenue and Fleet Accounts become active when the enrollment information has been completed and there is at least (1**) active vehicle.
CSCBR-AM-6	Violation Account Status Active	Violation accounts are active when there is at least (1**) active license plate on the account and DMV has identified a registered owner for the time of the toll transaction.
CSCBR-AM-7	Prepaid Account Status Suspended	Suspended Prepaid (Standard/Convenience plan) accounts will not charge the account maintenance fee or generate statements. Customers can access their accounts online during the time of suspension to make a payment on their account and update their payment method.
CSCBR-AM-8	Account Status Pre-Close	Any account that has a request for closure will be set to pre-closed status for (21**) days to allow toll transactions pending processing to post.
CSCBR-AM-9	Account Status Closed	Toll Transactions will be rejected and an NTEV will be created.

Table 6 Account Statuses Rules (3-9)

2.2.1 Account Creation

Rule	Short Name	Condition/Rule Description
CSCBR-AM-10	Prepaid Accounts Creation	Account enrollment will be available through the following channels: • Walk-in center • Mail • Phone (CSR) • Website • OCTA Store Retail transponder activation will be available through the following channels (Not currently in use): • Website • Phone (CSR) • Walk-in center • OCTA Store The required fields when adding customer information depend on the enrollment channel (see Enrollment Required Information per channel)

Table 7 Account Creation Process Rule (10)

2.2.1.1 Enrollment Required Information Per-Channel

Field	Walk-in	Mail	Phone	Website
First Name	x	x	x	x
Last Name	x	x	x	x
Suffix				
Company Name (if applicable)				
Billing Address	x	x	x	x
Shipping Address (if applicable)				
Primary Phone number	x	x	x	x
Secondary phone number				
Email address	x	x	x	x
Login and Password				x
Vehicle Information	x	x	x	x
Marketing source				
Marketing promotions (opt-in)				

Field	Walk-in	Mail	Phone	Website
Member/Club Card				
IVR PIN				x
Language Preference				x
Agree to Account Terms and Conditions	x	x	x	x
Statement Delivery Method	x	x	x	x
Payment Information	x	x	x	x

Table 8 Enrollment Required Information

Legend: x = mandatory; <empty> = optional

2.2.2 Account Creation (Continue)

Rule	Short Name	Condition/Rule Description
CSCBR-AM-11	Customer Preferred Language	Customers will be able to specify “English” or “Spanish” as their preferred language for email notifications and the website. The Default Language will be “English”.
CSCBR-AM-13	Vehicles	The system will require the following for vehicles: • LPN • State • Plate Type (Required only for out-of-state plates that the state requires a plate type for customer lookup.)
CSCBR-AM-14	Active Vehicle	A vehicle is active at the time of a toll transaction if the start date is in the past, and either has no end date, or the end date has not elapsed.
CSCBR-AM-15	Transponders for Non-Revenue Accounts	Per each non-revenue account, the mandatory use of transponders is at Agency’s discretion.
CSCBR-AM-16	Motorcycle Transponders	Motorcycle transponders will be issued. They will be flagged as a motorcycle to provide for toll discount.
CSCBR-AM-17	Minimum and Maximum number of LPNs and transponders on an account	The system shall not limit the number of LPNs, but must be equal to or greater than the minimum of (1**) vehicles and (1**) transponder.
CSCBR-AM-18	Account Creation Relationship Transponder and LPN	On account creation, a transponder is required for all vehicles
CSCBR-AM-19	Switchable Transponders	The system shall not assign Switchable transponders to a specific vehicle. A switchable transponder may move from vehicle to vehicle.
CSCBR-AM-20	Switchable Bundle	When the customer purchases the switchable transponder and sticker bundle the system shall charge a discounted rate.
CSCBR-AM-21	Retail Transponder	A customer can obtain a transponder through a retail vendor. Retail transponders may be added to an existing account or used in creating a new account. (Not currently in use)
CSCBR-AM-22	Temporary Vehicles	A temporary vehicle requires a start and end date.
CSCBR-AM-23	Temporary Vehicle Transponders	Temporary vehicles do not require a transponder when it is added to a prepaid account if the end date is less than (7**) days in the future, or a switchable transponder is on the account. To receive the HOV discount on the 15, a switchable transponder is required.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-24	Add LPN	A LPN can be added to an existing account with no limit to the start date.
CSCBR-AM-25	Transponder Activation Walk-In	Transponders shall be active at the time of the assignment to an account if provided to the customer directly at the walk-in center.
CSCBR-AM-26	Transponder Activation Mailed	Mailed transponders shall have a delayed activation of (0**) days.
CSCBR-AM-27	Transponder Activation Retail	Transponders purchased at a retail location shall be activated from the web, by a CSR over the phone, or at the walk-in center by using an activation code. (Not currently in use).
CSCBR-AM-28	System Transponder Correlation	A sticker transponder is correlated to a vehicle within the customer account after the system identifies the sticker transponder on a vehicle with a readable LPN after (1**) consecutive trip(s).
CSCBR-AM-29	Manuel Transponder Correlation	An Authorized User has the ability to manually correlate and un-correlate a Transponder from a LPN.
CSCBR-AM-30	Sticker Transponder Correlation Changes	The system shall track correlation changes on sticker transponders.
CSCBR-AM-34	Pay-by-plate Fee Assessment	A pay-by-plate fee of $(2**) per trip will be assessed if it is determined that a customer has excessive video tolls. Excessive video tolls will be based on the past (30**) calendar days of a vehicle's trips where: • More than (10**) pay-by-plate trips have occurred • When the total number of pay-by-plate trips is greater than (30**)% of the total trips for that vehicle in that period.
CSCBR-AM-35	Pay-by-plate Fee Communication	Once the pay-by-plate fee has been assessed: • The first time they are out of compliance, communication will be sent by all available channels. • If they are out of compliance on subsequent checks, the pay by plate fee will be charged on each new plate-based trip.
CSCBR-AM-36	Pay-by-plate Fee Removal	The pay-by-plate fee will be stopped by: • An authorized CSR • If the customer becomes compliant on a subsequent check.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-37	Pay-by-plate Fee Assessment	Registered Account will be flagged for qualification of Pay by Plate response notification credit of $5.00 when Pay by Plate Letter 1 is sent. The $5.00 credit will be issued to the Registered Account if the offending vehicle is linked to a new sticker transponder before the Pay by Plate Letter 2 is sent. Non-revenue accounts do not qualify for Pay by Plate processing. Once eligible, a pay by plate fee of $2.00 per trip will be charged for the top (**250) accounts with image-based tolls in a rolling 30 days from the date of eligibility. The pay-by-plate fee will be stopped if the license plate is read by the in-lane system on the 91 and 15 Express Lanes with an active transponder.
CSCBR-AM-38	Generation of Statements	The frequency of statement generation can be configured according to customer preference either monthly or quarterly, on the account anniversary date. The Statement notifications, per customer selection on delivery, are sent via: • Email: monthly (link in an email) • Mail: monthly or quarterly $(2.00) fee added • Walk-in on demand: No charge Statements will consist of all trips, charges, and payments on the account for the selected statement frequency.
CSCBR-AM-39	Account Statement Details	The system will generate Account Statements including: • Prior statement ending balance • Toll transaction/trip activity * • Payments (including replenishments and one-time payments) • Adjustments and credits • Discounts and financial adjustments performed • Promotions • Transponders purchase • Fees *Non-revenue statements will only contain data for trips and tolls.
CSCBR-AM-40	Statement Delivery Channel	Customers can select a statement delivery channel or can opt-out of a statement delivery notification. If an email address is present on the account, the default method for statement delivery is email.
CSCBR-AM-41	Update LPN on account	If the LPN for an existing vehicle is being updated, the sticker transponder will be disassociated from the previous LPN and reassociated with the new LPN, if applicable.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-42	Accounts Bankruptcy	When the account is marked for “Bankruptcy”, the account is put on hold for any further financial transaction life cycle processing. • If an Order of Discharge is received, system should dismiss tolls if it is Ch. 7 or Ch. 11. If Ch. 13, settlement is applied, then remaining tolls and penalties will be dismissed. • Trips and penalties after bankruptcy date will be pursued. • If Bankruptcy is dismissed, the account is re-activated and the violation process resumes. • If Bankruptcy case is approved and notice received is anything but an Order of Discharge, a note will be populated indicating a Bankruptcy notice was received. If discharged, all DMV Holds and Collections should be released.
CSCBR-AM-43	Deceased Customers - Prepaid	When the account is marked for “Deceased”, the account is put on hold for any further financial transaction life cycle processing. • Certificate of death must be provided. • When death is confirmed, any unpaid financial transactions before the date of death will be written off. • The vehicle, and associated transponder if applicable, will be end-dated with the date of death. • If the deceased is the only contact on the account, the account will be closed.
CSCBR-AM-44	Self Service Customer Accounts Functions	The Self-Service Customer Account Functions are limited by the selected channel. Available channels are: • IVR • Website • Third Party Payment Provider Functions and their available channel are described in Table 10 Self Service Functions Per Channel.
CSCBR-AM-45	Member/Club Card	A membership or club card may be added to the account (at the time of registration only). It may be referenced to add a specific promotion. In addition, AAA Club Cards should be verified for 16-digit length.

Table 9 Account Creation Process Rules (11-44)

2.2.3 Self Service Functions Per Channel

Functions	IVR	Website	Third Party Payment Provider
Customer Log in	x	x	
Customer Change Password		x	

Functions	IVR	Website	Third Party Payment Provider
Request Password Reset		x	
Create Account		x	
Reset IVR PIN	x	x	
Set IVR PIN		x	
Add or Modify Replenishment/Payment Method	x	x	
Make a Replenishment Payment	x	x	x
View / Edit Account Notification Preferences		x	
View / Edit Account Demographic Information		x	
Report a transponder as Lost/Stolen		x	
Add or remove Transponders to/from an Account		x	
Add or remove LPN to/from an Account		x	
Request additional transponders	x	x	
View violations associated to an account	x	x	
Pay violations in full (Any Status)	x	x	x
Pay violations (partial payment)			x
View Account Cases (e.g.: disputes)		x	
Create Dispute Cases		x	
Select multiple violations to appeal		x	
View account trips	x	x	
Download/Print Account Statements and Payment confirmation		x	
Download/print violation notices		x	
View account payments and refunds		x	
Get account balance	x	x	
View activity history of LPN or Transponder		x	

Functions	IVR	Website	Third Party Payment Provider
View account activity history		x	
View customer notifications		x	
Close account: initiate the account closure process		x	

Table 10 Self Service Functions Per Channel

2.2.4 Accounts Suspension Process

The following section describes the Prepaid account suspension process.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-46	Account Suspension	The Prepaid account will be suspended after all the following occurs: • (10**) days after the Low Balance letter has been mailed. • The Account's Balance is less than 0
CSCBR-AM-47	Penalties and Fees for Suspended Customers	When a customer reactivates a suspended prepaid account, the system automatically will calculate the reduction to either 10+ toll or 15+ toll for the outstanding violations. *Refer to Violation Mitigation Matrix
CSCBR-AM-48	Suspended Account Violation Process	Violations do not post to a suspended prepaid account.
CSCBR-AM-49	Low Balance Processing	Unpaid and partially paid financial transactions posted to a prepaid account while the account is in Low Balance status are not eligible to be processed through NTEV, NDTEV, or RH, but may be sent to collections after a configurable amount of time. Accounts with a balance of $0 or less are invalid for IOP plates and transponders.
CSCBR-AM-50	Automatic Suspension Reactivation	Suspended accounts may only be reactivated after: • Payment or a payment plan for any outstanding trips and penalties on the account. • The account balance is greater than $0.

Table 11 Account Suspension Rules (45-49)

2.2.5 Account Closure

This section describes the rules for account closure.

Rule	Short Name	Condition/Rule Description
CSCBR-AM-51	Account Closure of Any Type	The system will allow closing of Prepaid Accounts.
CSCBR-AM-52	Pre-Closed Transaction Latency Period	For account closure requests, all accounts, except violation, will be set to the “pre-closed” status for a period of (21**) days, to allow pending or Late toll and financial transactions to post before the account is closed.
CSCBR-AM-53	Pre-closed Account Transponder and LPN	Transponders and Plates are end-dated and deactivated on the date that the account status became “pre-closed”.
CSCBR-AM-54	Pre-Closed Account Posting	If an account is in a pre-closed status, trips will continue to post to the account and payment is applied, if the balance is available.
CSCBR-AM-55	Account Closed	The prepaid account is closed when the financial transaction latency period has expired and the account balance is greater than or equal to 0, or when the account status is set to “closed”.
CSCBR-AM-56	Account Closed– Non-Revenue	When the Financial Transactions Latency Period expires and the account is non-revenue, the account status is set to “closed”.
CSCBR-AM-57	Pending Balance Refund	• If the account balance of a prepaid account is positive when the account is closed, the system will issue an electronic refund to the original form of payment, if still active. • If original form of payment is not available, the system will issue refunds by check.

Table 12 Account Creation Process Rules (50-56)

2.2.6 Vehicle Management

Rule	Short Name	Condition/Rule Description
CSCBR-AM-58	End Dated LPN	An LPN may be end-dated at any time. Trips will not post to the account after the end date.
CSCBR-AM-59	LPN Moved to a new account	When a vehicle license plate is moved to another account, and end-dated on the current account, the associated sticker transponder must also be disassociated from the vehicle and updated to deactivated status or moved upon customer request.
CSCBR-AM-60	End Date of an LPN	An LPN cannot end before it starts.
CSCBR-AM-61	Paper Plate (Temporary LPN)	If a customer has a temporary paper plate, they should add it as if it were a standard LPN. When the permanent LPN is installed the temporary paper plate LPN should be end-dated and the permanent plate added with the same date.
CSCBR-AM-62	Updating LPN	When updating an LPN, disassociate any transponder correlated to the LPN, and then follow correlation rules for new LPN.
CSCBR-AM-63	Bulk Import of Vehicles	The system will allow for the bulk upload of vehicles by list to any Prepaid account. (Not currently in use)
CSCBR-AM-64	Relationship Transponder and LPN	When adding an LPN, a new transponder is required except when: • There is an existing switchable transponder on the account. • The plate is for a temporary vehicle

Table 13 Vehicle Management Rules (57-61)

2.3 Vehicle Management

2.3.1 Transponder Management

These rules define how the system will handle the starting point for transponders in the system, reporting, and monitoring, stock replenishments, as well as delivery out to the customers and their returns.

Rule	Short Name	Condition/Rule Description
CSCBR-TM-1	Transponder Types	The system will be able to manage different types/models of Transponders. For each vehicle on the account, the customer shall have a choice of one of the following: • Internal sticker transponder • External sticker transponder • Switchable transponder • Bundled sticker and switchable
CSCBR-TM-2	Transponder Attributes	The system will be able to manage special attributes for transponders. These special attributes are: • Motorcycle • Disabled Plate • California Disabled Veteran/Special Recognition • Out of State Disabled Veteran
CSCBR-TM-3	Transponder Price	Transponder prices: • $(5.00**) Internal Sticker • $(5.00**) External Sticker $(15.00**) Switchable 6C (includes sticker transponder) Transponder replacement prices: (may be waived): • $(5.00**) Internal Sticker • $(5.00**) External Sticker • $(15.00**) Switchable 6C
CSCBR-AM-4	Add LPN or Transponders	New LPNs and transponders can be added to a new or existing account. • For each new LPN or Transponder's start date in the system, the back-office system defaults to the current date at 12:00 am, with no end date. An LPN can be backdated to a configurable (90**) days in the past by an authorized user.
CSCBR-AM-5	Transponder Return	A customer may only return a switchable or unapplied sticker transponder via: • Mail • Walk-in center • OCTA Store

Table 14 Transponder Reception Rules (1-3)

2.3.2 Transponder Life Cycle

This is how the system will be handling transponders as they pertain to accounts. How the transponder will be assigned to an account, its life cycle, statuses, and eventual decommissioning.

Rule	Short Name	Condition/Rule Description
CSCBR-TM-6	Transponder and Account Status	Transponder status is secondary to account status. If the account status is not eligible for posting, then all transponder statuses are ineligible for posting.
CSCBR-TM-7	Transponder Status Eligible for Posting	Only active transponders are eligible for posting.
CSCBR-TM-8	Transponder Status Ineligible for Posting	Transponder status ineligible for posting: • Lost In Mail • Returned • Inactive • Assigned • Replaced
CSCBR-TM-9	Transponder Deactivated	A transponder will be deactivated and dissociated when: • Returned to the CSC • Reported as lost in the mail, or inactive • LPN has been end-dated (Sticker Transponder only) • Customer requested • Closed or Suspended accounts
CSCBR-TM-10	Returned Transponders	The system shall track the status of returned transponders based on their manual evaluation and the final disposition, such as returned to the manufacturer or disposed of.
CSCBR-TM-11	Transponder Inventory	Transponders received from the manufacturer will be maintained in inventory.
CSCBR-TM-12	Replacement Defective Sticker Transponder	There will be (0**) charge for defective sticker transponders within 2 years of sale.
CSCBR-TM-13	Replacement Defective Switchable Transponder	There will be (0**) charge for defective switchable transponders within two 2 years of sale.
CSCBR-TM-14	Replacement for Transponders Lost in Mail, or Not Applied Correctly	The replacement of a transponder that was lost in the mail, or not applied correctly will be $(0**) if requested within 60 days of activation.

Table 15 Transponder Relationship Rules (4-12)

2.4 Trip Posting Process

2.4.1 High-Level Overview

This process allows posting trips to the proper accounts. The related accounts can be Prepaid, Non-revenue, Fleet, CTOC, or violation accounts. The system will try first to post the trip to an Account (Prepaid, Non-revenue, or Fleet) and then to CTOC, and finally to a previously created violation account. If the look-up was unsuccessful, a new violation account will be created.

If trips are posted to violation accounts, the system will use the CA DMV and out-of-state third-party service to look up the registered vehicle owner. If the information that matches a registered account is returned, the trip will be posted to that account.

2.4.2 Trip Posting

The following business rules describe the Trip Posting Process from the lane side and into the Back-Office System (BOS).

Rule	Short Name	Condition/Rule Description
CSCBR-TP-1	Trip Posting Order of Precedence	Trips shall be posted in this order of precedence: • Give the customer the greatest discount with the exception of Non-Rev. • Home Agency • Away Agency • Valid Transponder • Valid Plate • Non-Rev • Violation
CSCBR-TP-2	Transponder Order of Precedence	When multiple transponders are detected in a vehicle, post using the following hierarchy: • 6C Switchable • T21 Switchable • 6C Sticker • T21 Standard
CSCBR-TP-3	Valid Trip	A trip is considered valid for posting if compliant with all the following criteria: • The trip will have LPN and/or Transponder • Toll Transaction Timestamp • The trip has a location • The trip has a rate
CSCBR-TP-4	Invalid Trips	Trips that do not meet valid trip criteria will be recorded for reporting.
CSCBR-TP-5	Duplicate Trips	Duplicate trips will not be posted but will be held for reporting.
CSCBR-TP-6	Ineligible Transponder Posting	A trip with an ineligible transponder will be posted by LPN.

Rule	Short Name	Condition/Rule Description
CSCBR-TP-7	Same Plate Different Accounts	If the license plate resides on two or more home accounts, posts are made to the account with the newest vehicle start date, if the toll transaction date is within the plate start and end date.
CSCBR-TP-8	Trips Processing	Trips will post to accounts with matching eligible transponders or LPN within their start and end dates.
CSCBR-TP-9	Apply Discounts	If the trip is posted to an active account, the system will apply configured discounts according to the Discounting Rules defined in the Discounts section.
CSCBR-TP-10	Trip Payment	After the discounts are applied, the system will analyze the account balance to pay for the trip. If the Account has funds, the trip will be marked “paid” according to payment posting.
CSCBR-TP-11	New Violation Account Posting	If the trip cannot be posted to a Non-revenue, Prepaid, CTOC, or an existing violation account, the system will create and post to a new violation account. The LPN and State provided in the trip and DMV lookup will be used to create the account.
CSCBR-TP-12	Valid Transponder Posting	If a transponder was active at the time of the toll transaction, the toll transaction will post to the account.

Table 16 Trip Posting Rules (1-12)

2.5 Violation Process

This process affects those road users who do not have an account, or their prepaid account is suspended. The violation process begins when a violation on a violation account reaches the age or accumulation thresholds to be included on an NTEV. The process then creates an initial NTEV.

2.5.1 Violation Account Creation

The violation process for unknown Violators begins with the creation of a violation account with LPN owner information from the results of an in-state or out-of-state DMV lookup.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-1	Vehicle Owner Information	Vehicle owner information will be provided using the DMV or out-of-state DMV lookup.
CSCBR-ENF-2	DMV Account Match Violation	DMV and out of state DMV owner information will be matched to Violation accounts by: • Owner Match: o Last name and First Name • Address Match: o An exact match of the returned address For pre-paid accounts, the DMV owner information will be matched by: First Name, Last Name, first 8 characters of the address, and the zip code. The system will not attempt to match fleet/rental and non-revenue accounts.
CSCBR-ENF-3	Out-of-state DMV Lookup Expiration	If the out-of-state LPN owner information is older than the (30**) day out-of-state lookup period, the system will perform a new out-of-state DMV look-up.
CSCBR-ENF-4	Find Prepaid Account by Owner	If the DMV or out-of-state DMV returns a vehicle owner for the requested LPN, the system will attempt to match a prepaid account by owner and address match.
CSCBR-ENF-5	Find Violation Account by Owner	If the DMV or out-of-state DMV returns a vehicle owner for the requested LPN, the system will attempt to match a violation account by owner and address match.
CSCBR-ENF-6	Create a New Violation Account	If information returned from the DMV or out of state DMV does not match, by owner and address, the system will create a new violation account for the owner and post the toll transactions that occurred, on and after the DMV data return.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-7	Matched to Existing Violation Account	If an LPN is matched by the owner and address to an existing violation account after a DMV lookup, the LPN will be added to the matched violation account and the trip is posted.
CSCBR-ENF-8	Violation Account Information	The following ownership information will be entered for a violation account from the DMV: • First Name • Last Name • Suffix • Company Name (if applicable) • Address • Phone Number (if applicable) • Vehicle Make (Optional) • Vehicle Model (Optional) • Vehicle Year (Optional) • Vehicle Identification Number (if applicable) • Renewal Date (if applicable) • Plate Type (if applicable)
CSCBR-ENF-9	Account and LPN Open Dates	The system shall incorporate an open date for the violation account and vehicle start date based upon the oldest trip date when DMV information is available.
CSCBR-ENF-10	LPN End Date	The system shall leave the end date null on a vehicle to allow additional violations to flow easily into the violation account.
CSCBR-ENF-11	Account Modification	The system shall allow a user to add additional contacts to the violation account, including: • Mailing address • Email address • Phone number
CSCBR-ENF-12	Account Modification Restriction	The system will prevent a user from changing account information provided by the DMV.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-13	Violation to Prepaid	A new Prepaid account may be created using the information from a Violation Account. This change is made at the request of the customer.
CSCBR-ENF-14	Non-DMV Violation Account Creation	The system shall be able to create a new violation account when: • An Affidavit of Non-Liability is submitted. • A rental agency sends liable customer details.

Table 17 Violation Account Creation Rules (1-17)

2.5.2 Notice of Toll Evasion Violation (NTEV)

NTEVs are sent to vehicle owners and will include toll transactions that remain unpaid after a (10**) day or (10**) trip cycle, whichever is reached first, starting from the date of the oldest trip. For each trip included in the document, a penalty will be incurred.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-15	Initiate Escalation Process	The system will initiate a (5**) days or (10**) trips NTEV Generation Cycle based on the oldest Trip Date to create an NTEV when the violation account information has been identified by DMV or CSR.
CSCBR-ENF-16	Violation Trip Inclusion Time Frame	Only trips that have a date within the Violation Trip Inclusion Time Frame of (21**) days before the current date may be included in the NTEV. Exceptions are applied as referenced in CSCBR-ENF-20 and CSCBR-ENF-21
CSCBR-ENF-17	Violation Trip Inclusion Time Frame Exception	The system will be able to include trips that are (45**) days old from the current date if accurate vehicle owner identification and address are not available within the (21**) day Violation Trip Inclusion Time Frame.
CSCBR-ENF-18	Repeat Violator Inclusion Time Frame Exception	A vehicle owner becomes a repeat violator if they have (5**) or more violations in any calendar month, within a (365**) day period. If they become a repeat violator, trips that have a date up to (90**) days prior to the current date can be included in an NTEV.
CSCBR-ENF-19	Violation Trip Consolidation	Violations that have posted to the violation account during the (5**) day or (10**) Trip NTEV Generation Cycle, are consolidated into a single NTEV. Unpaid Trips that have posted to the violation account with a trip date before the (5**) day NTEV Generation Cycle, once the NTEV is triggered, any unnoticed trips will be included. All included trips must comply with CSCBR-ENF-19 through CSCBR-ENF-21.
CSCBR-ENF-20	Violation Penalty	The system will add a $(25**) NTEV penalty to each trip included in the NTEV.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-21	NTEV Due Date	The system shall calculate the NTEV Due Date as (30**) days from the date of the NTEV being mailed. The NTEV will be mailed within 21 days from the oldest violation and are included, except in cases where 45 and 90-day old trips were included.
CSCBR-ENF-22	NTEV Escalation Period	The system will allow for a (30**) day NTEV Escalation Period from the mailing date before escalating the unpaid and past due NTEV to an NDTEV.

Table 18 Violation Account Creation Rules (18-25)

2.5.3 Notice of Delinquent Toll Evasion Violation (NDTEV)

If an overdue NTEV remains unpaid after the (30**) day NTEV Escalation Period, an NDTEV is automatically issued and includes a Delinquent Toll Evasion Violation Penalty.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-23	NDTEV Initiation	The NTEV is available to escalate when the violation: • The grace period has elapsed • Is unpaid • Is not disputed • Has no Affidavit of Non-Liability • Is not dismissed • Is not written-off
CSCBR-ENF-24	NDTEV Penalty	The system shall assign a $(30**) NDTEV Penalty to each of the trips or tolls that have been escalated to NDTEV following the (15**) day NDTEV Penalty Grace Period.
CSCBR-ENF-25	NDTEV Penalty Provision	The system shall determine whether a payment is received within the NDTEV Penalty Grace Period of (15**) days from the NDTEV's mailing. If so, the $(30**) NDTEV Penalty will be dismissed.
CSCBR-ENF-26	NDTEV Due Date	The system shall calculate the NDTEV Due Date as (30**) days from the mailing date.
CSCBR-ENF-27	NDTEV Escalation Period	The system will allow for a (60**) day NDTEV Payment Grace Period from mailing date before escalating the unpaid and past-due NDTEV to DMV RH.

Table 19 Violation Account Creation Rules (26-30)

2.5.4 DMV Registration Hold

DMV Registration Holds (RH) are automatically issued to a California violator after the NDTEV Payment Grace Period has expired. An RH request is sent per trip from the related NDTEV to the California DMV. A fee is added for each trip accepted by the DMV. The RH can be paid from the moment it is issued either to the DMV or via the CSC.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-28	DMV Hold California Plates	The DMV Hold process is for California state license plates. Out-of-state plates will be referred to the collections process.
CSCBR-ENF-29	RH Initiation	The NDTEV is available to escalate when the violation: • The grace period has elapsed • Is unpaid • Is not disputed • Has no Affidavit of Non-Liability • Is not dismissed • Is not written off
CSCBR-ENF-30	RH Penalty	RH holds are placed per Trip. The process shall apply an RH Fee of $(3**) to each of the trips accepted by the California DMV. An RH cannot be placed earlier than 90 days from the original toll transaction date.
CSCBR-ENF-31	RH Notification	A notification will be sent to the customer after the successful placement of the RH. The system shall calculate the RH Due Date as (30**) days from the mailing date.

Table 20 Violation Account Creation Rules (31-34).

2.2.5 Collections

a) Unresolved (paid or disputed) violations shall escalate to collections or the FTB according to these business rules.

Rule	Short Name	Condition/Rule Description
CSCBR – CL-1	Ineligible for DMV Hold	Trips not eligible or rejected from the DMV Hold process due to hold placement capacity will be sent to skip tracing. 20 days after skip tracing, the violation will escalate to pre-collections
CSCBR – CL-2	Released from DMV Hold	Trips that were released from DMV Hold that still have an outstanding balance will be sent to skip tracing. 20 days after skip tracing, the violation will escalate to pre-collections.
CSCBR – CL-3	Pre-Collection Criteria	A violation will escalate from Pre-Collections to Collections when following criteria has been met: • The 30-day escalation period elapses • There is an outstanding balance • The dispute has not been received • An Affidavit of Non-Liability has not been submitted • Has not been dismissed Has not been written off
CSCBR – CL-4	Pre-Collection Fee	A $25 fee will be assessed per transaction once the violation escalates from Pre-Collections to Collections.
CSCBR – CL-5	Third Party Agency	The BOS will send all eligible violations to a third-party Collection Agency.
CSCBR – CL-6	Collection Agency Fee	A $20 fee will be assessed when the Collections Agency sends the first Collections Demand Letter.
CSCBR – CL-7	Maximum Penalty	The maximum penalties a violation can be assessed is $100.00
CSCBR – CL-8	Collection Payments	The BOS will accept the following payments from the collection agency: • A fully paid violation and all associated penalties • A settlement amount agreed upon by the collection agency and the customer • Partial payments
CSCBR – CL-9	Franchise Tax Board	After a transaction is referred to collections, it is eligible for placement with the Franchise Tax Board
CSCBR – CL-10	Payment Reversals	Payment reversals will reinstate the trip and the violation will continue in the process

2.5.5 Referral to Collections Agency

Unresolved (paid or disputed) violation shall escalate to collections according to these business rules.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-32	Debt Referral Initiation	The RH is available to escalate when the violation: • (365**) days have passed since RH was placed. • Is unpaid • Is not an open dispute • Has no Affidavit of Non-Liability • Is not dismissed • Is not written off
CSCBR-ENF-33	Collections Eligibility for a Prepaid Account	A prepaid account and subsequent trips will be available to go to collections if the outstanding balance for the account is over $(20**) prior to collections fees being added.
CSCBR-ENF-50	Collections Eligibility for a Violation Account	A violation account and subsequent trips will be available to go to collections if the outstanding balance for the account is over $(5**) prior to collections fees being added.
CSCBR-ENF-34	Collections Trip Eligibility	Trips that do not have an RH and where the vehicle does not have an Active RH but are (365**) days past NDTEV due date will be available for Collections.
CSCBR-ENF-35	Collections Trip Eligibility with RH	The system will send a trip to Collections for California if the vehicle has an active RH older than (365**) days or the Vehicle's CA DMV registration date has expired.
CSCBR-ENF-36	Notice of Impending Collections	A notification will be sent to the customer stating that their account will be sent to collections.
CSCBR-ENF-37	Payment from DCA	The System will consider the following payments from the collections agency: • **Paid:** A fully paid violation and all penalties. Collections activities will end for these financial transactions. • **Settlement:** A violation will be considered fully paid if a settlement is agreed upon and paid to the Collections agency. The amount due will be changed to match the payment from the collection's agency. Collections activities will end for these financial transactions. • **Partial Pay:** The violation will remain in collections.

Table 21 Violation Account Creation Rules (35-41)

2.5.6 General Enforcement Rules

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-38	Road Opening Enforcement Delay	Trips from the first (*90) days of the road opening will not escalate to RH. No trips from the first 365 days of the road being tolled will escalate to Collections.
CSCBR-ENF-39	Violation Notice Payments	The system shall allow the customer to pay NTEV, NDTEV, or RH at any point both during the violation process and after referral to NOR, DCA or FTB.
CSCBR-ENF-40	Pre-NTEV Payment	A violator may prepay a violation which has posted to a back-office account but has not been placed onto an NTEV.
CSCBR-ENF-41	NTEV/NDTEV/RH/Collections Payment Reversal	Payments applied to trips, notices, and penalties can be reversed for: • Insufficient funds or Refer to Maker (stop payment, etc.) • Improperly applied payment • Credit card chargeback
CSCBR-ENF-42	NTEV/NDTEV/RH/Collections Write-Off Reversal	Write-Offs applied to trips, notices, and penalties can be reversed at the discretion of an authorized user.
CSCBR-ENF-43	Violation Plate Sweep	On a daily basis, the system will look for plate toll transactions within the past (90**) days that exist on violation accounts and try to post to existing prepaid accounts with the same posting order as pay-by-plate new trips. This occurs in all cases except those trips associated with: • Collections • Bankruptcy • Customer Reported Deceased **Trip Penalties and actions will be based on:** • If trips post to CTOC, they must be <= (90**) Days old. o Trips will be posted without Penalties, and CTOC will not allow trips older than 90 days.
CSCBR-ENF-44	Violation Sweep Override	Authorized Users will be able to override the (90**) day limit by increasing or decreasing this limit for the next violation plate sweep.
CSCBR-ENF-45	Violation Trip Penalties	• If the trip happened up to (90**) days before the account opened but within vehicle start date and end dates: o Trips will be posted without the Penalties. • If the trips posted after account opened and within vehicle start date and end date, but did not post to account: o Trips will be posted without the Penalties but will include the RH Fee if a hold has been confirmed.

Rule	Short Name	Condition/Rule Description
		• If the trip happened before account creation and outside of vehicle start date and end date: Trips will not automatically be pulled into an account.
CSCBR-ENF-46	Undeliverable NTEV / NDTEV	If the customer does not receive the initial NTEV or NDTEV, but a new address is acquired, update the mailing address with the new address and reissue all documents within the past 29 days with new due dates. The system will not send an NDTEV if the associated NTEV is being reissued.
CSCBR-ENF-47	Violations Dispute	A trip in Disputed status will not escalate.
CSCBR-ENF-48	Resume Violation Process	Upon expiration or removal of a violation processing hold, the violations process will resume for trips and penalties where they left off.
CSCBR-ENF-49	No Plate Image on Violation Notices	The violation notices NTEV and NDTEV will not include an image of the plate.

Table 22 General Enforcement Rules (42-55)

2.5.7 Affidavit of Non-Liability

The Affidavit of Non-Liability is used in the violations process to dispute trip(s) and declare that the registered owner was not in possession of the vehicle at the time of the violation.

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-50	Affidavit of Non-Liability Reasons	The Affidavit of Non-Liability shall use one of the following reasons: • Sold or transferred • Leased or rented • Reported stolen • Request administrative Review
CSCBR-ENF-51	Affidavit of Non-Liability Information	The required information in the Affidavit of Non-Liability shall include: • Name • Address including city, state and zip code of the new liable party • Date of liability change • Declaration with signature, date, phone and email address

Rule	Short Name	Condition/Rule Description
CSCBR-ENF-52	Affidavit of Non-Liability Proof	To validate the Affidavit of Non-Liability, one of the following documentation items must be received: • Declaration of non-ownership • Copy of bill of sale or release of liability filed with DMV • Copy of the lease or rental agreement • Police report citing the date of theft
CSCBR-ENF-53	Affidavit of Non-Liability Inclusion	The Affidavit of Non-Liability form will be included in the NTEV, NDTEV, NOR, and on the website.

Table 23 Affidavit of Non-Liability Rules (56-59)

2.6 Discounts

The system shall provide a Discounting Module to apply particular discounts to specific customer trips. A system admin with the proper privileges shall define discounting rules using available criteria such as account type, vehicle class, road usage, or toll transaction information. After a trip is posted to an account, and before payment is applied, the system will analyze the exising Discounting Rules to determine the final trip amount.

Rule	Short Name	Condition/Rule Description
CSCBR-DR-1	Admin Privileges	Authorized admin user can configure discounting rules in the BOS.
CSCBR-DR-2	Discount over for Trip	“Discounting Rules” will be applied to the trip rate of the toll transaction delivered by the host.
CSCBR-DR-3	Assign Discounts	Discount rules can be assigned or removed to the account based upon transponder or vehicle type.
CSCBR-DR-4	Discount rules application	The system will apply the highest discount available. Only **one** discount per trip, except for CSCBR-DR-11 which may be combined with the any discount. The discount(s) will not exceed the toll rate.
CSCBR-DR-5	Prevent transfer license plate discount	Discounts associated with a license plate or transponder will not be transferred to another account.
CSCBR-DR-7	Exempt Mass Transit	The system shall apply a (100**) % discount to mass transit. California Vehicle Code defines qualifying mass transit, paratransit, and vanpool vehicles, including those that are publicly or privately funded.
CSCBR-DR-8	Motorcycle Discount	Vehicles flagged as Motorcycles shall receive a discount of (100**) % except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**) %.
CSCBR-DR-10	HOV3+ Discount	15 EL shall apply (100**) % discount to switchable transponders set to HOV 3+. 91 EL shall apply (100**) % discount to vehicles with 3+ occupants using lane 1, except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**) %. The carpool discount can be overridden by the ODS flag.
CSCBR-DR-11	California Disabled Veteran/Special Recognition Plates	Verified Disabled Veteran plates and special recognition plates will receive a discount of (100**) % on the 91 Express Lanes.
CSCBR-DR-12	$1 Discount for Standard Plans	Standard Plan customers receive a ($1.00**) discount per tolled trip after (30**) tolled transaction on the 91 Express Lanes in a calendar month based on the transaction date, up to ($50**) per month.
CSCBR-DR-13	Disabled Person Plate	Verified Disabled Person plates on a Registered account will receive a discount of (100**)% on the 91 Express Lanes except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**)%.

CSCBR-DR-14	Out of State Disabled Person or Disabled Veteran Plate	Verified out of State Disabled Person or Disabled Veteran plates on a Registered account will receive a discount of (100**)% on the 91 Express Lanes except for trips with an entry time of 4 to 6 pm Monday through Friday on the 91 Express Lanes Eastbound at which time the discount is (50**)%.

Table 24 Discounting Process Rules (9)

2.7 Promotions

The system shall provide a Promotions Module to apply benefits to customer accounts. An admin user with the proper privileges shall define promotional rules that can be applied to customer accounts, LPNs, or Transponders.

Rule	Short Name	Condition/Rule Description
CSCBR-PR-1	Promotion Management	Authorized admin user can create, modify, and deactivate promotions in the system.
CSCBR-PR-2	Promotion assignment	The system shall allow authorized admin user to assign and apply promotions as a fixed amount, percentage-based amount, or a number of trips to a Prepaid account, Transponder, or LPN. The system shall assign promotions to specific segments on the 91 and 15 Express Lanes.
CSCBR-PR-3	Promotional Credits Refunds	Promotional credits are not refundable or transferable.
CSCBR-PR-4	Promotional Balance	The promotional balance is reportable and separate from the paid balance.
CSCBR-PR-5	Fixed Promotional Credit	Promotional credits for a $(XX**) fixed amount will be reflected in the account balance and will be used to pay for trips and fees before the paid balance. Fixed promotional credits will be tracked by promotional code.
CSCBR-PR-6	Free Trip Promotion	Free trip promotions shall provide customers enrolled in auto-replenishment with toll-free trips on the 15 and 91 Express Lanes, beginning with the customer's first trip following enrollment and continuing for a period of (7**) days. Promotional credits shall be applied prior to the use of the prepaid account balance. An additional (7**) days will be added to the promotion for AAA members. This promotion applies only to new customers and does not apply to returning customers or customers who are converting violation account(s) to a prepaid account.
CSCBR-PR-7	Retail Discounts	Fixed promotional credits will be used for participating retailers. These promotional credits will be tracked and reported. (Not currently in use)

Table 25 Promotions Configuration Rules (1-8)

2.8 Financials (Payments, Refunds, and Adjustments)

This section describes the Business Rules related to payments, refunds, adjustments, and the channels available for performing these operations.

2.8.1 Payments

Customers will have different means of payments available for prepaid toll balances and violations. The following rules are related to the means of payment, channels available, and triggers for performing payments:

Rule	Short Name	Condition/Rule Description
CSCBR-FI-1	Payment Methods	The System will be able to accept payments from any of the following methods: • Cash • Credit/Debit Card • ACH • Check • Money Order
CSCBR-FI-2	Payment channels and methods	The system will be able to process payments via mail, web, walk-in center, OCTA store, IVR, phone, and third-party payment provider. The available methods will depend on the payment channel (see Table below).

Table 26 Payment Rules (1-2)

2.8.1.1 Available Payment Methods Types per Channels

Payment Type	Mail	Phone	OCTA Store	WIC	IVR	Web (Replenishments and Violations)	Third-Party Payment Provider
Cash			x	x			X
Credit/Debit card		x	x	x	x	x	X
ACH		x		x	x	x	
Check	x		x	x			X
Money Order	x		x	x			x

Table 27 Available Payment Methods per Channel

2.8.2 Replenishment Rules

Rule	Short Name	Condition/Rule Description
CSCBR-FI-3	Payment Processing	The System will be able to process payments as either batch or single posting. The system will email, if available, a payment receipt to the customer after the payment is processed.
CSCBR-FI-4	Credit Cards configuration	The system will process these credit cards: • American Express • Discover • MasterCard • Visa
CSCBR-FI-5	Minimum Replenishment Amount	The lowest amount that the system will set a replenishment amount to, is no less than $(40**) for automatic and manual replenishment
CSCBR-FI-6	Minimum Replenishment Threshold	The system will not allow the minimum replenishment threshold to be less than $ (25**) for automatic and manual replenishment.
CSCBR-FI-7	Replenishment Amount Recalculation	Three months after the account opening anniversary date and every three months thereafter, the account replenishment amount will be recalculated to equal the average of the prior 90 days' usage, but not less than customer selected amount.
CSCBR-FI-8	Replenishment Threshold Recalculation	The Replenishment Threshold shall be recalculated with the Replenishment Amount. The threshold will be equal to 1/3 of the replenishment amount, rounded up to the next ($5**) increment, but no less than $(25**)
CSCBR-FI-9	Multiple Automatic Payment Methods	The system will allow for multiple (up to a maximum of 3) automatic payment methods for each account and assign a payment method priority order.
CSCBR-FI-10	Automatic Replenishment Method	The System will use the following payment types for automatic replenishment when the account falls below the replenishment threshold: • Credit Card • Debit Card • ACH

Rule	Short Name	Condition/Rule Description
CSCBR-FI-11	Manual Replenishment Method	The system will allow the following payment types for manual replenishment: • ACH • Cash • Check • Credit Card • Debit Card • Money Order • Third Party Payment Provider
CSCBR-FI-12	Cash and Check Replenishment Method	Prepaid Accounts with a cash/check/money order replenishment will be notified via text, email, or mail when their balance is low, as described in the correspondence and communications rules.
CSCBR-FI-13	Account Status Replenishments	The system will allow the replenishment of accounts in Active, Suspended, or Pre-Closed status.
CSCBR-FI-14	Credit Card Tokenization	The PAN of a credit card will be tokenized, and not stored by the BOS. The token will be used to enact re-occurring payments.
CSCBR-FI-15	Payment Retry Next Available Pay Method	In the event of a payment failure, the System will attempt to process a payment with an automatic retry using the next available Payment Method.
CSCBR-FI-16	Payment Method Retry Failure Exception	The reject code responses from the processor will determine whether the payment method is resubmitted for payment at a future date. • If the payment processor returns a hard decline, the payment will not be retried and recorded as a failure exception. Failed ACH payments are considered a hard decline. • If the payment processor returns a soft decline for debit or credit card payment, the payment will be retried.
CSCBR-FI-17	Payment Retry Frequency	The payment methods shall each be retried once every (2**) days. This will continue until payment is accepted, a failure exception has occurred, or the account is suspended.
CSCBR-FI-18	Credit and Debit Card Soft Declines	If a credit or debit card payment soft declines (3**) consecutive times, the card is inactivated.
CSCBR-FI-19	Reverse Payments	Upon rejection of ACH, Check, or Money Order payment from the gateway or bank, the payment and associated paid trips, penalties, and fees will be manually reversed.
CSCBR-FI-20	Manual Reverse Payment	An authorized User will have the ability to reverse a payment made to a wrong account or with an incorrect amount.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-21	Violations Detected During Replenishments	The system will alert the CSR or customer about outstanding violations when the Prepaid account is being replenished, either from the web, over the phone, or at the walk-in center.
CSCBR-FI-22	Violation Payment	Payments will be applied to the oldest trip first unless specified by the customer.
CSCBR-FI-23	NDTEV Over Payment	If the full amount of the NDTEV is paid within the first (15**) days of the NDTEV being mailed, the difference between the amount paid and the amount due on the NTEV is considered an overpayment.
CSCBR-FI-24	Overpayments on Prepaid Accounts	Overpayments for prepaid accounts will function as prepaid account replenishment.
CSCBR-FI-25	Partial Payment	The system will allow partial payment of a Violation Notice: • Trips in the Violation Notice that are partially paid will not continue to escalate. • Trips that are left unpaid on the same Violation Notice will continue to escalate.
CSCBR-FI-26	Payment Order	The payment order of precedence by trip is as follows: 1. Toll 2. RH Fee 3. NTEV Penalty 4. NDTEV Penalty 5. Collection Penalty

Table 28 Replenishment Rules (3-26)

2.8.3 Refunds

The following rules govern various refund scenarios. Refunds will be made to the original form of payment, if available. Otherwise, a check will be issued.

Once the refund is performed, the system registers a financial transaction and updates the corresponding account balance.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-27	Refund Scenarios	The system will provide refunds to customers based upon various account activities: • Closure of a Prepaid Account with a remaining balance. • Return of an unused and unopened transponder. • Violation Notice overpayment
CSCBR-FI-28	Refundable transaction	Whether or not a financial transaction is eligible for refund, it will be configurable to prevent refunds of specific types. For example, promotions, deposits, toll credits issued to an account, and fees.
CSCBR-FI-29	Refunds Availability	The system will provide refunds only after payment confirmation from the corresponding financial institution and it has been (7**) days since the payment. Overpayments on violation accounts will be used to pay for unpaid violations before they are refunded.
CSCBR-FI-30	Account Closure	For Prepaid Accounts, the system will trigger an automatic refund of a positive balance when the account closes. The remaining balance will be sent via the original form of payment, otherwise a check will be issued.
CSCBR-FI-31	Refund Limits and Distribution	Refund distribution will be handled as follows for electronic payments: • **Overpayment** ◆ The refund will go back to the card used, up to the financial transaction amount paid. • **Account Closure** ◆ The refund will go to the card(s) used for payment, if available. • For all other payments, and if there is not an available electronic payment on file, a check will be issued for the refund. The check will be made payable to the name on the account.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-32	Check Refund Details	The system will allow a User to input all details regarding the check refund issued, including: ▪ Check number ▪ Date check was issued ▪ Check payee details ▪ Dollar amount ▪ The reference number ▪ Reason for issuing the check
CSCBR-FI-33	Prepaid Refunds	Refunds will be made on amounts greater than $(0**).
CSCBR-FI-34	Violation Refunds	For amounts lower than the $(1**) amount specified for an automatic refund, the system will be able to manually process refunds only if requested by the violator.
CSCBR-FI-35	Check Refund Escheatment	Checks issued that are not cashed shall be sent to the State of California's Unclaimed Funds Program, according to the rules of that program. Refund checks issued that are not cashed will be processed through Escheatment as follows: • Refunds of less than $15 will be escheated at 1 year. • Refunds of $15 or greater will be escheated at 3 years in accordance with California Government Code Section 50055. • Funds from Escheatment refund checks will be deposited as a 50/50 agency split to agency escheatment revenue
CSCBR-FI-36	Refund Approval	Refunds $(250**) or more must be approved by the Agency.

Table 29 Refund Scenario Rules (27-35)

2.8.4 Adjustments

Adjustments are financial transactions that allow the application of a positive or negative amount on any account or financial transaction. They can be used, for instance, to waive fees applied to an account or financial transaction. Manual adjustments are always performed by an authorized user.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-37	Financial Transaction Adjustments	Adjustments to increase or reduce existing financial transactions such as the trip, penalty, or fee will be recorded with their reason and reportable. Adjustments will be made to trips, fees, and penalties either in bulk or by a single financial transaction.
CSCBR-FI-38	Remove Fee	The system will allow an authorized user to remove a fee, and the reason will be tracked and reportable.

Rule	Short Name	Condition/Rule Description
CSCBR-FI-39	Adjustments Visibility	Toll or fee adjustments will be visible in Prepaid and Non-revenue account statements and in the account activity history.

Table 30 Adjustment Rules (36-38)

2.9 Fees

Fees will be applied to services incurred by the customer or during the collections process. Penalties are applied to delinquent trips and payments.

Rule	Short Name	Condition/Rule Description
CSCBR-FEE-1	Manual Fee	The system will allow manual fees to be added to an account or trip by an authorized user. These fees will be recorded with a reason and reportable.
CSCBR-FEE-2	NSF Fee	A $(25**) NSF Fee will be added to the customer's account for check payments returned for insufficient funds.
CSCBR-FEE-3	Monthly Account Fee	A $(2**) fee will be charged to active prepaid standard plan accounts on the account's monthly anniversary date.
CSCBR-FEE-4	Convenience Plan Fee	A one-time, nonrefundable enrollment fee of $(100**) will be charged to the customer when signing up for the convenience plan.
CSCBR-FEE-5	Pay-By-Plate Fee	A pay-by-plate fee of $(2**) per trip will be assessed if it is determined that a customer has excessive video tolls.
CSCBR-FEE-6	Mailed Paper Statement Fee	$2 for each printed account statement.
CSCBR-FEE-7	ACH Return Fee	A fee of $(25**) will be added to the customers account for ACH payments returned for insufficient funds limited to one fee per incident.
CSCBR-FEE-8	Collections Fee	A $20 fee will be assessed when the Collections Agency sends the first Collections Demand Letter. The maximum penalty a violation can be assessed is $100.00.
CSCBR-FEE-9	Collections Fee	A $25 fee will be assessed before sending a violation to the Collection Agency.
CSCBR-FEE-10	ODS Fee	HOV 3+ violators will be charged a fee of $ (5**) per trip.

Table 31 Fee Rules (1-

2.10 Shift Management

POS/Shift Management maintains precise control over financial transactions regardless of means of payment used, and over transponders delivered and received by the CSR during their shift.

Rule	Short Name	Condition/Rule Description
CSCBR-SM-1	End of Shift	At the end of each shift, the system will compare the differences between the BOS balance, and the entered balance of the drawer.

Rule	Short Name	Condition/Rule Description
CSCBR-SM-2	Cash Out – Difference Exceeded	The system will alert if an amount declared for the cash drawer has a difference from the system greater than $(0**)
CSCBR-SM-3	End of Shift Reconciliation	At the end of each shift, the cash drawer and transponder inventory shall be reconciled.

Table 32 Shift Management Rules (1-3)

2.11 Case Management

This system allows CSRs to create new cases to process an inquiry, claim, or dispute by either a customer or non-customer. A case can be worked on by an authorized user who can update specific case fields, including its status. Each case registered in the system is identified with a unique number (a.k.a. “Case Number”) automatically assigned by the system.

Rule	Short Name	Condition/Rule Description
CSCBR-CM-1	Attach Documents in Case	A CSR or customer can attach documents to a case either on the website, mail, or through the back office system.
CSCBR-CM-2	Solve a Case – Resulting in Communication	For case resolution of disputes, the customer will receive follow up communications that are reportable.
CSCBR-CM-3	Pending Customer Feedback	A CSR can place a case in “Pending Customer Feedback” status for (10**) business days. If there is no response from the customer within the 10 business days, the case will closed.
CSCBR-CM-4	Case Document PII	All documents uploaded with PII content (SSN, DL, DOB) must be redacted before it is processed through the case.

Table 33 Case Management Rules (1-2)

2.12 Disputes

Disputes are the process in which a customer requests that they are not the liable party, or something is not accurate about their account or trips.

Rule	Short Name	Condition/Rule Description
CSCBR-DI-1	Dispute Types	When a dispute is created, it is associated with one of these types: • Toll Dispute • Fee Dispute • Payment Dispute
CSCBR-DI-2	Dispute Channels	Customers can create disputes through the following channels: • Walk-In • Mail • Phone • Website • OCTA Store
CSCBR-DI-3	Dispute Escalation	Violation disputes may occur during any stage of escalation. The system will not escalate violations that are in dispute.
CSCBR-DI-4	Dispute Resolution	A dispute will be resolved by: • Acceptance • Release of Liability (ROL) • Adjust Toll/Fee • Write off Toll/Fee • Refund Payment • Credit Account • Rejected The resolution of each dispute is recorded and reportable.
CSCBR-DI-5	Dispute Notification	After the resolution of a dispute, either accepted or rejected, a notification will be sent to the customer through the default communication channel on the account or dispute.
CSCBR-DI-6	Write-Off	A write-off will remove the amount due for a trip, fee, or penalty. The reason for the write-off will be recorded and reportable.
CSCBR-DI-7	Investigative Review Response Time	Investigative reviews will be reportable and will provide a response time within (5**) Business days.
CSCBR-DI-8	Investigative Review Mailed Response	All disputes need a mailed response when a finding is reached: • If it is found the violation did occur or the registered owner is responsible for the violation a written response will be sent which will include the Administrative Hearing information and form.

Rule	Short Name	Condition/Rule Description
		• If the violation is dismissed a response will be sent and dismissal recorded in the BOS.
CSCBR-DI-9	Administrative Review Hearing Initiation Process	To establish an Administrative Review Hearing the Registered Owner must submit the Administrative Hearing Review Form and either: • Pay a hearing deposit o Registered Account holders: • Pay the lesser of $250.00 or outstanding balance o Unregistered Account holders: • If the balance is less than $250.00 deposit equals the balance • If the balance is greater than $250.00 the deposit is the larger amount between Toll amounts + $250.00 or Toll amounts + $250.00 + 10% of penalties over $1000. • Submit a Request for Deposit Waiver and supporting documentation showing qualification of waiver for review.
CSCBR-DI-10	Review Hearing Deposit Waiver	Request for Deposit Waiver will be approved if: • Meet 150% of the current year's Federal Poverty Guidelines. • Provide a copy of their most recent W2 and last 3 paystubs.
CSCBR-DI-11	Review Hearing Exceptions	Special Circumstances will be addressed on a case-by-case basis with approval by manager and agencies.
CSCBR-DI-12	Review Hearing Deposit Waiver Rejection	A Request for Deposit Waiver will be rejected if: • The information provided does not qualify for a reduction/waiver of the deposit amount. • The information provided is insufficient. • The information provided does not qualify for a reduction/waiver of the deposit amount. • Requested documentation of W2's and pay stubs were not submitted. • An Administrative Review Hearing request must be submitted by the registered owner of the vehicle. • Do not meet 150% of the current year's Federal Poverty Guidelines.
CSCBR-DI-13	Escalation Suspended	Upon receipt of documentation (the deposit or Deposit Waiver Form) the Administrative Review Hearing Request will be suspended from escalation.
CSCBR-DI-14	Pre-Admin Offer	A Pre-Admin Hearing offer will be provided within two weeks of receiving all required and complete documentation.
CSCBR-DI-15	Pre-Admin Offer Reductions	The Pre-Admin Hearing offer will require payment of the tolls with a per penalty reduction as follows:

Rule	Short Name	Condition/Rule Description
		<table><tr><th>Penalty before</th><th>Penalty after</th></tr><tr><td>25</td><td>12.5</td></tr><tr><td>55</td><td>25</td></tr><tr><td>80</td><td>25</td></tr><tr><td>>=100</td><td>55</td></tr></table>
CSCBR-DI-16	Pre-Admin Offer Grace Period	A Pre-Admin Hearing offer must be accepted by the Registered Owner or designee within 15 days of receipt via mail, or phone.
CSCBR-DI-17	Pre-Admin Offer Response Time	The payment must be made within 15 days from the date of the Pre-Admin Hearing Offer Letter.
CSCBR-DI-18	Pre-Admin Offer Declined	If the Pre-Admin Hearing offer is declined or not responded to, an Administrative Review Hearing is scheduled.
CSCBR-DI-19	Admin Review Hearing Scheduling Time	The Administrative Review Hearing will be scheduled within 90 days of receiving all required documentation and/or deposit.
CSCBR-DI-20	Admin Hearing Deposit Split	According to the results of the Administrative Hearing, penalties are adjusted, the deposit is split by agency in FIFO order. Any unapplied deposit will be refunded.

Table 34 Disputes Rules (1-7)

2.13 Write-Offs

Rule	Short Name	Condition/Rule Description
CSCBR-WO-1	CA Plate Write-Offs	Violations with California State plates may be written off after (4.5**) years from the date of the violation if owner information is not found
CSCBR-WO-2	Out of State Plate Write-Offs	Violations with out of state plates may be written off after (4.5**) years from the date of the violation if owner information is not found.
CSCBR-WO-3	Couldn't Post to NTEV Write-Offs	Violations that were too old to go onto an NTEV may be written off after (4.5**) years from the date of the violation after the owner information was found.
CSCBR-WO-4	Uncollectable Write-Offs	Any unpaid toll transaction in the system that has been unpaid for over (4.5**) years, may be written off. Toll Transactions with an active judgment will not be written off.
CSCBR-WO-5	Deceased Customers - Violation	When the account is marked for "Deceased", the account is put on hold for any further financial transaction life cycle processing. • Certificate of death must be provided.

Rule	Short Name	Condition/Rule Description
		• When death is confirmed, any unpaid financial transactions before the date of death will be written off. • The vehicle will be end-dated with the date of death. • If the deceased is the only contact on the account, the account will be closed.

Table 35 Write-Off Rules (1-4)

2.14 Financial Accounting Rules

The following rules will define the financial system and when it will account for revenue of accounts and transaction types.

Rule	Short Name	Condition/Rule Description
CSCBR-FA-1	Paid Financial Transactions	Financial transactions are considered paid when payment has been applied and is equal to the amount due.
CSCBR-FA-2	Non-Toll Revenue	Revenue for miscellaneous account fees and account maintenance fees will be recognized when paid.
CSCBR-FA-3	Trip Revenue Recognized	The system shall recognize the revenue of the trips as accrual based.
CSCBR-FA-4	Penalties and Fees	Revenue for Fees and Penalties shall be recognized as cash based.
CSCBR-FA-5	Revenue Accounts	• Fees and penalties will be recognized as Violation Revenue. • Toll Revenue is divided into prepaid and toll violation. • Non-Toll revenue will be divided between account fees and paid expenses. • The chart of the accounts shall detail how revenue accounts are recorded.
CSCBR-FA-6	Agency Closing Schedule	The system will maintain: • Revenue Day - Midnight to Midnight • Quarterly Soft Closures • Fiscal Year-End – June 30th • Monthly Soft Closures for Agency(s)
CSCBR-FA-7	Payment Plans	Payment plans can be offered to an Account with violations in NTEV, NDTEV, Pre-Collections, DMV Hold, or Collection status.
CSCBR-FA-8	Income Verification	If income is 200% of the current poverty guidelines or less, and the outstanding amount is not in excess of $2,500, customers may be eligible for the following payment plan options: • A payment of no more than $25 per month for amounts up to $600.

Rule	Short Name	Condition/Rule Description
		• Removal of your DMV holds after the first payment is made on your payment plan. • One of the following documents are required to confirm eligibility: • Unexpired proof of enrollment of participation in the CalFresh program • Unexpired proof of enrollment in Medi-Cal • Unexpired proof in another low-income program with the same income requirement • Unexpired county benefit eligibility letter. • A recently filed tax return.
CSCBR-FA-9	Payment Plan Terms	Payment Plan: If the total balance due is $600 or less: • A maximum monthly amount of $25, inclusive of tolls and penalties, • The number or months is calculated based on the total amount of tolls and penalties. An initial payment, calculated from the installment schedule, is required to establish a payment plan and will include any tolls at invoice status.If total balance due is over $600: • A maximum of 12 months is offered to payment plans. • The term amount is calculated based on the fixed number of months. • An initial payment, calculated from the installment schedule, is required to establish a payment plan and will include any toll at invoice status. • The maximum number of Payment Plans Allowed in Six Years is 2. • The minimum Amount for Payment Plans is $100. Outstanding violations included in Payment Plan will not escalate during agreed established payment arrangements. If a term payment is missed, the violations will begin escalating from the point of pause.
CSCBR-FA-10	Payment Plan Limit	An account can only have one active payment plan at a time.

Table 36 Financial Accounting Rules (1-6)

2.15 Correspondence and Communications

Default correspondence in the system will be communicated to the customer through available channels. These business rules define the default communications and the methods they can deliver.

2.15.1 Notifications and Channels

Rule	Short Name	Condition/Rule Description
CSCBR-CC-1	Notifications and Channels	The System shall determine the default notification channel for communications using the 'Notifications and Channels' table below.

Table 37 Notifications and Channels Rule (1)

2.15.1.1 Notifications and Available Channels

Notification	Email	Mail	SMS	Web	Power Dialer
Statements	x	x	x	x	
Low balance Automatic Replenishment	x	R	x	x	x
Low balance Manual Replenishment	x	R	x	x	x
Account Suspended	x	R	x	x	x
Credit Card Expiration Notice	x	R	x	x	x
Failed card payment	x	R		x	
ODR Administrative fee (Not currently in use)	x		x	x	
Bounced emails		R	x	x	
Transponder not reading (pay-by-plate) (Not currently in use)	x	R	x	x	x
Check returned	x	R	x	x	
Violation Notifications		R			
RH Notification		R			
Debt Collections Agency (DCA) Notification (Not currently in use)		x			
Dispute Notifications	x	x	x	x	
Administrative Hearing Notifications	x	R		x	
Annual Customer Update	x	R	x	x	

Notification	Email	Mail	SMS	Web	Power Dialer
Custom Communication	x	x		x	
Marketing Promotion (Opt-in)	x		x	x	
Custom Bulk Communications	x	x			
Notice of Resolution (NOT180)	x	R		x	

Table 38 Notifications and Channels

Legend: R = Required. X = available.

2.15.2 Opt-In – Opt-Out Notifications

Rule	Short Name	Condition/Rule Description
CSCBR-CC-2	Opt-In/Opt-out Notifications	The system will allow a customer to Opt-In or Opt-Out of notifications for: • SMS • Express Lanes Operations (closures accidents, or other events) • Promotions • Surveys, Focus Groups, and Research

Table 39 Opt In – Opt Out Notifications Rule (2)

2.15.3 Incoming Mail Communications

Rule	Short Name	Condition/Rule Description
CSCBR-CC-3	Incoming Communications	Incoming mail and email communications will be added to an associated account for reference.

Table 40 Incoming Mail Communications Rule (3)

2.15.4 Automatic Outbound Notifications

Automatic outbound notifications are sent by the system when a specific situation occurs. The system will use the information defined in the associated Notification Type and defined thresholds to create the notification trigger.

Rule	Short Name	Condition/Rule Description
CSCBR-CC-4	Automatic Notification – Delivery Channel	The system will only deliver automatic notifications to the customer via the default delivery channel, and any additional customer selected channel. SMS channel to be sent (9am-6pm**) depending on Alert type
CSCBR-CC-5	ODR Notification	The system will send out notification within one business day of an ODR administrative fee being charged. (Not currently in use)
CSCBR-CC-6	Statement Notification	The system will send out a notification when statements become available for viewing or downloading.
CSCBR-CC-7	Skip Trace	The system shall utilize a skip trace service to obtain new addresses for addresses that have had an undeliverable response.

CSCBR-CC-8	Low Balance Notification	A low balance notification will be sent out and is based on:
		• Manual account replenishment
		  o Account balance is equal or less than the replenishment threshold.
		• Automatic account replenishment
		  o The account balance is equal or less than the replenishment threshold and the payment method(s) on file have failed.

CSCBR-CC-9	Account Suspension Notification	The account suspension notification will be sent out when the prepaid account has become suspended.

CSCBR-CC-10	Credit Card Expiration Notification	The system will send out a notification that an automatic replenishment credit card or debit card is about to expire, requesting that the customer update their payment information. Two notifications are sent:
		• Means of Payment Expiration First Notice
		  o Within (30**) days of the last day of the expiry month
		• Means of Payment Expiration Second Notice
		  o Within (15**) days of the last day of the expiry month.

CSCBR-CC-11	Email Bounced Notification	The system will create a mail notification upon receiving a bounced email from a customer's email address. **Note:** In this case, notifications will be sent by postal mail if the email address provided is not working.
CSCBR-CC-12	NSF Check Notification	The system will send out the Check Returned notifications when a check is returned as insufficient.

Rule	Short Name	Condition/Rule Description
CSCBR-CC-13	Annual Customer Update Notification	Once a year, on the account anniversary date, the system will send all customers a notification to review or update their account with any changes.
CSCBR-CC-14	Custom Communication	An authorized User can reply to a customer inquiry with a custom message to an individual through any available communication channel [email or mail].
CSCBR-CC-15	Marketing Promotion	Only customers who have agreed to marketing promotional communications will be sent marketing materials.
CSCBR-CC-16	Custom Bulk communication	An authorized User will have the option to create and deliver custom messages for delivery to more than just one customer, in accordance with the Notification and Available Channels table.

Table 41 Automatic Outbound Notifications Rules (4-20)

2.15.5 Returned Mail

This functionality allows the user to mark an address as rejected and to contact the customer to update their address.

Rule	Short Name	Condition/Rule Description
CSCBR-CC-17	Undeliverable Mail - CSC	The system will allow users to mark an address as nixie, if mail is returned as undeliverable. • Physical mail will be retained for one year, then securely destroyed.
CSCBR-CC-18	Undeliverable Mail – Mail House	The system will receive an electronic file transfer from the mail house to mark and address as nixie, if mail is returned as undeliverable.

Table 42 Returned Mail Rule (21)

2.16 Security

2.16.1 Privileges

Rule	Short Name	Condition/Rule Description
CSCBR-SE-1	User Access	Users will have their access restricted; defined by their duties and responsibilities.

Table 43 Privileges (1)

2.16.2 Personally Identifiable Information

Rule	Short Name	Condition/Rule Description
CSCBR-SE-2	PII Confidentiality	The CSC System shall protect the integrity and confidentiality of all Personally Identifiable Information (PII), customer records, and data on the CSC System at all locations. TSP shall not disclose PII. TSP shall comply with the Privacy Policy and current Governmental Rules for the use and storage of personal information.

Table 44 Personally Identifiable Information Rule (2)

2.16.3 Encapsulation and Encryption

Rule	Short Name	Condition/Rule Description
CSCBR-SE-3	Encryption	The System will encrypt user and customer user account passwords.

Table 45 Encapsulation and Encryption Rule (3)

2.16.4 System(s) Session Management

Rule	Short Name	Condition/Rule Description
CSCBR-SE-4	Inactive Session	The Systems will automatically trigger session closure once: • The BOS Inactive Session parameter elapses in (15**) mins. • The Phone System Inactive Session parameter elapses in (15**) mins. • The VIP System Inactive Session parameter elapses in (15**) mins. • The Work Station Inactive Session parameter elapses in (5**) mins.
CSCBR-SE-5	Login – Inactive Session	Once a user session ends, the user must log in again.

Table 46 BOS Session Management Rule (4-5)

2.17 Archiving Module

System to retain and purge information according to defined retention periods for various data types.

2.17.1 Data Retention Rules

Rule	Short Name	Condition/Rule Description
CSCBR-AR-1	Trip Retention	Toll Transactions shall be kept in the system 4.5 years from the point at which it is paid or resolved (written off, dismissed)
CSCBR-AR-2	Image Retention	All images associated with toll transactions shall be kept on the live system for 18 months. If the toll transaction is paid or resolved (written off, dismissed), the images will be removed from offline storage after 4.5 years.
CSCBR-AR-3	Event Retention	The system shall retain all data from alarms, events, current and historical user/group privileges, and CSC HOST file exchanges for a minimum of (60**) days.
CSCBR-AR-4	Account Data Retention	Documentation on accounts (i.e. Statements, Notices, Inbound, and Outbound communications) shall be kept for 4.5 years from the date the associated toll transactions are paid or resolved (written off, dismissed).
CSCBR-AR-5	Violation Account Purge	Violation accounts from the date of zero balance and zero trips remaining on the account are purged from the system after 4.5 years.
CSCBR-AR-6	Website Customers	The system shall retain financial transactions and account activity available to customers via the website for 4.5 years.
CSCBR-AR-7	Exchanged File Retention	The system shall retain files exchanged with any third parties including TSP subcontractors, DMVs, banks, payment gateway, or collection agencies for 4.5 years.
CSCBR-AR-8	CTOC Retention	The system shall retain all transponder toll transaction files and files exchanged with the CTOC network for use in toll dispute resolution and toll transaction reconciliation for 4.5 years.
CSCBR-AR-9	CCTV Data Retention	CCTV video storage shall be retained for a minimum (3**) Days.
CSCBR-AR-10	PII Data Retention	The system shall purge PII data if it has been 4.5 years since the customer's account was closed.

Table 47 Data Retention Rules (1-10)

2.18 Interfaces

Business Rules for interfacing between 3rd parties and internal entities.

2.18.1 Address Standardization

Rule	Short Name	Condition/Rule Description
CSCBR-AS-1	Address Standardization Service	Each time an account is created either on the web or through the BOS, the system will attempt to standardize the address.
CSCBR-AS-2	Unstandardized Addresses	The system will still send communications to addresses that were not standardized.

Table 48 Address Standardization Rules (1-3)

2.18.2 DMV

The following rules are associated with retrieving vehicle owner information using either the CA or out-of-state DMV service.

Rule	Short Name	Condition/Rule Description
CSCBR-DC-1	Contact CA DMV	For California vehicles, the system will contact the CA DMV using the LPN to find and retrieve information from the CA DMV about the registered owner of the vehicle to populate a violation account.
CSCBR-DC-2	CA DMV Lookup	CA LPN lookups will be performed per Violation and grouped by date daily.
CSCBR-DC-3	CA DMV Lookup Frequency	The system will wait for the response from the CA DMV Lookup for (1**) days.
CSCBR-DC-4	Out-of-State Direct DMV Connection	For Arizona, Oregon, and Nevada vehicles, the system will contact directly to the DMV using the LPN to find and retrieve information from the DMV about the registered owner of the vehicle to populate a violation account.
CSCBR-DC-5	Contact third party service to Out-of-state DMV	For out-of-state vehicles, the system will contact a third-party service sending the list of plates for the day. The information retrieved from out-of-state DMV will be used to populate a violation account.
CSCBR-DC-6	Retry DMV Contact	If the out-of-state DMV service cannot be contacted, the system will retry the operation up to (3**) times per day until the connection is successful.
CSCBR-DC-7	Out-of-state LPN	If the vehicle belongs to an out-of-state license plate, the system will use an out-of-state DMV to find the registered owner.
CSCBR-DC-8	Out-of-state DMV Look-up	The system will wait for the response of the out-of-state DMV Lookup for (7**) days.

Rule	Short Name	Condition/Rule Description
CSCBR-DC-9	DMV Request Retry	The system will retry the request for owner information daily if no response has been delivered by CA DMV. The system will continue to retry until the trip is (90**) days old, from the date of the toll.
CSCBR-DC-10	DMV Statuses	The system shall record the status of a plate lookup request being sent to the CA DMV or out-of-state plate lookup. The system will perform specific actions based upon the returned statuses. See DMV Statuses in Appendix A.
CSCBR-DC-11	Violation Notice Payment at DMV	All payments received from the CA DMV will be posted. • If the amount difference is less than or equal to $(0.99) the violation will be considered paid in full.
CSCBR-DC-12	Inform Removal of RH	The system will contact the CA DMV to notify them of a release of a CA DMV RH for each violation paid in full at the CSC or collections agency.

Table 49 DMV Rules (1-13)

2.18.3 CTOC Interoperability

The CTOC Interoperability business rules define how the system will handle the life cycle of toll transaction posting for the members of the California Toll Operators Committee.

2.18.3.1 CTOC General Business Rules

Rule	Short Name	Condition/Rule Description
CSCBR-IO-1	Add/Remove Agencies	Only a system admin will be able to add, edit, and remove agencies from the CTOC configuration.
CSCBR-IO-2	CTOC Plate and Transponder Availability	• Plates and transponders will be removed from the CTOC plate and tag files when the prepaid account status is not Active. • Plates and transponders will be added back to the CTOC plate and tag files when the prepaid account status is returned to Active.
CSCBR-IO-3	Business Continuity	Processing and file transfers will take place every day of the year.
CSCBR-IO-4	Exclude Local Non-Revenue Accounts	The system shall not include transponder or plate information for local, non-revenue account holders in the Tag and Plate Status Files. Universal Non-Revenue accounts will be included.
CSCBR-IO-5	Hybrid 15-91 Non-Revenue Accounts	The system shall include transponder or plate information for Hybrid 15-91 Non-Revenue accounts will be shared between the 15 and the 91 Express Lanes only. The system shall separate non-revenue accounts according to the 91 Express Lanes and 15 Express Lanes segment(s).
CSCBR-IO-6	Accept Toll Charges	The system shall validate the Reconciled Toll Charges and accept reconciled toll transactions no longer than 14 calendar days after receipt.
CSCBR-IO-7	Accept Trips	The Accepted Trips will follow the Trip Posting process.
CSCBR-IO-8	Agency Reciprocity	The Accepted Trips will be registered in the General Ledger Accounts for Inter-Agency Reciprocity when paid.
CSCBR-IO-9	CTOC Trips for Violation Process	If a toll transaction is rejected by CTOC, the following should occur based on the reject code: • Duplicate – Write-off toll transaction. • All others – Process as a violation.
CSCBR-IO-10	Transponder Accounts	Only active license plates belonging to active transponder-based accounts are included in the Plate Status File.

Table 50 CTOC General Business Rules (1-9)

2.18.4 Website (Part 1)

The Back-Office website will offer a self-care channel accessed directly by road users.

Prepaid and violation customers will be able to create an account, log in to the Customer self-service website, and pay for their violations. The sections below provide options available and are based on the account type.

Rule	Short Name	Condition/Rule Description
CSCBR-CW-1	Account Creation	Customers will be able to open a new account through the website.
CSCBR-CW-2	Customers Registration	The Website will allow customers to register using an email address as their username.
CSCBR-CW-3	Email Address Validation	Email addresses shall be validated when entered by the customer.
CSCBR-CW-4	LPN Back Dating	The Website will allow a customer to set the start date of their plate up to (90**) days in the past.
CSCBR-CW-5	Website Password Complexity	Website passwords will: • Have at least 8 characters. • Have at least one special character, one letter, and one number. • Does not contain a space(s).
CSCBR-CW-6	Terms & Conditions	The Website will require either accepting or agreeing to the terms and conditions, to continue with the Account Opening process.
CSCBR-CW-7	Notification after Registration	After successful account creation, the Website will send a notification to the customer.
CSCBR-CW-8	Available Actions for Registered Customers	The Website will allow registered and violation users to perform actions as detailed in the tables below. (See also the “Account Functions per channel” table in the column “Website” under Account Management business rules.)

Table 51 Website - Part 1 Rules (1-9)

2.18.4.1 Available for Registered Users

Action	Additional Information
Customer change password	The system will allow registered user to change their passwords according to the Website Password Complexity Rule.
Replenish account	Account replenishments will be available via Credit / Debit Card and ACH.
Specify primary means of payment for recurrent replenishments	The registered user must specify a primary means of payment, if more than one payment, a priority will be assigned.
View payment information on File	The system will not allow a customer to see a full bank account or credit card number on file. The registered user may only see the last 4 digits of a credit card or a bank account number.
Add/Remove/Edit payment information	The registered user can add/remove/edit the means of payment associated with an account.
View/edit Account data	The registered user can view/modify personal information (e.g.: name, Addresses, preferred language, etc.).
Type of notifications	The registered user can opt-in or opt-out of various notifications.
Add or remove transponders	The registered user can add/remove a Transponder related to an account.
Remove an LPN	A registered user may end-date an LPN on the web but the end date may not be from the past. The default end date is the current date and 11:59 pm. Note: End dating may be adjusted to a date in the past by a CSR with approved user level access.
Add an LPN	The registered user may Add an LPN to an account. Can indicate that the vehicle being added is a CAV vehicle.
Add a license plate and associate violations to the account	Registered users will be required to enter the date they acquired the vehicle, up to 90 days into the past. The system will retrieve all associated violations after the start date of the LPN to assign them to the account without their penalties.
View Account trips	A list of the trips related to the account will be displayed.
View/Print/Download Account Statements	Refers to statements containing financial transactions associated with the related account.
View Account Payments and Refunds	A list of processed payments, their date/time, financial transaction, and amount will be displayed.
Get Account Balance	The current account balance will be displayed.

Action	Additional Information
Forgot Password	A registered user must satisfy a two-factor authentication and user challenge questions, If successful, the user can then provide their own new password.
Report a Transponder as Lost/Stolen	This option will allow road users to report lost/stolen transponders.
Print/Download Violation Notices (Not currently in use)	Option to get a copy of the NTEV, NDTEV, or RH notifications on the account.
Pay Violation	Find and pay on an NTEV, NDTEV, or RH notice using a combination of their Notice ID and the license plate listed in the notice.
Print/Download Payment Confirmation	At the time of payment, print/download a payment confirmation related to a Violation Notice, replenishments or other financial transaction paid.
View LPN and Transponder Activity History	List an LPN and transponder's start and end date history.
View Account Activity History	List account-related events such as payments, replenishments, charges, discounts.
View Customer Notifications	Display a list with the notifications sent to the customer.
View Violations Associated to an Account	Display a list of the violations related to the customer.
Select Multiple Violations to Appeal	Dispute one or more Violation Notices at the same time or individual violations, by selecting from a list.
Create/View Cases	Road users will be able to create or view a case (e.g.: to appeal a Violation Notice), select a reason, add a description and then submit it to the System Operators for evaluation. Once the case is created, the user will be able to view progress via the Case ID.
Discount Counter	The website will have a discount details tracker widget for toll transactions on the 91 Express Lanes.
Initiate the Account Closure Process	A customer can initiate an account closure process, placing the account in pre-close status, and is notified of the timeframe until closure.

Table 52 Website Actions – Registered Users

2.18.4.2 Available for Violation Users

Action	Additional Information
Pay Violation	It is possible to pay on an NTEV, NDTEV, or RH notice using a combination of the Notice ID and the license plate listed in the notice.
Print/Download Payment Confirmation	At the time of payment, it is possible to print/download a payment confirmation related to a Violation Notice.
Create an Account	Violation users will be able to create an account by entering personal information, adding a vehicle, requesting a transponder, paying the outstanding balance, and providing replenishment balance on the account.

Table 53 Website Actions – Violation Users

2.18.5 Website (Part 2)

Rule	Short Name	Condition/Rule Description
CSCBR-CW-9	Payment Confirmation	When making a payment, the system will display a confirmation page including the payment details and confirmation number.
CSCBR-CW-10	Website Pay Methods	The Website will accept payments from either a credit or debit card and ACH.
CSCBR-CW-11	Plate Removed with Correlated Sticker Tag	The system will inform the customer that their sticker tag will be deactivated when they remove their plate if the plate was previously linked to a sticker tag.

Table 54 Website -Part 2- Rules (10-13)

2.18.6 IVR Interface

The IVR interface describes rules for the integration of the IVR system and the BOS. It also details the functionality that the IVR system must interact with an account.

The following business rules define the IVR interface features.

Rule	Short Name	Condition/Rule Description
CSCBR-IV-1	Identify Customer	The IVR system will recognize a customer phone number and request a PIN. If the IVR identifies more than one account number associated with the phone number, it will require you to provide your account number.
CSCBR-IV-2	Get Balance	The IVR system shall provide the capability to get the balance of the Prepaid Account.
CSCBR-IV-3	Make Payment	The IVR system will allow a customer to make a one-time payment, or a replenishment using the method of payment on file.

Rule	Short Name	Condition/Rule Description
CSCBR-IV-4	Additional Transponder	The IVR system will provide the capability to request additional transponders.
CSCBR-IV-5	Obtain Outstanding Balance	The IVR system provides the capability to check a customer's outstanding balance for violations including toll, fees, and penalties.
CSCBR-IV-6	Pay Violations Notices	The IVR system will provide the capability to fully pay violation notices via credit/debit cards. The system will inform the customer of the total amount owed due to pending violations. The customer must enter the Notice ID number on the NTEV or NDTEV.

Table 55 IVR Interface Rules (1-6)

2.18.7 Fleet Accounts (Not currently in use)

The system will be able to handle the creation and maintenance of fleet accounts that have a large number of vehicles. Plate files, trip information, and customer details will be exchanged between the system and the fleet account holders.

Rule	Short Name	Condition/Rule Description
CSCBR-FL-1	Fleet Account Creation	Fleet accounts will be created and adhere to their agreed-upon ICD specifications.
CSCBR-FL-2	Fleet Account File Exchange	Fleet accounts will process files between the system and the fleet agency on a daily or weekly basis depending on Fleet Agreement and defined in the ICD.
CSCBR-FL-3	Fleet Violation Accounts	Violation accounts will be created for trips that belong to fleet vehicles that the fleet agency has provided a liable party.
CSCBR-FL-4	Fleet Violation Account NTEV	Fleet violation accounts that are created with renter or lessee information will not go through the DMV lookup process.
CSCBR-FL-5	Fleet Violation Account NTEV Creation	NTEVs created for Fleet violation accounts will follow the standard NTEV Business rules.
CSCBR-FL-6	Out of Country Renters	The system will send out NTEVs to out of country renters, with the information delivered by the rental agency.

Table 56 Fleet Accounts Rules (1-6)

2.18.8 Retail (Not currently in use)

This section contains the rules for stocking and distributing transponders to retailers.

Rule	Short Name	Condition/Rule Description
CSCBR-RT-1	Account Creation	Transponder active at point of sale and must be included in the next tag status download for use on Riverside Express Lanes.
CSCBR-RT-2	Transponder Status	Transponder status will be shared via CTOC to away agencies per CTOC specifications.
CSCBR-RT-3	Starter Kit	The package will include two interior sticker transponders provided by the Agencies.
CSCBR-RT-4	Transponder fulfillment	Kapsch to seek Agency approval before providing transponders.
CSCBR-RT-5	Retailer list	Kapsch to provide a current list of retailers and maintain the list on the website.

Rule	Short Name	Condition/Rule Description
CSCBR-RT-6	Account Maintenance	Accounts opened through retailers will remain anonymous retail accounts until converted by the customer to a Riverside Express pre-paid account or added to an existing Riverside Express pre-paid account. Adding to an existing Riverside Express prepaid account can only be done by calling the CSC.
CSCBR-RT-7	Account Conversion	Customers can convert an anonymous retail account to a new Riverside Express prepaid account via the website, CSR, or walk-in center; a unique identifier is provided in the retail package and recognized by the back-office system.
CSCBR-RT-8	Account Conversion	Account conversion on the website requires 2-factor authentication.
CSCBR-RT-9	Account Replenishment	Customers can only replenish anonymous retail accounts through retailers.
CSCBR-RT-10	Starter Kit	Costs: • Customer pays ($40**). • Add ($40**) in prepaid balance. • Charge for two sticker transponders ($0** per transponder) ($10**) promotional balance added at the time of account. • Registration (Account Converted) • Agency to pay ($5**) starter kit retail fee.
CSCBR-RT-11	Account Maintenance Fee	A ($2**) monthly account management fee will be applied to standard plans from when the anonymous retail account is opened.
CSCBR-RT-12	Trip Posting	Anonymous retail accounts with insufficient funds to cover the entire toll amount shall partially pay the toll amount using the available account balance and suspend the anonymous retail account with a negative balance.
CSCBR-RT-13	Trip Posting	Additional toll transactions will create a violations account after the anonymous retail account is suspended
CSCBR-RT-14	Account Suspension	Anonymous retail accounts shall be suspended once the account balance reaches or falls below ($0**).
CSCBR-RT-15	Account Suspension	Re-activation of a suspended anonymous retail account requires a positive balance ($0.01**).
CSCBR-RT-16	Account Conversion	Anonymous retail accounts can only be converted to Riverside Express prepaid accounts.
CSCBR-RT-17	Account Replenishment	Anonymous retail account replenishments: • The customer pays for the replenishment amount. • The customer pays a replenishment fee at the retail store while using the reload card to replenish their account.

Table 57 Retail Business Rules (1-17)

-END OF DOCUMENT-

Appendix A Module and Process Status Definitions- DMV Statuses

DMV Status	Description	Action
Sent	Request for owner information was sent.	Wait on Return.
Returned	Owner information has been returned.	No additional DMV action.
No Owner Found	DMV or out-of-state service could not locate an owner.	Plate and State Validation to be performed. Resend to DMV.
Rejected no Plate Type	DMV returned no information due to an incorrect or missing plate type.	Plate, State, and Plate Type Validation to be performed. Resend to DMV.
Release of Liability on File	The original owner has sold the car, and the new owner has not registered.	Resend to DMV.
Toll Transaction in Process	A change of ownership is being processed.	Resend to DMV.
Junked	The vehicle has been labeled Junk.	Plate, State, and Plate Type Validation to be performed. Resend to DMV.

The Department of Motor Vehicles (DMV) may add, modify, or remove rejection codes. The system shall not restrict processing based on predefined DMV reject codes. Any rejection code received from the DMV shall be captured, stored, and included in processing and reporting.

Table 58 DMV Statuses

Appendix B Configurable Variables

See Attached Agency Configurable Parameters for the complete listing of all configurable parameters in the system.

Exhibit 25

Attachment 3

Scope of Work:

Multi-Agency revenue and cost sharing memorandum

[attached behind this page]

Cost and Revenue and Allocation Between the Express Lanes

This exhibit sets forth the agreed-upon methodology for sharing revenue and expenses processed through the consolidated back-office and the sharing of Operator costs.

The methodologies are broken down in the following sections:

1. Revenue and Discounts
2. Operator Costs (non pass-through)
3. Pass-through Expenses
4. Allocation Formulas

1. REVENUE AND DISCOUNTS

Toll and Violation Revenue

All toll and violation revenue associated with a specific toll transaction shall be assigned to the entity (OCTA 91 Express Lanes, RCTC 91 Express Lanes, or RCTC 15 Express Lanes) for which the toll plaza is assigned. The assignment of revenue includes tolls, NTEV penalty, NDTEV penalty, Collection Agency Assignment Fee and the DMV Registration Hold Fee.

	OCTA 91 Express Lanes	**RCTC 91 Express Lanes**	**RCTC 15 Express Lanes**
Toll Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Penalty Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Fee Revenue at Transaction Level	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza

Toll Transaction Discounts

Discounts given at the transaction level should be assigned to the entity for which the toll plaza is assigned. This includes HOV3+, disabled veteran, disabled plate, motorcycle, standard plan frequent user discount and AAA one/two-week free discount.

Account Level Discounts and Credits

Discounts or credits given at the account level will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50%.

Account-Based Revenue

Prior to consolidation, the 91 Express Lanes had approximately 186,000 accounts compared to the 15 Express Lanes 25,000 accounts. OCTA, as the account-holding agency, will take over the 15 Express Lanes accounts and the 15 EL will no longer “own” accounts. The 91 Express Lanes also offered account plans that the 15 Express Lanes did not have: Express Club and Convenience. The 15 Express Lanes Account Fee revenue will be $550,000 per fiscal year for the term of the agreement. The remaining annual Account Fee revenue will be split evenly between the 91 Express Lanes. The allocation of account-based revenue will not change through the term of this agreement.

If the 15 Express Lanes South is added to the operation, it will not receive any account revenue or change the allocation in any way.

	RCTC 15 FY 25
Express Club	0
Standard Account Fee	346,220
NSF and Statement Fee	47,302
Convenience Fee	0
Account Deactivation	54,293
Transponder	102,185
Totals	550,000

This table is for the purpose of determining the 15 Express Lanes on-going fixed account revenue.

2. OPERATOR COSTS (Non Pass-Through)_

Kapsch BOS Fixed Fee

The Kapsch contract has three fixed fee components: BOS Fixed Fee, CSC Fixed Fee, and BRiC BOS Fixed Fee. The total contract fee for these items (the base contract and 2041 refresh cost plus the 2026 Amended and Restated 91 EL Costs), less the costs of the RCTC ODS program ($555k annually for ODS) and for project management shared with the RCTC roadside ($1.5M annually) will be allocated based on the Entity Transaction Calculation.

91 TOC Costs

All 91 TOC costs shall be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

15 TOC Costs

All 15 EL TOC costs shall be paid by RCTC 15 Express Lanes.

Bad Debt Expense Accounts

Bad debt expense for prepaid customers will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

Bad Debt Expense Violations

Bad debt expense for violations will be assigned to each entity based on toll plaza assignment.

Variable Account Fee

The Kapsch contract has a variable account fee based on the number of active transponder accounts. This fee will be allocated using the Entity Transaction Calculation.

Variable NTEV Fee

The Kapsch contract has a variable violation processing fee based on the number of NTEVs mailed. NTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Back Office System Improvement Costs

The cost of improvements or changes for a specific entity will be paid for by that entity. BOS improvements that benefit all entities shall be split according to the Entity Transaction Calculation.

3. PASS THROUGH EXPENSES

The Kapsch contract includes several pass-through costs that will be paid according to the following allocations.

Credit Card Fees

Credit card fees shall be allocated to each entity based on the Entity Revenue Calculation.

PayNearMe Fees

PayNearMe fees are commonly not a pass-through cost. This fee is charged by PayNearMe to the contracting parties when minimum revenue thresholds are not met. In the instance where this fee is charged, the cost shall be shared by the entities using the Entity Revenue Calculation.

Welcome Kit Postage

Welcome Kit Postage will be allocated based on the Entity Transaction Calculation.

CSC Phone Lines

CSC Phone Lines will be allocated based on the Entity Transaction Calculation.

Violation Postage

The Kapsch contract has a pass-through cost for NTEV and NDTEV mailings. NTEVs and NDTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Administrative Hearings

Administrative Hearing costs will be allocated based on the Entity Transaction Calculation.

Collection Fees

Collection Fees will be allocated based on the toll plaza assignment for the transaction on which the fee was charged.

Miscellaneous Mailing Postage and Fees

Miscellaneous Mailing Postage and Fees will be allocated based on the Entity Transaction Calculation.

4. ALLOCATION FORMULAS

Entity Revenue Calculation

Each year prior to budget development (January), the proportion of entity revenue will be calculated using revenue from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided that no new entity is introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated revenue for the new entity. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll revenue	60,605,242	90,629,646	44,633,972	NA
Violation Penalty Revenue	5,615,410	10,382,059	8,875,611	NA
Fees	1,580,587	2,455,636	726,672	NA
Total	67,801,239	103,467,341	54,236,255	NA
Percentage	30.1%	45.9%	24.1%	NA

Initial Percentages Based on FY 2025 Revenue

Entity Trip Calculation

Each year prior to budget development (January), the proportion of entity trips will be calculated using trips from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided a new entity is not introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated trip for the new entity. The calculation will be applied for the entire fiscal year following the calculation. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll Trip	21,992,452	20,952,400	16,802,743	0
Percentage	36.8%	35.1%	28.1%	0

Initial Percentages Based on FY 2025 Trips

Entity Violation Calculation

Violation notices can include trips from all three entities. Violation notices are cost drivers for the CSC regardless of the number of violations included on a single NTEV. A weighted-average allocation of the NTEVs issued for the combined entities will be calculated each year prior to budget development (January). If the Parties agree, this calculation may be performed more frequently. Only NTEVs will be used in the calculation and assumes NDTEVs follow the same allocation. The calculated percentages will be used for the entirety of the following year provided a new entity is not introduced to the operation. As there is not historical data to make this calculation

for the Go Live date the Agencies will agree to an allocation based on the best available data. The calculation will be as follows:

Transaction Mix on Single NTEV	NTEV Count by Mix*	OCTA 91	RCTC 91	RCTC 15	OCTA 91 Allocation	RCTC 91 Allocation	RCTC 15 Allocation
		Weighted Average	Weighted Average	Weighted Average			
OCTA 91 Only	20,000	1			20,000	-	-
RCTC 91 EL only	20,000		1		-	20,000	-
15 El Only	20,000			1	-	-	20,000
OCTA 91 EL and RCTC 91 EL	40,000	0.5	0.5		30,000	30,000	-
RCTC 91 El and RCTC 15 EL	30,000		0.5	0.5	-	10,000	10,000
OCTA 91 and RCTC 15	5,000	0.5		0.5	10,000	-	10,000
OCTA 91, RCTC 91 and RCTC 15	30,000	0.33	0.33	0.34	6,600	6,600	6,800
Total	165,000				66,600	66,600	46,800
					37%	37%	26%

This is sample data for illustrative purposes only. The initial split will be OCTA 91 30%, RCTC 91 30%, 15 Express Lanes 40%.

If the Parties identify changes to the allocation methods described in this Exhibit the Executive Director of RCTC and CEO of OCTA shall be authorized to approve an amendment to this Exhibit to reflect those changes.

Exhibit 25

Attachment 4

Scope of Work:

Proposal and Schedule

[attached behind this page]

Riverside County Transportation Commission (RCTC)

Orange County Transportation Authority (OCTA)

SR 91 Customer Service Center (CSC) and Back Office System (BOS) Expansion Plan

Submitted by:
Timothy O'Leary
3480 W. Warner Ave. Santa Ana, CA 92704
M +1 714 975 1854
Kapsch TrafficCom USA, Inc.

TABLE OF CONTENTS

1. Statement of Purpose **2**

2. Kapsch History with OCTA and RCTC **2**

3. Project Approach **2**

3.1 Key Personnel and Organizational Chart 3

3.2 Key Project Milestones 11

3.3 Documentation 12

3.3 Facility Changes and Transition Plan 13

3.3.1 Facilities Transition Plan 14

3.5 System Changes 19

3.6 Software Changes 22

3.7 Testing 23

3.8 Data Migration 24

3.9 Cutover & Go-Live 25

3.10 Transition of Operations 26

3.10.1 Via Plus CSC and TOC Staff Transition to Kapsch Plan 27

3.10.2 SR-91 Traffic Operations Center 28

3.10.3 Customer Service Center (I-15 and SR-91) 30

Assumptions 33

Summary 34

Appendix 1 Draft Project Schedule **35**

Appendix 2 FLOOR PLAN **36**

1. STATEMENT OF PURPOSE

We are pleased to provide both Riverside County Transportation Commission (RCTC) and Orange County Transportation Authority (OCTA) (Agencies) our plan for the consolidation of the SR-91 and I-15 Back Office Operations to enhance operational efficiencies and reduce overall costs. We plan to accomplish this by expanding the current I-15 Back Office System (BOS) to consolidate the SR-91 Express Lane accounts and the Riverside Express Lane accounts into one account base. The proposed Kapsch back-office operation would jointly serve I-15 Express Lanes and SR-91 Express Lanes customers as one operation. The purpose of this document is to share Kapsch's approach to both Agencies for executing this scope.

2. KAPSCH HISTORY WITH OCTA AND RCTC

Dating back to our original contract in 2017, Kapsch and RCTC have worked closely to enhance travel and toll services in the region, and adding the I-15/SR-91 Express Lanes Connector project to the overall scope. In nine years of working together, we have successfully delivered the I-15 Express Lanes BOS, image review, customer service center (CSC), Occupancy Detection integration, and collections of enforcement. Additionally, we maintain operations for the Express Lanes, running and staffing the Traffic Operations Center (TOC) and CSC.

Kapsch is equally proud of the successful deployment of our Roadside Toll Solution for OCTA's I-405 Express Lanes, delivered on schedule in October 2023. Our responsibilities as Toll Systems Provider in this ambitious project included the Roadside Toll equipment, multiple toll collection sites, and outfitting the TOC in Santa Ana.

We value our highly collaborative partnership with both Agencies and look forward to extending our range of services and bringing top-notch technology, expertise, and people to enhance travel throughout the region.

3. PROJECT APPROACH

Our approach to migrating the SR-91 Express Lanes into the I-15 Express Lanes operation is grounded in established methodologies and supported by extensive industry expertise. This initiative represents a strategically planned system integration rather than a routine BOS expansion. It is structured to optimize operational efficiency, mitigate implementation risks, and deliver demonstrable value to both RCTC and OCTA. A seamless integration is essential to preserving operational continuity and sustaining a high standard of customer service. The following section presents our high-level methodology for conducting a successful transition and maintaining effective ongoing operations.

The Program Manager will oversee the entire implementation lifecycle, ensuring effective delivery that leads to a successful Go-Live and formal System Acceptance. This role is assigned to an individual with a proven track record of working with both Agencies, supporting BOS implementations through system acceptance, successfully delivering complex projects.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

As the project progresses, the Program Manager will advance it from delivery into operations, ensuring a seamless transition and continued focus on meeting project objectives. While the O&M Team supports the D&D Team, their primary responsibility is to maintain uninterrupted operations until Go-Live. This delivery model aligns with the approach Kapsch uses across all tolling projects in North America and has been successfully applied to upgrades and enhancements within the RCTC system.

For the BOS Expansion project, Kapsch will use our Delivery Framework methodology. This is our standardized platform for managing every element of a project implementation delivery from pre-planning through a successful Go-Live. The Delivery Framework defines expectations, workflows, deliverables, and resources across all delivery process areas, with templates and processes refined through extensive, real-world experience. The resulting structure provides greater clarity, efficiency, and accountability for project management, which means reliable project delivery for the Agencies.

SUMMARY OF ACTIVITIES

Using our Delivery Framework model, we will conduct the following activities to manage the BOS Expansion project:

- Project Kick Off
- System and BOS Requirements Mapping
- Documentation Deliverables
- Network, Server and PC Hardware Procurement
- Network, Server and PC Hardware Upgrade
- BOS Software Development
- Monthly Software Deployment Release and Verification
- Data Migration
- Website and IVR Upgrade
- Upgrade Third Party Interfaces to include 91 EL Roadway
- Staff Notifications
- Training
- TCSOT Dry Runs and Testing
- BOS Cutover & Go-Live
- TCSAT Dry Runs and Testing

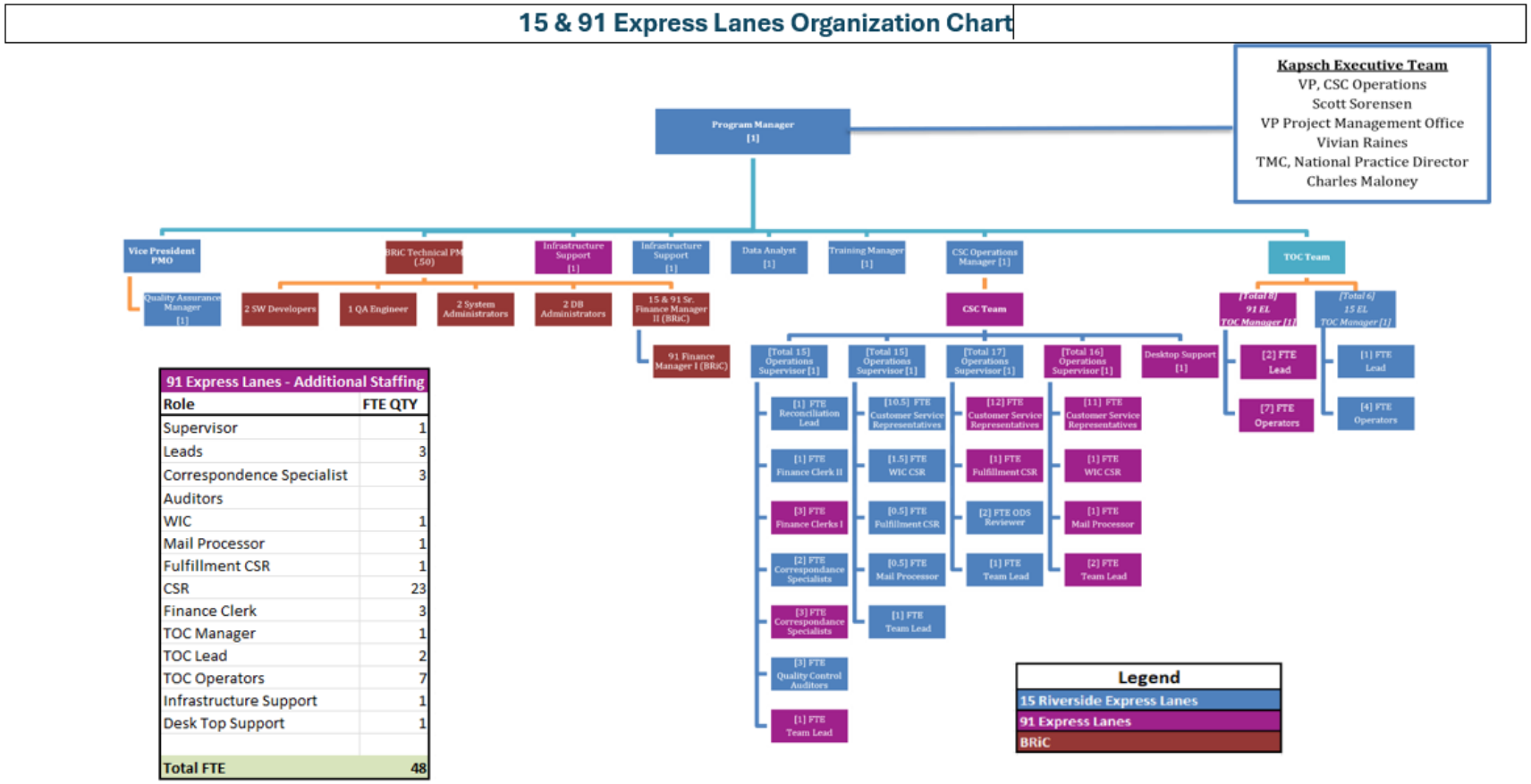
3.1 Key Personnel and Organizational Chart

Figure 1 and Figure 2 details the Operations Organizational Chart and staffing plan with the proposed headcount for the project. As part of this expansion, Kapsch will work with our partner BRiC-TPS, the current I-15 BOS provider, to facilitate the BOS system extension for the 91 roadway.

For each proposed system change or modification, Kapsch and BRiC-TPS will evaluate the scope of the request and produce estimates of effort. Our schedule is based on accomplishing the work using the dedicated FTE software developers currently assigned to the project. If additional skills/resources are needed, or if the timeline is not compatible with the business needs, options to accomplish the work with additional resources can be discussed.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary



91 Express Lanes - Additional Staffing	
Role	**FTE QTY**
Supervisor	1
Leads	3
Correspondence Specialist	3
Auditors	
WIC	1
Mail Processor	1
Fulfillment CSR	1
CSR	23
Finance Clerk	3
TOC Manager	1
TOC Lead	2
TOC Operators	7
Infrastructure Support	1
Desk Top Support	1
Total FTE	**48**

Figure 1. 91 & 15 Operations Key Personnel and Organizational Chart

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Riverside Express Lanes - Current Staffing	
Role	**FTE QTY**
Supervisors	3
Leads	2
Correspondence Specialist	2
Auditors	3
WIC	1.5
Mail Processor	0.5
Fulfillment CSR	0.5
CSRs	10.5
ODS Review	2
Finance Specialist (reconciliation/pp/refunds, etc.)	1
Reconciliation Specialist (pp/reports, refund research, etc.)	1
QA/Trainer transition to Training Manager	**1**
TOC Supervisor transition to TOC Manager	**1**
TOC Operators transition 1 FTE to TOC Lead	**1**
TOC Operators	**4**
Data Analyst	1
CSC Ops Manager	1
Service Delivery Manager	1
Infrastructure Support	1
QA Manager	1
Total FTE	**39**

BRiC	
BRiC Technical PM	0.5
2 System Administrators	2
2 Database Administrators	2
2 Finance Managers	2
Total FTE Count	**6.5**

91 Express Lanes - Additional Staffing	
Role	**FTE QTY**
Supervisor	1
Leads	3
Correspondence Specialist	3
Auditors	
WIC	1
Mail Processor	1
Fulfillment CSR	1
CSR	23
Finance Clerk	3
TOC Manager	1
TOC Lead	2
TOC Operators	7
Infrastructure Support	1
Desk Top Support	1
Total FTE	**48**

Legend
15 Riverside Express Lanes
91 Express Lanes
Bric

91 & 15 Express Lanes

91 & 15 Combined Total Staff	
Role	**FTE QTY**
Supervisors	**4**
Leads	**5**
Correspondence Specialist	**5**
Auditors	**3**
WIC	**2.5**
Mail Processor	**1.5**
Fulfillment CSR	**1.5**
CSRs	**33.5**
ODS Review	**2**
Finance Clerks	**4**
Reconciliation Lead	**1**
Training Manager	**1**
TOC Manager	**2**
TOC Operators	**11**
TOC Lead	**3**
Data Analyst	1
CSC Ops Manager	1
Desk Top Support	1
PM	1
Infrastructure Support	2
QA Manager	1
CSR Acct Resolution	**0**
Total FTE	**87**

Figure 2. 91 & 15 Staff Consolidation Summary

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

The additional staff included in this plan ensures that all functional areas—Customer Service, Finance, Auditing—are fully equipped to maintain service continuity and uphold the performance standards expected by RCTC and OCTA. The added positions are carefully structured to enhance operational capacity, streamline workflows, and strengthen oversight across the Customer Service Center (CSC), Traffic Operations Center (TOC), and back-office processes. These resources provide the depth needed to manage the higher transaction volumes and more complex account servicing demands, Traffic Operations, and back-office coordination the system expansion will require.

This staffing model supports:

- **Operational Scalability:** Ensuring the organization is resourced to handle increased customer inquiries, roadside events, and back-office processing requirements.
- **Service Quality:** Adding supervisory and lead-level positions to improve response times, customer satisfaction, and service consistency.
- **Financial Controls and Compliance:** Enhancing audit, reconciliation, and payment processing capabilities.
- **Technical Reliability:** Increasing support for roadside systems, TOC operations, and infrastructure maintenance.
- **Risk Reduction:** Ensuring redundancy across all key operational functions.

Altogether, these roles create a robust operational framework that supports seamless system transition, sustained performance, and long-term scalability. Table 1 outlines the additional staff levels and a description of the role.

Table 1. Job/Role Description Table

Job/Role	Description
Management	
Program Manager	The Program Manager will oversee the current I-15 and 91 operations and roadside maintenance along with the 91 BOS and Operations once implemented. This individual will be responsible for the leadership and direction of the program throughout the full lifecycle of the contract and will report to Kapsch's executive management.
Quality Assurance Manager	A Quality Assurance Manager leads the audit and compliance function for the CSC and Roadside, supporting back-office operations, with a primary focus on auditing data integrity, transaction accuracy, and adherence to defined processes and business rules. This role oversees systematic audits of system entries, case processing, correspondence, financial and non-financial transactions, and workflow execution to ensure consistency with contractual requirements, regulatory standards, SOPs, and established KPIs. The Quality Assurance Manager analyzes audit findings to identify trends, root causes, and process risks, and collaborates with Operations and Training to review findings. Additionally, this role is responsible for audit reporting, audit

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Job/Role	Description
	readiness, and ensuring audit methodologies are applied consistently across all CSC departments.
CSC Operations Manager	A CSC Operations Manager provides strategic and operational leadership for the daily operations of the CSC, including but not limited to the Call Center, Walk-In Center, Transponder Fulfillment, Mail Processing, Case Processing, Correspondence, Payment Processing, Refunds, Inventory, Training, Quality Assurance, audit functions, and additional back-office operations. This role is accountable for overseeing staffing, workflows, and end-to-end customer service activities to ensure efficient, compliant, and customer-focused support for toll program services. The CSC Operations Manager ensures adherence to contractual requirements, business rules, and KPIs through active oversight of training, quality assurance, and audit programs, leveraging performance data to identify trends, driving continuous improvement, and promoting accountability and recognition. Through collaborative leadership, this role fosters a culture of teamwork, operational excellence, and productivity while consistently meeting service levels, performance metrics, and contractual obligations.
CSC Team	
CSC Operations Supervisor	The CSC Operations Supervisor provides frontline leadership for the call center, overseeing daily performance, staffing, and service delivery to ensure consistent, compliant, and high-quality customer experience. This role supervises front line associates of all CSC Departments responsible for handling customer interactions through all channels, web, mail, phones and the Walk-in-Center. This includes inbound customer inquiries, disputes, payment processing, refunds, reconciliation, managing account enrollment and maintenance, and supporting toll operations through manual image and occupancy review. The CSC Operations Supervisor ensures adherence to established quality assurance standards, business rules, and performance metrics, while coaching staff, addressing escalations, and monitoring service levels to meet contractual and operational KPIs. Additionally, this role partners with Operations, Training, and Quality teams to reinforce performance expectations, support process improvements, manage corrective actions, and maintain efficient, customer-focused call center operations.
Reconciliation Lead	A Reconciliation Lead manages daily and monthly reconciliation activities supporting our daily operations in terms of financial accuracy and revenue integrity. This role validates toll and violation transactions, payment postings (credit/debit, pay-near-me, check/cash), refunds, and settlement reports by comparing system data across BOS and supporting platforms to ensure compliance with internal controls and audit standards.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Job/Role	Description
Correspondence Specialist - (Case Processors)	A Correspondence Specialist supports CSC operations by processing all case disputes submitted through mail, web, and phone channels. This includes but is not limited to account inquiries and escalated customer cases from start to resolution. The Correspondence Specialist also processes daily back-office functions and reporting (e.g., Pending trips, OCR, DMV Holds, Dealer Plates, Bad Images) and provides back-up phone support (Help Desk) as needed. Admin Review & Resolutions: Rather than assigning one dedicated individual to this role, we propose a structured case management process supported by a small team with management oversight. This approach provides greater transparency, helps ensure timelines are met, and supports consistent coordination and communication with the customer, Administrative Officer, and the Agency by keeping all parties updated on the status of each administrative review case. A small team structure also provides built-in coverage, ensuring cases continue to move forward without disruption during absences or competing priorities.
Training Manager	A Training Manager oversees the design, development, and delivery of comprehensive training programs supporting the CSC and associated back-office operations. This role ensures that all staff are fully prepared to perform project functions through structured onboarding, role-based initial training, refresher and remediation training, system and process instruction, and ongoing performance coaching. The Training Manager aligns training content with approved business rules, standard operating procedures (SOPs), quality standards, and contractual KPIs, while partnering with Operations and Quality teams to address performance gaps, support process changes, and promote continuous improvement. Additionally, this role maintains training documentation, tracks completion and effectiveness, and ensures program and audit compliance.
Team Leads	A Customer Service Team Lead serves as the first line of support on Help Desk queue, assisting CSRs by handling escalated customer inquiries, providing reductions and mitigations when appropriate, and ensuring accurate resolution in alignment with our business rules. This role supports operations by guiding representatives in real time, assisting with complex cases, and escalating issues to leadership when necessary. The Leads also provide additional workforce support through reporting and real-time phone monitoring to help ensure SLAs are met or exceeded.
Quality Control Auditors	A Quality Control Auditor supports CSC operations by providing daily audits across key operational processes such as fulfillment/mail processing, case processing, inbound calls, refunds, checks/cash processing, walk-in center activity, occupancy detection reviews, and customer communication mailed notices. Identifying trends and documenting findings ensure the CSC continues to strengthen quality

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Job/Role	Description
	performance through established KPIs. In addition, they provide backup support to the CSC.
Walk-In Center (WIC) Representative	Assists customers in person with payments, account maintenance, tag issues, and general inquiries.
Mail Processor	Processes inbound and outbound mail, including payments and customer notices, ensuring accurate routing.
Fulfillment CSR	Handles tag fulfillment, inventory management, and account creation tasks.
Customer Service Representatives	A Customer Service Representative (CSR) serves as the primary point of contact for responding to inbound calls, resolving customer issues by ensuring high-quality customer experience through adherence of QA standards and expectations. The CSR is responsible for processing payments, disputes, prepaid account maintenance, account enrollment, non-account holder inquires, and operational support for manual image review and occupancy review.
Finance Team	
Senior Finance Manager (BRiC-TPS)	The Senior Finance Manager oversees all financial functions supporting the toll operations, ensuring accurate revenue management, budgeting, forecasting, interop reconciliation management, and financial compliance across the program. This role leads control and reporting for toll transactions, violation processing revenue, refunds, reconciliations, and audit readiness while partnering with operational leadership to support KPI performance, cost efficiency audit readiness, and adherence to contractual, regulatory, and internal control requirements. Additionally, the Senior Finance Manager works closely with the Finance department to provide actionable financial insights, support strategic planning, and ensure accurate and timely reporting.
Finance Manager II (BRiC-TPS)	The Finance Manager II supports daily finance operations by assisting with daily reconciliations, revenue tracking, reporting, and transaction monitoring tied to toll payments, violations, and customer account activity. This role helps maintain accurate financial documentation for audits, supports refunds and payment violations, and contributes to budget tracking and expense controls.
Finance Clerk I	Finance Clerk I support the finance department by performing payment and refund processing and administrative and operational tasks that help maintain accurate, organized, and audit-ready financial workflows. This role is responsible for accurately processing and applying customer payments, prepaid and violation transactions, Prepaid replenishments and refunds ensure compliance with established financial controls, program procedures, and documentation standards. Responsibilities include verifying payment details (credit/debit, check/cash, ACH, PayNearMe), posting transactions to the BOS and related systems. Processing refunds,

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Job/Role	Description
	researching and resolving payment discrepancies, assist with: reconciliation, data entry, filing, tracking, reporting preparation, and maintaining records to support daily finance operations.
Finance Clerk II	A Refund Specialist supports the operations by processing and reviewing customer refunds to ensure accuracy, compliance and timely resolution in accordance with program policies and financial controls. This role validates payment history, account activity, and supporting documentation within BOS and related systems to determine refund eligibility and prevent duplicates or incorrect reimbursements.
TOC Team	
TOC Manager	The TOC Manager oversees the Traffic Operators (TOs) who manage Intelligent Transportation Systems (ITS) in support of the Express Lanes project. This role provides daily oversight and guidance to Traffic Operators to ensure accurate monitoring, incident response, and coordination with partner Agencies, ensures operational excellence, employee engagement, and compliance. This role provides daily oversight and guidance to operations staff, setting performance expectations and goals aligned with project objectives. The TOC Manager communicates with the client and Agency partners on all active incidents and issues related to the TOC activities. The role also promotes the growth of team members through training and sills development. Other duties include managing the TOC schedule, including requests for time off and shift coverage during callouts, and hiring, training, coaching, developing, and providing disciplinary actions to operations staff as needed.
TOC Leads	TOC Leads are the most knowledgeable/senior operators who perform all the duties as described under the TOC Operator position while also acting as coach to the Operations staff. This role will advise and direct operator staff to ensure proper handling of incidents and verification processes, review incident management processes to confirm accuracy, and provide information on active incidents as needed.
TOC Operators	TOC Operator duties involve operating a variety of ITS devices and information systems to monitor, evaluate, and direct traffic operations. Responsibilities include but are not limited to: operate CCTV, DMS and other related systems, monitor traffic flow, detect and verify incidents, initiate incident response, coordinate response with multiple partners and Agencies, communicate and disseminate information on traffic incidents and equipment status, verify tolling rates as posted, document and confirm equipment status.
IT Support	
Database Administrator (BRiC-TPS)	The Database Administrator supports both the system configuration and data migration team. Operationally, the Database Administrator manages database configuration, operational maintenance such as

© 2026 Kapsch TrafficCom USA, Inc.

Job/Role	Description
	backups and tuning, modifications to the database necessitated by updates or security bulletins and patches, maintaining the data on file in accordance with retention and destruction policies, and other tasks associated with the integrity of the data used by the BOS.
System Administrator (BRiC-TPS)	The system administrator ensures that the hardware, software, and environments required to run the BOS are healthy and performant. In addition to maintaining these environments (Production Primary and Secondary, Training, Staging and Development environments), the System Administrator continually monitors the performance of the components of these environments to discover and address issues such as hardware performing out of spec or system utilization trends related to changes in traffic patterns, well in advance of any operational impact. In addition, this role manages and coordinates security patches and version updates, ensures that all COTS components are properly versioned and licensed, and plans and schedules upgrades.
Desktop Support Technician	A Desktop Support Technician provides onsite technical support for the CSC, TOC, and associated departments, in addition to client and vendor user support, ensuring uninterrupted operations of department workstations, printers, scanners, other office systems. This role troubleshoots and resolves network connectivity, hardware, software, and conference room A/V issues, supports user equipment setup and access, and performs routine maintenance to minimize downtime.

3.2 Key Project Milestones

Key project dates have been updated per the schedule in Appendix A. As requested, we have included additional key project dates such as Monthly Release Deployment Completion, Go/No Go decision, and staffing readiness. Table 2 highlights key project dates and updated target completion dates.

Table 2. Key Project Dates

Milestone	Completion Date
Notice to Proceed (NTP)	6/30/2026
FDD Approval	10/23/26
Network, Server & PC Hardware Upgrade	2/24/27
Monthly Release Deployments Completion	2/01/2027
Data Migration	3/8/27
TCSOT Testing	10/1/27
Staffing Training & Readiness	5/3/27
Go/No Go Decision	5/21/27
BOS Cutover & Go-Live	6/01/2027
TCSAT Formal Testing	11/04/27

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

3.3 Documentation

As part of the transition of operations to our organization, we will employ a structured, disciplined, and transparent documentation management approach to ensure all delivery, operational, training, and customer-facing materials are fully aligned with 91 Express Lanes business rules. The objective is to maintain continuity of service, ensure operational accuracy, and enable a seamless transition for customers, staff, and stakeholders.

All documentation will be submitted to both Agencies for review and approval. Upon acceptance, we will conduct annual (at a minimum) reviews will for updates and Agency approval. We will incorporate feedback promptly, and revisions will be version-controlled to ensure accuracy, traceability, and compliance with expectations. Documentation deliverables are listed in the Technical Provisions table 3-1. Please review the schedule in Appendix A for the proposed timeline of document delivery.

Operations Documentation Approach and Scope

Our documentation transition will include the following activities:

- **Comprehensive Assessment of Existing Kapsch SOPs.** A full inventory and review of all current SOPs will be conducted to identify gaps, misalignments, redundancies, and improvement opportunities. All applicable 91 Express Lanes business rules will be validated and integrated to ensure consistency across functional areas.
- **Development of New SOPs Where Required to include SR-91 Business Rules.** For processes requiring additional structure or where documentation does not exist, new SOPs will be developed. These SOPs will clearly define workflows, roles and responsibilities, escalation paths, controls, and compliance requirements aligned with 91 Express Lanes operations.
- **Quality Documentation Updates (QSDD and QIP).** The Quality Service Delivery Document (QSDD) and Quality Improvement Plan (QIP) will be updated to reflect 91 Express Lanes business rules, performance standards, monitoring methodologies, and continuous improvement practices.
- **Customer-Facing Documentation Enhancements**. In collaboration with RCTC and OCTA, all customer-facing documentation—including forms, correspondence, notifications, and service guides—will be reviewed and updated for accuracy, clarity, and brand alignment. New documentation will be developed where required to support customer understanding and streamline interactions, as requested by the Agencies.
- **Training Documentation Updates**. All instructor-led and web-based training materials will be updated to reflect 91 updates and revised operational processes, ensuring consistency across all training modules.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

OUTCOME

The schedule in Appendix A reflects delivery time frame for all documentation and SOPs. This phased documentation approach ensures that all operational, training, quality, and customer-facing materials are accurate, approved, and fully aligned with 91 Express Lanes requirements prior to transition.

3.3 Facility Changes and Transition Plan

To support the seamless transition of operations and enhance service delivery, Kapsch will conduct a series of facility modifications and infrastructure upgrades. We will manage these upgrades through a structured, phased transition plan as described in Section 3.3.1. The following is an overview of the facilities affected and the infrastructure upgrades Kapsch will provide to support the transition:

ROC Facility. Kapsch will upgrade the existing network and building security of the 301 suite for the 91 call center to merge the existing network with the current (ROC Server room-Suite 291). We propose joining the 91-conference room wall with the 91 breakroom to expand it and remove the dividing door between the suites to provide a unified call center if structurally feasible and approved by the building engineer. Employees will be provided with noise canceling headsets to reduce sound and background noise, improving call quality, employee focus, and overall customer experience. In addition, Kapsch will add an additional row of workstations to accommodate 10 CSRs & 1 Supervisor. The finance department will be expanded by repurposing the 15-training room, adding 6 workstations adjacent to the current finance count room. The security system and cameras will remain intact, and we will add additional cameras to the 91 side of the suite. Kapsch will support third party vendors by providing an escort on site. Appendix B outlines our proposed floor plan highlighting common areas and shifting groups to a unified space. We will work with the Agencies on modifications that may be necessary upon meeting mutually on these plans and the building engineer.

Anaheim Facility. Kapsch will upgrade the existing network and building security to merge with the current 91 call center (ROC Server Room-Suite 291). In addition, we will conduct a preliminary inspection of the fire suppression, HVAC, generator, and fuel storage systems to perform a comprehensive needs assessment. Upon verifying that these systems are in optimal working conditions, Kapsch will formally assume responsibility for their ongoing service and maintenance. Should any deficiencies be identified, Kapsch will promptly notify the Agencies and provide a corrective action plan, including recommended next steps and associated costs. We will work with the existing vendor to take over the existing circuit or order a replacement circuit with the same capacity via AT&T. Following a successful handover, our local maintenance team will assume full responsibility for ongoing service management and technical support to ensure continuous connectivity

OCTA Store. The existing network and building security will be upgraded to merge with the current 91 call center (ROC Server Room-Suite 291). Kapsch will gain knowledge on how to support the OCTA store during phase 1 of the transition, and we will maintain the current support and service model as it exists today. Support requests will be addressed by the local support team and escalated for any issue that demands increased support through our existing service center. We will provide the OCTA store with 3 workstations with necessary equipment.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

3.3.1 Facilities Transition Plan

PHASE 1 – ADC TOC, ROC 91 CSC AND OCTA STORE: DISCOVERY AND DUE DILIGENCE

Kapsch will initiate the transition with a structured discovery and due diligence phase to establish a comprehensive understanding of the ADC TOC, ROC 91 CSC and the OCTA store facility systems, and operational environment. This phase will include a detailed review of the facility requirements, applicable Standard Operating Procedures, and relevant Technical Provisions, along with walkthroughs of the ADC TOC, ROC 91 facility, and the OCTA store.

Kapsch will inventory existing ADC infrastructure, equipment, and network components, review maintenance and inspection records for critical systems such as HVAC, generators, fire suppression, and validate current security and access controls. Kapsch will verify that all 91 CSC workstations and additional office equipment at the ROC are working as expected. The outcome of this phase will be a confirmed baseline of facility readiness, clearly defined responsibilities, and early identification of risks or dependencies that could impact the transition. If issues are identified, Kapsch will notify the Agencies and provide a corrective action plan, including recommended next steps and associated costs.

Transition Steps

- Acquire access to ADC TOC HVAC systems, fire suppression systems, generators, server racks, and associated infrastructure, as well as responsibility for network and equipment. Reset passwords and access to each system.
- Complete inspections of ADC TOC HVAC, fire suppression, and generators to document condition at hand over. Provide a list of items needing service or repair
- Obtain access to the 91 Call Center Network Closet in the ROC.

PHASE 2 – ADC TOC, ROC AND OCTA STORE: FACILITIES AND INFRASTRUCTURE UPGRADE

During this phase, Kapsch will formally assume operational responsibility for the facility, network, and equipment elements defined in the Facility SOW. This includes the operation and maintenance of ADC HVAC systems, fire suppression systems, generators, server racks, and associated infrastructure, as well as responsibility for network and equipment connectivity from the ADC to TOC workstations. Kapsch will also assume responsibility for office network services, ISP connectivity, and security systems, including camera and badge access controls, in accordance with established SOPs.

- Kapsch to procure and provide the ISP data connection in the Anaheim Facility through AT&T
- Kapsch building security will be extended to the ROC and ADC. Kapsch with ADT will evaluate if existing can be converted and utilized or new needs to be added.
- Maintaining the network as-is, the future step is to consolidate IP addresses and simplify network design.
- Extend network and add 91 Call Center network closet with the ROC Data Center
- Extend network to OCTA store

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Provide preventive maintenance schedules will be established, vendor support arrangements confirmed, and escalation procedures validated to ensure continuity of service. This phase ensures that all physical and technical infrastructure is fully operational and managed prior to service takeover.

Preventive Maintenance Frequencies

Generator, Fuel, UPS, HVAC:

- Annually: Full maintenance by a certified professional
- Quarterly per year: Inspection, typical service filter replacements and exercise by a certified professional

Fire Extinguishers:

- Annually: Full maintenance by a certified professional.
- 6-Year: Disassembly, cleaning, & component replacement.
- 12-Year: Hydrostatic testing of cylinders.

Fire Sprinklers:

- Semi-Annual: Mechanical components like valves and gauges.
- Annually: Full system test, including flow & alarm verification.
- Every 5 Years: Internal pipe inspections for corrosion/blockages.
- Long-Term: Sprinkler head replacement/testing at 20-50 years, depending on type.
- Fire Suppression Systems follow California Fire Code guidelines

UNIFIED CALL CENTER CONSOLIDATION – ROC LOCATION

The two customer service call center suites at 301 Corporate Terrace Cir and 291 Corporate Terrace Cir in Corona, California will be combined into one unified operational environment. The two suites will be physically and operationally integrated into one continuous workspace by removing the door that currently separates them, subject to structural verification and required approvals. Consolidating these operations will create an integrated call center of approximately 77 employees, designed to improve operational efficiency, enhance customer experience, optimize space utilization, and reduce redundancy across facilities and support infrastructure. In addition, this proposal formally designates the former RCTC four-office suite as dedicated space for management and support functions that enable and strengthen daily operations. (See Appendix 2 for the diagram.)

The strategic rationale for this consolidation is driven by the inefficiencies inherent in maintaining two separate but co-located operations. The current configuration results in duplicated common areas, fragmented team structures, and inconsistent customer service workflows. By unifying the call centers into a single operational footprint, the organization will streamline customer interactions through one centralized walk-in service center, strengthen collaboration and supervisory oversight, reduce overhead associated with redundant infrastructure, and create a more scalable and flexible operating model aligned with long-term organizational objectives.

Implementation of the consolidation will follow a structured, phased approach designed to minimize disruption to ongoing operations. Initial activities will focus on governance, planning, and Agencies'

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

approvals, including, coordination with Facilities, IT, Security, Human Resources, and Finance, and completion of architectural and code reviews. Required landlord permissions, building permits, and regulatory approvals will be secured, and compliance with fire life safety, ADA, and occupancy requirements will be confirmed prior to construction.

Physical integration activities will include restoration and unification of flooring, ceilings, lighting, HVAC, and interior finishes, and integration of telecommunications and network infrastructure to support the combined call volume and staffing levels. Access control systems, security configurations, and emergency signage will be updated to reflect the unified suite and ensure safe, secure movement through the space.

Customer-facing operations will be consolidated with a now single walk-in service center without two separate Agencies servicing the public. Both desks in the public-facing area will be able to support each other if higher volumes occur with expanded reception capacity, improved queuing flow, and standardized signage and branding. Customer intake procedures will be aligned to ensure consistent service delivery regardless of the nature of the inquiry.

Space Utilization – ROC Location

From an organizational perspective, the workforce will be reorganized into larger, functionally aligned CSC and TOC teams supported by clear reporting structures and supervisory roles Seating will be reconfigured into team-based pods to promote collaboration, improve communication, and enhance managerial oversight as referenced in Appendix B.

Following implementation, redundant spaces (for example-fulfillment room, training room, CSR workstations) will be decommissioned or repurposed for training, overflow, or future growth. Operational performance, space utilization, and service metrics will be reviewed at 30-, 60-, and 90-day intervals to ensure the consolidation objectives are met and to identify opportunities for further optimization.

Employee Grouping and Workspace Design

Employees will be grouped intentionally by function and workflow to support communication efficiency, performance consistency, and employee engagement while minimizing operational friction. This structure is designed to align physical space with operational needs, supervisory oversight, and collaboration requirements across customer-facing and back-office teams.

The 291 Corporate Terrace Cir location will serve as the primary inbound customer service hub. It will house 40 CSR workstations and 4 supervisor workstations, organized in a centralized call center layout. The existing configuration includes three rows of workstations, with capacity to install an additional row to ensure all inbound phone CSRs are co-located within a continuous operational area. Having inbound CSRs in a single location promotes real-time communication, faster escalation and resolution of customer issues, consistent coaching, and better queue management. Supervisors will be positioned within the same footprint to enable immediate support, active floor presence, and performance monitoring.

Given the density of inbound call activity in this area, noise reduction headsets will replace all existing 91 & 15 headset equipment that provides noise gate technology reducing background noise to improve call quality, employee focus, and overall customer experience.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

In addition to the call center floor, the 291 location will include eight offices and support spaces consisting of a Mother's Room, HR Office, Desktop Support Office, four Manager offices, TOC Manager Office, Finance, and Fulfillment/Mail Processing offices. Locating these roles adjacent to the inbound call center supports rapid cross-functional communication, timely issue resolution, and accessible leadership, while maintaining appropriate separation for confidential or specialized functions.

The 301 Corporate Terrace Cir location (previously the 91 Express Lanes space) will support training and back-office operations. This area will include five offices consisting of a Training Manager Office, two Huddle Room, and one Visitor Flex Offices along with one dedicated Training Room. The conference room will be repurposed to join the existing 91 Breakroom expansion.

The space will also house three Lead/Supervisor workstations and 30 CSR workstations dedicated to back-office processing, and two storage rooms. Grouping back-office CSRs and leads in this environment allows for focused, interruption-reduced work with proximity to training resources, leadership, and collaborative meeting spaces. There is an additional row of vacant workstations that allow for scalability driven by business needs. This can be utilized for potential new hires, nesting, or additional training support.

This functional separation, centralizing high-volume inbound phone activity at 291 and positioning training and back-office operations at 301 supports operational efficiency while maintaining strong communication channels between teams. It enables supervisors and leads to tailor coaching and performance management to the specific demands of each function, while providing employees with work environments aligned to their responsibilities.

The two conference rooms and the training room located across the 291 and 301 facilities will require upgraded table-integrated power outlets, dedicated conference speaker systems, and connectivity for USB-C, HDMI, and standard power outlets. These upgrades will ensure effective hybrid collaboration, training delivery, leadership meetings, and cross-functional communication without technical barriers.

Overall, this employee grouping and space design promotes collaboration through proximity, improves efficiency by aligning space to workflow, enhances performance through appropriate supervision and reduced noise distractions, and supports employee engagement by providing purpose-built environments that enable employees to perform at their best.

Approval of this proposal will enable the organization to modernize and streamline its customer service operations while making optimal use of existing facilities. The consolidation represents a low-risk, high-value initiative that strengthens service delivery, improves internal coordination, and positions the organization for future operational growth. Executive approval is recommended to proceed with detailed design, cost development, and implementation planning.

Table 3 outlines facility upgrades that are included in the pricing.

Table 3. Facility Upgrades

Item	Locations	Included in Price	Excluded from Price	Contingency
Fire Suppression Inspection	ADC	X		

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Item	Locations	Included in Price	Excluded from Price	Contingency
HVAC, Generator, Fuel Storage, UPS Inspection	ADC	X		
Identified equipment replacement for HVAC, generator, fuel system, UPS	ADC		X	
Installation of Building Security System	ADC Extending to ROC Suite 301	X		
Extending Network	ROC- Extending network to ROC Suite 301 via telecom closet ADC-Extending network from ROC to ADC for TOC and other staff OCTA Store- Extending network for walk-in services	X		
Sound proofing system	ROC CSC	X		
Additional 10 workstation row for CSR	ROC CSC	X		
Removal of dividing wall in break room including finishings and restoration	ROC CSC			X
Conference speaker systems, and connectivity that support USB-C, HDMI, and standard power outlets.		X		

Contingency funds are reserved for light construction activities, including the selective removal of an adjoining wall. Any work performed under this contingency will include full restoration and finishing, provided that all associated costs remain within the approved contingency fund

PHASE 3 – SYSTEMS AND OPERATIONAL VALIDATION FOR ADC TOC, ROC AND OCTA STORE

Comprehensive systems and operational validation will confirm that the ADC TOC, the ROC, and OCTA Store are fully ready to support operations under Kapsch management. This includes validation of connectivity to the TOC workstations, CSC workstations, BOS operational equipment, monitoring tools, and confirmation of integration with the Parsons-provided Advanced Traffic Management System (ATMS). Network performance, and redundancy, cybersecurity controls, will be tested to verify resilience and reliability. Monitoring, alerting, and escalation procedures will be reviewed and exercised to ensure

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

incidents are detected and addressed promptly. Successful completion of this phase provides assurance that all systems and operational processes are functioning as required prior to transition.

The facility and operational validation will adhere to the existing contract Technical Service Provisions from Volume III sections 9 and 10.

PHASE 4– CONTROLLED SERVICE TAKEOVER AT GO-LIVE

Kapsch will execute a controlled and coordinated service takeover following completion of all validation and readiness activities. The takeover will be conducted in a manner that maintains uninterrupted TOC and CSC operations, with parallel oversight and heightened monitoring during the initial transition window. Kapsch will assume full responsibility for facility operations and systems monitoring, while maintaining close coordination with the Agencies.

PHASE 5– STABILIZATION PERIOD POST GO-LIVE

Following service takeover, Kapsch will enter a 60-day hyper care stabilization period to ensure the long-term success of the facility transition. During this period, Kapsch will provide additional operational oversight to confirm that systems and facilities are performing in accordance with agreed service levels. These tasks include:

- Facilities & IT support
- ROC – RCTC Building Manager and Kapsch Local IT Support
- ADC TOC – Kapsch Roadway Maintenance team and & Kapsch Local IT Support
- OCTA Store – Kapsch Roadway Maintenance team & Kapsch Local IT Support

The roadway maintenance team provides coordinated dispatch support for IT service needs. Upon receiving a service request, the team promptly engages Kapsch Level 2 Technical Support and Infrastructure personnel to initiate resolution. Maintenance staff verify system connectivity on site and securely share workstation screens as needed to facilitate technical triage and expedite service restoration.

Any transition-related issues will be documented, tracked, and resolved in coordination with the RCTC & OCTA Agencies. A transition closeout review will be conducted to confirm successful completion of the transition; capture lessons learned and formally establish steady-state operations. Upon the Agencies' approval, the transition will be deemed complete.

3.5 System Changes

The main driver of hardware changes is to support the increased computation and network data loads for both SR-91 and I-15 traffic volumes, increased processing of data by the BRiC-VTX BOS (which is the current production BOS for the I-15 roadway), archived data from the 91 EL roadway that is being migrated to the BRiC-VTX BOS, anticipated increased usage of the website and CSR interactions, and additional load on documentation workloads and interfaces.

Kapsch plans to utilize and upgrade the existing infrastructure to the maximum extent possible, however some of the current equipment such as the Dell VxRail technology managing the Host cluster are end of life and cannot be scaled up. This requires replacement. We will also make upgrades to the network to support additional capacity for usage. These changes will take place at both the ROC and the Disaster

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Recovery locations. The OCTA roadside image storage will be upgraded at the Anaheim Data Center and at the OCTA Disaster Recover location at the CyrusOne Colocation (Colo) in Austin, Texas in order to support increased retention of OCTA SR-91 images.

We will replace the network and firewall devices with upgraded components to accommodate additional bandwidth for collection of both I-15 and SR-91 data (primarily trip data and associated images) coming from the Electronic Toll Collection (ETC) host, and to allow enough bandwidth for anticipated increased website usage, and real-time usage of system by CSRs. Several other additions will be made to expand the network to accommodate additional connectivity of devices such as CSR workstations and other new CSC devices to support daily operations. The Website Application Firewalls (WAF) will also be upgraded to support scaled load balancing for increased website usage. We will maintain network segregation for security compliance as part of the overall network upgrade.

The host cluster infrastructure will be replaced with Dell PowerEdge for hypervisors and Dell PowerStore technology for the VM storage to host the scaled up BRiC-VTX BOS machines to support I-15 and SR-91. This will ensure the system will maintain load and system responsiveness to increased usage from CSR operators and website visitors during operations, maintain the non-production BRiC-VTX BOS environments, and support other hosted VMs to support operations such as Jumphost for remote operations, log servers, etc.

Kapsch will also upgrade the storage on the OCTA roadside to accommodate all data retention requirements for OCTA SR-91 images. The BRiC-VTX BOS application will point to the OCTA image storage for images when CSRs or other reports/docs reference the image. This will help reduce data flow requirements to the ROC. This is similar to the approach for RCTC I-15 images today, where the Isilon stores images referenced by both the ETC Host and CSC Host. RCTC SR-91 images are already on the RCTC Isilon, and that storage will also support additional files and documents to support the data migration from the current SR-91 BOS.

Overall, the combination of changes to the network, firewall, host cluster, and storage components at both the ROC and Disaster Recovery sites will support scaling the BRiC-VTX BOS to support increased usage, all while maintaining Payment Card Industry Data Security Standards (PCI DSS).

As part of the overall upgrades, Kapsch intends to move all Disaster Recovery site equipment to a new location. This primary reason for this change is due to limitations in space at the Fiber Alley location for the upgraded solution. The second reason is that a new DR site will allow Kapsch to perform significant portions of the network and IT infrastructure installation at the new DR site, allowing for minimal downtime of the secondary and maximizing migration of the system to new infrastructure before cutover. To further detail these changes, Figure 3 highlights what equipment will be replaced in the system. After the initial system upgrade is performed, future system replacements will be covered under the previously agreed to RCTC system refresh agreement.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

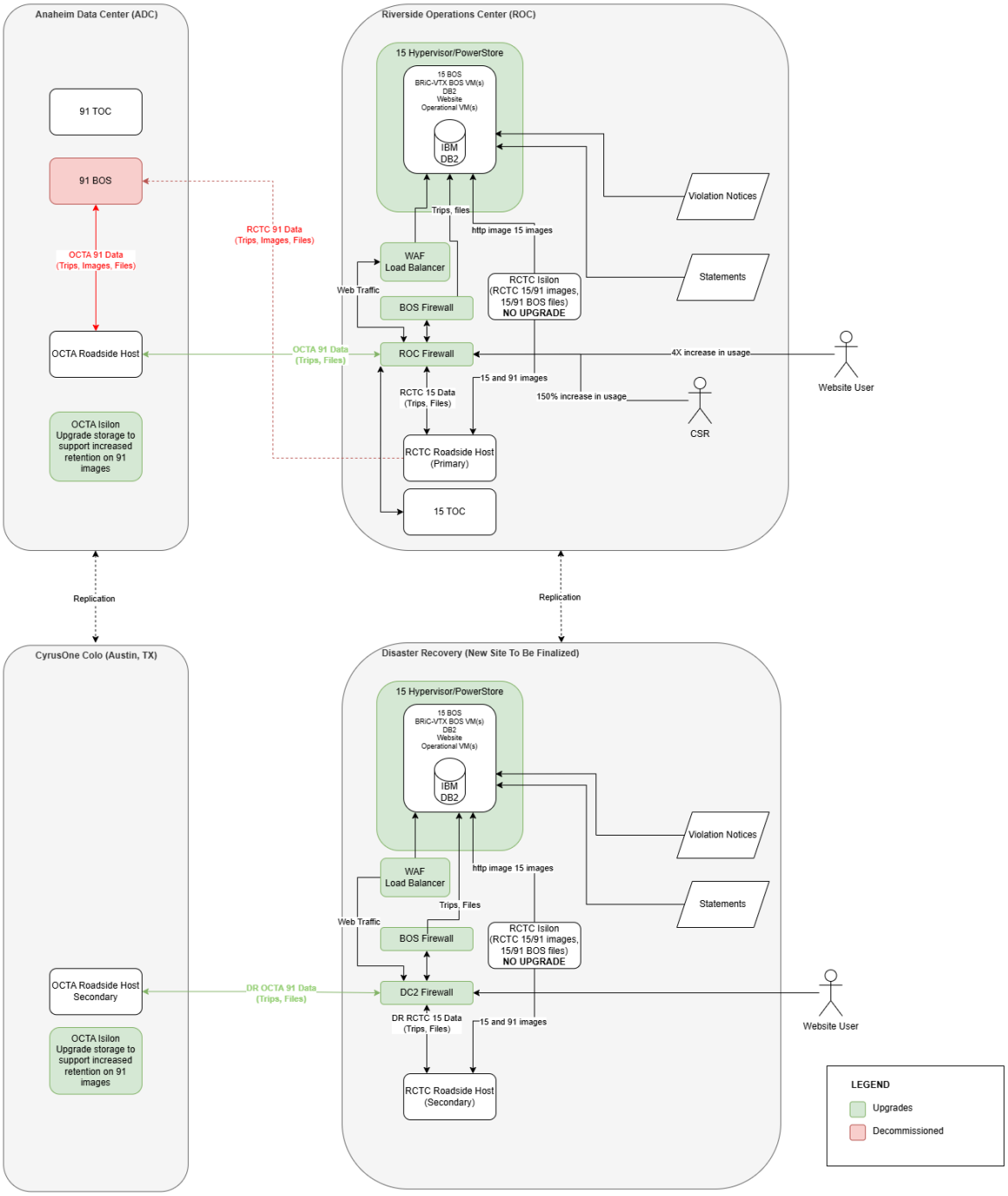


Figure 3. Proposed System Changes

In addition to the BOS infrastructure hardware upgrade, we will also procure and install 11 new computers and workstations for the additional row in the ROC CSC facility and 3 computers and workstations in the OCTA store. Table 4 details hardware that is included in our pricing.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Table 4. Hardware

Item	Locations	Included in Price	Excluded from Price
91 TOC computers and workstations	ADC		X
91 CSC computers and workstations	ROC CSC		X
Additional 10 computers and workstations for CSR's & 1 computer and workstation for the Supervisor.	ROC CSC	X	
3 computers & workstations	OCTA Store	X	
POS terminals	OCTA Store	X	

3.6 Software Changes

Software modifications will be implemented based on a comprehensive review of the provided business rules, changes to the technical provisions, modifications to the website for consolidation of both roadways, trip transaction processing from the 91 facility, report updates including financial and reconciliation changes, modifications for IVR workflow, and third party interface updates including the addition of collections. These will be designed and developed in close collaboration with RCTC, OCTA, and Larson Consulting.

This effort will ensure that the BOS is fully aligned with the operational, policy, and procedural expectations defined. This includes updating existing business rules, retiring rules that no longer apply, and developing new rules where gaps were identified. Each update will be systematically integrated into the BOS to ensure consistent application across all system functions, data flows, and customer-facing processes. In addition, Kapsch and BRiC-TPS will update web designs to include co-branding and implement a mutual landing page/home page on the web if both Agencies agree.

SOFTWARE DEVELOPMENT AND DEPLOYMENT

Software development will follow an iterative sprint methodology to verify system updates and new features for existing hardware. Rather than a "big bang" implementation, Kapsch will follow an incremental approach to mitigate the inherent complexities of cutover and Go-Live. To ensure full transparency, a comprehensive sprint roadmap will be provided, detailing specific functional modifications and a release schedule.

- System validation will be conducted through iterative testing cycles corresponding with each incremental build. We anticipate a monthly release cycle; however, the release schedule will be established during the initial kick-off phase
- Kapsch will adhere to current Change Management Procedures for all system modifications. A Request for Change (RFC) will be issued which will provide technical details, rollback plans, and specific impact of the changes being implemented.
- BRiC-TPS will conduct pre-testing in the lower environment to mitigate risks.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

- Changes will be promoted to existing production hardware to validate the integration of new interfaces and CSC components within the BOS to the maximum extent possible. Some changes will require SR-91 data and can only be verified in the QA environment.

REPORTS

We will conduct a full review of the operational and financial reports' functionality and applicability. Any reporting gaps identified by the analysis will be addressed by new and/or modified reports, which will be incorporated into the Jasper reports library associated with BRiC-VTX BOS. Applicable reports will be updated to calculate and display data separately by Agency or combined, as appropriate.

3.7 Testing

The testing phase is structured to ensure a high-integrity transition through an iterative development and validation lifecycle. BOS development and monthly software releases will utilize existing equipment in iterative cycles to rigorously validate new SR91 Express Lanes (EL) functionality. Following this initial validation, the Toll Collection System Operational Test (TCSOT) will evaluate comprehensive system readiness on the new hardware. The process concludes with the Toll Collection System Acceptance Test (TCSAT), conducted under live conditions to secure final System Acceptance.

Members of BRiC-TPS Software Quality Assurance Engineering (testing) team are responsible for Software Quality Assurance during the development phase as well as preparing and conducting formal tests. They are experts in testing methodology and tools, backed by extensive operational experience. No FAT will be performed on the Bric software; code changes will be handled monthly via the established RFC process.

As the prime contractor, Kapsch maintains overall responsibility for verifying that all technical requirements are met, validating seamless system integration, and ensuring that the final end-to-end solution performs reliably.

TEST PLANS

The following tests will be performed as part of the scope.

Toll Collection System Operational Test (TCSOT)

The TCSOT will be performed prior to Go-Live to ensure the entire system is production-ready. Specifically, this includes:

- TCSOT will be performed on new equipment to ensure system readiness.
- Phased Data Migration: The majority of data migration will be completed prior to the final cutover, followed by a final incremental data migration to ensure all records are current.
- End-to-End (E2E) functionality of the system from the Roadside through the Back Office System (BOS) to the external third-party interfaces Verification of reports in production

Toll Collection System Acceptance Test (TCSAT)

The TCSAT will be performed post Go-Live to verify system and CSC operations. Specifically, this will include:

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

- Verify operations of System for 60 days after Go-Live under live traffic conditions
- Demonstrate compliance of KPI's and the associated monthly reporting
- Documentation of deficiencies and corrective actions
- Completion and resolution of all punch list items prior to project close-out

3.8 Data Migration

BRiC-TPS possesses a specialized skill set in data migration, specifically designed to bridge the gap between complex tolling logic and high-volume database architecture. Their team of database designers and administrators understand the needs of high availability/high transaction volume databases, as well as the unique nuances of the tolling industry and how diverse datasets must come together for successful revenue collection. Combining this knowledge with state-of-the-art data analysis tools, the data migration team will quickly develop and iteratively test automated migration scripts to pull all relevant legacy data into BRiC-VTX BOS for complete utilization on Day One of operations.

BRiC-TPS team has decades of data migration experience, moving billions of records from a variety of systems into DB2 and Oracle-based versions of the applications. Operational and financial expertise ensures data from the legacy system is effectively incorporated into BRiC-VTX BOS and that account records and reports can seamlessly make effective use of the historical information moving forward.

Discussions with Via Plus have resulted in a commitment for them to provide SR-91 data to BRiC-TPS in a layout requested, with periodic incremental updates moving forward. With SQL access to these views for general demographic tables, financial transactions, adjustments, etc., BRiC-TPS will transform the data for import into BRiC-VTX BOS tables. Table 5 highlights our understanding of data volumes currently in use.

Table 5. Data Volumes

Data Type	Storage Size
Relational Database	5 TB
Statements/Documents/Retained Interop files	7 TB
Retained images	230 TB

Importing the bulk of the data in advance of the cutover enables us to move the final conversion over efficiently and with reduced risk.

APPROACH TO MIGRATION AND TRANSITION/GO-LIVE

The high-level phases to migration and transition/go-live are as follows.

Initial Data Migration. BRiC-TPS uses an automated approach for data migration, exporting legacy tables into flat files early in the process to establish the migration baseline. This supports minimal disruption to the work of the legacy vendor and production processes while providing an environment conducive to iterative analysis from a known baseline. Converting the bulk of the data prior to cutover

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

means that only a relatively small "delta" subset will need to be converted during the critical cutover period.

Transition. Key steps in the transition from the legacy system to BRiC-VTX BOS are:

- Prior to commencing transition, our team will provide test results and demonstrations confirming that the capabilities required for an orderly transition with minimal disruption to Agency business or customers are met.
- Prove the data migration strategy is sound, methods used will maintain data integrity, and the time required to execute the conversion does not exceed the time allotted for conversion/cut-over.
- Confirm the information technology infrastructure is ready – including hardware, data connectivity (including connections to third-party interfaces and interoperable Agencies), customer self-service options, and customer service telephony.
- Review the cutover plan tasks, assignments, and schedule with the Agency and obtain approval to proceed.

3.9 Cutover & Go-Live

Kapsch will develop a transition plan addressing all necessary tasks in detail for a smooth transition into the BRiC-VTX operational phase. The plan includes the actions and conditions required for entry, a detailed schedule of tasks to complete the final data migration and decommission of the legacy system and contact information for key resources and decision makers during the cutover period. The Transition plan will include the required support needed for cutover, the requirements for a Go/No-Go decision, and a detailed step-by-step procedure defining daily activities/schedule to be performed during cutover.

Detailed planning and alignment between all parties are critical for a successful Go-Live. Before Cutover begins, Kapsch will sync with the Agencies, current BOS provider, and all third-party providers to review the transition plan. To ensure a seamless transition, Kapsch and the BRiC-TPS team will conduct comprehensive briefings with the Agencies, CSC Operator, and interface providers to ensure every step of the cutover process is transparent and well-coordinated. Upon the successful completion of these activities and a formal Go/No-Go decision, we will proceed with the official Go-Live of the new BOS.

FINAL MIGRATION

Final data migration is a critical activity during Cutover. BRiC-TPS optimizes migration procedures during iterative tests throughout the development process. Time allocated for the final incremental data migration during Cutover is not a guess, but a careful estimate informed by multiple data migration runs conducted prior to cutover. The plan for final migration is to stop all operations on Friday evening, perform the final migration on the weekend, and restore operations before Monday morning before Go-Live. The team uses procedures and methods honed throughout the development phase to validate the results of the data migration test runs; this ensures reliable tools are being used to validate the data migration results.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

3.10 Transition of Operations

Kapsch brings extensive experience in transitioning complex transportation systems and critical personnel into a fully integrated operating environment. This transition effort encompasses the migration, stabilization, and integration of back-office systems, including customer data management, financial platforms, and operational workflows required to support both the SR-91 and I-15 Express Lanes.

To ensure effective governance and consistent oversight across both facilities, Kapsch will leverage a unified management structure. The Program Manager, CSC Operations Manager, and two TOC Managers will provide coordinated leadership across the SR-91 and I-15 operations, ensuring alignment with contractual requirements, operational standards, and performance objectives. This integrated approach promotes consistency, streamlines decision-making, and enhances operational resilience.

As part of this approach, Kapsch will strategically utilize experienced personnel from the existing I-15 Operations project during the Implementation Phase. These team members are already fully trained on Kapsch systems, processes, and operational requirements and will support transition activities to achieve efficiencies, reduce risk, and accelerate stabilization. Work performed by these I-15 Operations staff during the Implementation Phase is not included in the proposed pricing, as their services are funded under the existing I-15 contract. This staffing strategy results in measurable cost savings to the Agencies while maintaining high levels of expertise and continuity throughout the transition period.

Launch Processes

Proposed key launch processes that we will implement to support a transparent and successful launch process of the CSC and TOC.

- Kickoff Meeting:
  - Request employee lists, roles, contact information, training records, etc. to initiate personnel and coordinate interview process.
  - June 2026 - Kapsch provides a Welcome Letter that introduces the organization and sets the tone for the transition. The letter highlights Kapsch's employee-focused culture, comprehensive benefits, available resources, key points of contact, and a high-level overview of onboarding steps.
  - Jan. - Feb. 2027 - The interview process will include individual discussions that will focus on understanding skill sets, career interests, and role alignment.
  - Feb. – March 2027 – Kapsch will complete job offers and background checks and provide continuous support to employees throughout the personnel acquisition process. This includes, but is not limited to, onboarding activities such as job offers, background checks, account creation steps, employee follow-up, and open-door policy for any questions or concerns.
  - March – April 2027 – Additional Staff hiring (as needed)

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

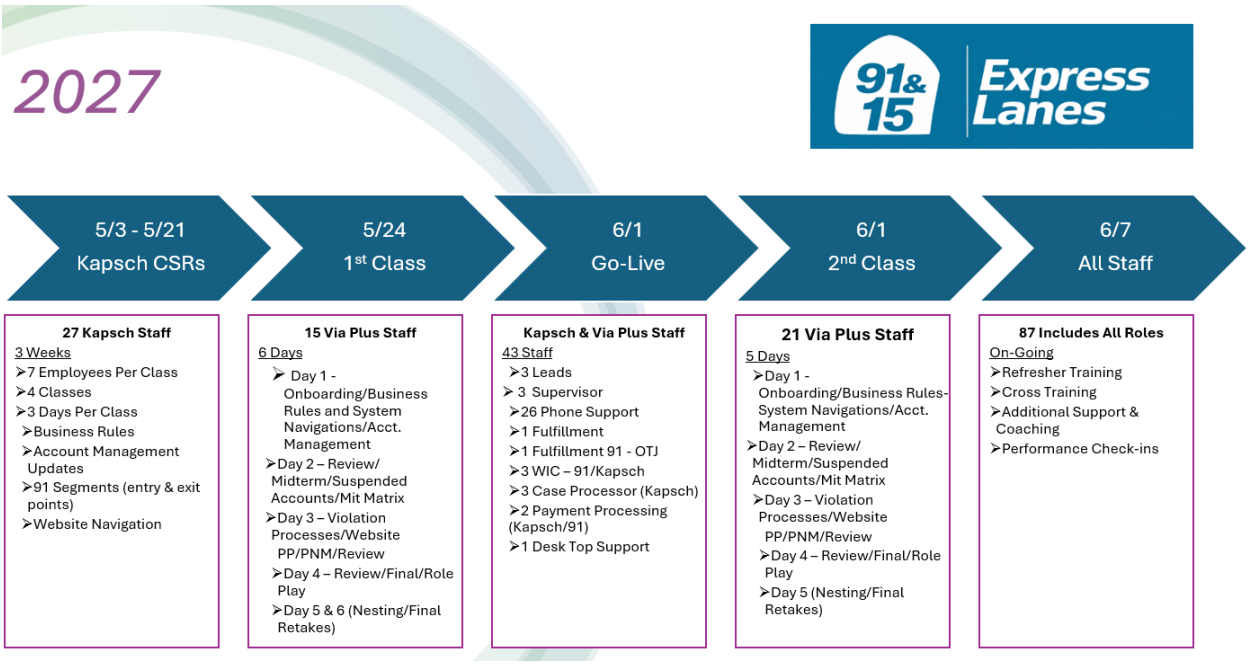


Figure 4. Training Timeline

3.10.1 Via Plus CSC and TOC Staff Transition to Kapsch Plan

Kapsch is committed to a smooth, respectful, and welcoming transition for Via Plus employees during the transition period. We greatly value the expertise and dedication demonstrated by the Via Plus team, and we are excited for the opportunity to welcome these skilled professionals into our organization. Initial TOC training should not be required in the beginning. Best practices will be shared and as efficiencies build; cross training will be developed. The training schedule includes Kapsch existing employees, Via Plus employees and OCTA Store staff.

To maintain continuity and leverage the institutional knowledge critical to CSC and TOC operations, essential operational positions, such as CSRs, WIC CSRs, Fulfillment CSRs, Mail Processors, TOC Operators, Image Reviewers, and Payment Processors, will be fully absorbed to ensure continuity of service and retention of operational expertise. Employees who express interest in management or specialized roles will be invited to participate in a structured interview and evaluation process to assess alignment with role requirements, organizational needs, and the future operating model.

We will interview all Via Plus employees who express interest in Kapsch opportunities to review their skill set and experience for available positions. For transparency, Kapsch will communicate the hiring plan to the Agencies prior to extending job offers to candidates who best meet the required qualifications and standards. All new hires must successfully complete the screening process. Any reductions in the workforce resulting from failed background checks or natural attrition will require additional hiring as needed to meet service level requirements. Recruiting will begin immediately upon notification of any staff reduction.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

All Via Plus employees will be provided with new badges to access their work locations. The Anaheim location will need to be accessed to update the security system with our current vendor and install new badge readers and cameras. New hires will be provided with badges as appropriate during onboarding in February 2027.

We recognize that some current staff may choose not to transition, so we are fully prepared to recruit, hire, and train new employees to ensure the CSC and TOC remain fully staffed and operationally ready. Kapsch will interview and extend job offers in Feb/March of 2027. This will allow for a lead time for background checks to fully process and be completed by March/April 2027. If there are any unfilled positions, Kapsch will begin immediate recruitment.

During the recruitment phase, Kapsch Senior HR leadership and CSC staff will meet with employees onsite to introduce our organization by hosting an open house; highlighting our culture, discussing benefits, career pathways, and opportunities for growth. Employees who are interested will then complete an online application and be scheduled for an interview. Applicants who pass the background check and accept offers will become a Kapsch employee with the first class conducted on Monday, May 24, 2027. The remaining staff will become Kapsch employees on Tuesday, June 1st 2027. The first New Hire CSC Training class will begin May 24th, 2027, and will run for seven days, with fifteen employees. This training period, as well as the onboarding training, will be paid by Kapsch. Training will commence from May 24th to June 7th2027. Employees in specialized roles, including finance, case processing, fulfillment, etc. will have a side by side training coordinated. The OCTA store will have separate scheduled training prior to go-live.

Kapsch is enthusiastic about welcoming the SR-91 Express Lanes team into our organization and is committed to providing a positive, transparent, and supportive onboarding experience throughout this transition.

3.10.2 SR-91 Traffic Operations Center

Kapsch will utilize the Agency provided ATMS and the existing Via Plus SOP and Incident Management Plan for the TOC. In preparation for the transition process, we will conduct internal pre-boarding, which ensures that all system access, credentials, and compliance training are ready before the start date. Currently, we also confirm whether an individual is part of a "re-hire," as this action requires a slightly different internal system preboarding process. While preboarding is underway, Kapsch will issue offer letters for the incoming staff to confirm employment status for the start of the new contract.

To ensure a smooth hiring process, the Kapsch TOC Management team and our dedicated HR representative provide onsite support through employee documentation, resource access, and onboarding presentation activities. We assign mandatory company compliance training centered around safety, regulatory, and operational protocols. Ongoing support and dedicated contact information are provided to ensure new employees are empowered to reach out with questions.

The TOC team will be supported by the following leadership throughout the transition and onboarding process:

- TOC National Practice Director, Charles Maloney
- TOC Sr. Project Manager, Mary Bundridge

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Staffing Plan

The staffing approach for the Traffic Operations Centers (TOCs) is designed to ensure continuous, efficient, and compliant operations at both facilities. Each Express Lanes TOC is led by a dedicated TOC Manager who provides overall oversight, ensures adherence to established Standard Operating Procedures (SOPs), and maintains accountability for daily operational performance in support of 24/7 operations.

The **SR-91 Express Lanes TOC** is staffed with one TOC Manager, supported by two Leads, and seven Operators. The Leads assist in supervising day-to-day activities, coordinating operational responses, and providing guidance to Operators. Operators are responsible for real-time traffic monitoring, incident management support, and system operations to maintain safe and efficient traffic flow.

Similarly, the **I-15 Express Lanes TOC** is staffed with one TOC Manager, one Lead, and four Operators. This team structure provides the appropriate level of oversight and operational capacity to support continuous traffic operations, incident response coordination, and compliance with contractual and procedural requirements.

This staffing model ensures adequate coverage, clear lines of authority, and operational continuity across both facilities, supporting reliable performance, rapid response, and effective management of Express Lanes operations at all times.

Training

As the SR-91 TOC is not changing its operational applications, there will be no need for systems training upon project launch. However, we will evaluate training resources, seeking both client and TOC team insight, to identify potential training resource gaps with the goal of progressively improving the training protocol throughout our partnership.

In 24/7 TOC operations, dynamically changing conditions can create unique and urgent needs to which the operations staff must quickly respond. Each TOC employee is trained in all TOC systems, documentation measures, incident response, EL closures, communication, and coordination processes. We achieve this through progressively building the core Knowledge, Skills, and Abilities (KSAs) needed to effectively manage traffic and tolling incident dynamics through defined SOPs, supported guidance, and constructive feedback throughout. During the transition process, any unfilled TOC positions will be fulfilled through the recruitment process. The training approach for new hires onboarded during the transition process, and new staff hired following transition, follow the below guidelines.

Overview of the TOC Operator training process is as follows:

- **Core Foundational Knowledge.** Teaches employees the basics of tolling and traffic management, express lane geography, devices, transactions, trip building, and daily operational processes.
- **Core Skills Training.** Through guided coaching on the daily operational processes, employees are trained on TOC systems, daily logs, checklists, notification emails, and Teams communications.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

- **Core Skills Abilities.** Achieved when operators independently demonstrate the ability to apply core knowledge and consistently execute core daily operational processes correctly. This overall process is progressively applied to the following training measures:
  - **Asset Management.** Detecting, troubleshooting, issue tickets, device issue log, and notification/response measures.
  - **Traffic Incident Management**. Non-Lane blocking, lane blocking, major incidents, communication, and escalation measures.
  - **Express Lane Closures**. Management of incident-related closures and planned maintenance closures

In addition to project specific training measures, where applicable, industry training certifications are supported to round out incident management knowledge base. Examples include FEMA's Incident Command System (ICS) training modules and National Highway Institute training in Traffic Incident Management (TIM).

Management will evaluate each employee's competencies, performance, and interests to determine appropriate cross-training opportunities. Training and operational progress will be tracked and shared with RCTC and OCTA through the transition process.

3.10.3 Customer Service Center (I-15 and SR-91)

Kapsch will implement a "Universal Agent" operating model within core departments of the CSC, such as the Walk-In Center, Fulfillment, Mail Processing, Payment Processing, Case Processing, and Image Review, etc. This model is particularly effective in environments that encompass a broad range of responsibilities, it enables a highly adaptable workforce and aligns staffing resources seamlessly with operational needs. Under this model, employees will initially be trained as CSRs, skilled in processing inbound calls as their primary dedicated support establishing a uniform foundation of customer service proficiency across the team. Individuals identified for placement in CSC core departments outside of inbound phone support will be assigned during training.

This approach provides flexibility to deploy cross-trained staff to support call volumes during peak periods and provide support as needed to other CSC core departments while maintaining balanced workloads and ensuring KPI requirements are met. A key strength of our operational model is that all essential roles are trained and maintained as CSRs for inbound phone support regardless of cross training or specialized roles. This structure creates a more resilient, scalable workforce that can rapidly adapt to changing daily workload conditions.

The staffing forecast has been developed to support the projected workload volumes while optimizing cost, efficiency, and service quality. The proposed operating model consolidates resources into a single, integrated "first call resolution" customer service organization serving both the SR-91 and I-15 Express Lanes. This unified structure reduces overall labor requirements by eliminating duplicate functions, streamlining call handling and case management, and enabling first-contact resolution across both roadways. By operating as one integrated team, customers receive faster, more consistent service, while staffing levels are optimized across shared workloads.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

In addition, the model significantly reduces processing time for interoperability disputes by removing the need for hand-offs between separate roadways. Agents will have real-time access to the BOS system, allowing disputes to be resolved in a single interaction through all channels, WIC, phone, mail, and web. This integrated approach improves cycle times for case processing, enhances customer experience, and delivers measurable labor and cost efficiencies for the program.

Table 6. 91 & 15 CSC Staff

CSC Operations Support Team Staffing Table	
Qty	Role
1	Project Manager
1	CSC Operations Manager
4	Operations Supervisors
1	Reconciliation Lead
1	Finance Clerk II
3	Finance Clerks I
5	Correspondence Specialists
3	Quality Control Auditors
5	Team Leads
2.5	WIC CSR
2	ODS Reviewers
1.5	Fulfillment
1.5	Mail Processors
33.5	CSRs
1	Desktop Support
2	Infrastructure Support
1	15 & 91 Senior Finance Manager II (BRiC)
1	91 Finance Manager I (BRiC)
1	Training Manager
1	Data Analyst
1	Quality Assurance Manager

Upon completion of core CSR training, individuals who demonstrate strong reliability, aptitude, and an interest in professional growth will be eligible for cross-training in additional operational departments, including:

- Fulfillment
- Payment Processing
- Mail Processing
- Case Management Support
- Walk-In Center Operations
- TOC

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Management will evaluate each employee's competencies, performance, and interests to determine appropriate cross-training opportunities. Assignments will rotate periodically to promote broad skill development, keeping skills sharp and strengthening the Universal Agent concept over time.

Certain positions by virtue of their specialized or leadership functions will not follow the Universal Agent model. These include:

- Training Manager
- Finance Manager
- Finance Specialist
- Supervisors
- Leads

Kapsch will closely monitor employee performance for a minimum of 120 days post transition to ensure adherence to organizational expectations. If performance gaps are identified, we will implement a structured 90-day Performance Improvement Plan (PIP) supported by coaching and refresher training.

3.10.4 Training Logistics

All training will be conducted at the Corona, CA CSC beginning approximately 2 weeks prior to go-live. Kapsch will fully equip the facility with all workstations, systems, and resources required for a stable training environment. All applications and relevant data will be pre-loaded to replicate the production environment as closely as possible, reinforcing applied learning. The trainer will encompass the curriculum with Learning Management System (LMS), Power Point presentations, job aids, and all necessary instructional equipment. New hire training will incorporate a minimum of 88 instructional hours. Kapsch is committed to supporting trainees throughout this period by ensuring workloads are balanced to maintain a healthy work–life balance.

Understanding that both BOSs will be live at time of training and understanding that both CSCs need to remain operational training will be done in smaller groups to reduce impact to service. SR-91 training classes will consist of approximately 15 employees for the 1st training session for a period of 6 days. The second class will consist of 21 employees training for 5 days with the exception of on the job (side-by-side) for specialized roles.

To reinforce learning, retention workshops will be conducted as needed for additional support.

The attached project schedule provides details on training classes and duration. Onboarding will be conducted on 5/24/27. The existing CSC staff will start training on May 3rd, 2027.

Ongoing and Supplemental Training

- **Refresher and Continuous Improvement Training.** Delivered based on QA performance and evolving operational needs.
- **Cross-Training Opportunities.** Initiated by management as employees demonstrate readiness and operational demand requires broader skill coverage.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

CSC management will review daily/weekly/monthly performance of all Key Performance Indicators (KPIs) and Quality, providing a weekly report with feedback and recommendations on staffing, performance, and quality results. If additional staff are needed and Kapsch sees the need to recruit from the outside, we will provide HR support from corporate resources, to fill these roles. The project will receive recruiting support from the Kapsch corporate Director of Recruiting.

As part of Kapsch's standard recruitment policy, background checks are conducted on all new hire employees.

Assessment, Tracking, and Readiness Assurance

To ensure employees are fully prepared and confident in their roles on day one, the training program will incorporate:

- **Knowledge Quizzes.** Administered throughout the curriculum to reinforce key concepts and assess comprehension in real time.
- **Formal Testing.** Conducted at the conclusion of the training period to validate competency of system functions, business rules, and operational procedures.
- **Performance Tracking.** Training results, including quiz scores, test results, and participation metrics will be systematically tracked to identify strengths and areas requiring additional support.
- **Attendance Monitoring.** Comprehensive attendance records will be maintained to ensure all staff complete the required training prior to Go-Live.

These evaluative measures allow Kapsch to provide timely interventions and supplemental coaching where needed, ensuring that every employee transitions into production fully equipped, confident, and capable.

Assumptions

- RCTC Isilon Storage will not be upgraded to support additional documents/files from SR-91 as the current storage is sufficient.
- Agencies responsible for providing the SR-91 ATMS system.
- We plan to repurpose the existing computers in the 91 CSC Suite 301 and in the ADC TOC. These systems will be formatted and installed with Kapsch systems.
- We will use existing POS terminals in the OCTA Store
- The agencies will replace chairs at the Corona 91 facility.
- The agencies will be responsible for retention bonuses for Via Plus employees.
- Implementation plan assumes the general cooperation of Via Plus management and employees on matters related to transition, knowledge sharing, IT Infrastructure handover and expediting transition of team members and assets.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

Summary

Kapsch is excited to continue and expand our role as a trusted partner with both the RCTC and OCTA teams. We are pleased to provide both Agencies with our expertise and experience to ensure a successful combination of the SR-91 and I-15 Back Office Operations to enhance efficiency and reduce overall costs.

Integrating the SR91 EL roadway into the existing I-15 BOS provides the Agencies with a modern, fully supported back office strengthened by dedicated development, finance, and quality teams—delivering faster response times and continuous innovation as technology evolves throughout the contract term. In addition, consolidating CSR operations creates a single, consistent customer voice, improving the overall road-user experience and satisfaction. Leveraging one contractor and a scalable operational model also drives greater efficiency, provides a single point of contact for the Agencies, and supports reliable, optimized revenue collection for both Agencies.

Kapsch is committed to a smooth and respectful transition for the majority of employees currently supporting the SR-91 Express Lanes. We greatly value the expertise and dedication demonstrated. We are enthusiastic about welcoming the best members of the existing SR-91 Express Lanes team into our organization and are committed to providing a positive, transparent, and supportive onboarding experience throughout this transition.

© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

APPENDIX 1 DRAFT PROJECT SCHEDULE

Separate Attachment



© 2026 Kapsch TrafficCom USA, Inc.

Kapsch Confidential and Proprietary

APPENDIX 2 FLOOR PLAN

Separate Attachment

© 2026 Kapsch TrafficCom USA, Inc.

Exhibit 25

Attachment 5

Pricing Sheets

[attached behind this page]

Form J-1: Attachment 5

TCS Management						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
1	Project Management	Including: all project management activities (e.g. meetings, schedule development, schedule updates, invoices, progress reports, workshops) required to perform the D&D Work, and all travel expenses.	Lump Sum	0	$ -	$ -
2	Project Documentation	Including: all Deliverables required prior to Revenue Service Commencement	Lump Sum	0	$ -	$ -
3	Design Development	Including: all items required for the design and development of the TCS, includes cloud conversion costs of Host and CBOS	Lump Sum	0	$ -	$ -
4	Software Licenses	Including: all required Software licenses, and maintenance of Software Source Code Escrow required in accordance with the Contract	Lump Sum	0	$ -	$ -
5	Develop Transition Plan	Including: all development and approval of a Transition Plan	Lump Sum	0	$ -	$ -
6	Installation	Installation of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
7	Integration	Integration of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
8	Testing	Testing of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
9	Documentation	Documentation of all TMS, ETC, CSC, MOMS, and ROC related work	Lump Sum	0	$ -	$ -
10					**Subtotal TCS Management Cost**	**$ -**
TMS						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
11	CCTV	Including: all Equipment and communications for each CCTV required for a fully functional CCTV system	Each Camera	0	$ -	$ -
12	TOC Equipment	Including: all Equipment and communications for a fully functional TOC	Lump Sum	0	$ -	$ -
13	CMS	Including: all Equipment and communications for a fully functional CMS system	Each CMS	0	$ -	$ -
14	Traffic Detectors	Including: all Equipment and communications of each traffic detector required for a fully functional traffic detection system	Each	0	$ -	$ -
15					**Subtotal TMS Cost**	**$ -**
ETC System						

Form J-1: Attachment 5

#	Item	Description	Unit	Qty	Unit Price	Total
16	ETC Host	Cloud hosting costs included in O&M.	Lump Sum	0	$ -	$ -
17	Lane Controller Subsystem	Including: all Equipment for control of a read point not included in other subsystems below (e.g. communications)	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
18	Automatic Vehicle Detection and Classification (AVDC)	Including: All Equipment (e.g. sensors, mounting hardware to detect when a vehicle has entered a read point and to classify the vehicle via volumetric characteristics).	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
19	Automatic Vehicle Identification (AVI)	Including: All Equipment to read Transponders (antennas, readers, mounting equipment) and associated communications.	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
20	Violation Enforcement System (VES)	Including: all Equipment to capture license plate images (e.g. cameras, flash units, mounting hardware) and associated communications of all Equipment.	Each Toll Location (lane(s) & shoulder)	0	$ -	$ -
21	VTMS	Including: all Equipment to provide pricing signs (e.g. LED panels, Sign Controllers, mounting equipment, etc.) and associated communications of all Equipment.	Each VTMS Sign	0	$ -	$ -
22	DVAS	Including: all Equipment and communications for a fully functional DVAS system	Lump Sum	0	$ -	$ -
23	Maintenance of Traffic for Installation	Including: all costs for maintenance of traffic to install, integrate, and test Equipment	Lump Sum	0	$ -	$ -
24	Power		Each Toll Location	0	$ -	$ -
25					**Subtotal ETC System Cost**	**$ -**

CSC						
#	Item	Description	Unit	Qty	Unit Price	Total
26	CSC Host	Kapsch and Subcomtractors BOS Implementation Costs	Lump Sum	1	$ 5,089,980.90	$ 5,089,980.90
27	CSC Equipment	BOS Equipment (servers, storage, etc.) & Network Equipment	Lump Sum - Actual Cost	1	$ 3,683,088.01	$ 3,683,088.01
28	Phone System, Phones & other Office Equipment	Facilities Equip Upgrades (ROC/OCTA Store)	Lump Sum	1	$ 189,375.00	$ 189,375.00
29	IVR	IVR System / Servers	Lump Sum	1	$ 35,000.00	$ 35,000.00

Form J-1: Attachment 5

30	Hiring and Training	Including: all training and training documentation for CSC and RCTC staff, and hiring CSC staff, for CSC Commencement	Lump Sum	1	$ 513,965.93	$ 513,965.93
31	Express Lanes Website	Including: all Equipment and Software interface to CSC and, deployment of a fully functional and interactive customer website	Lump Sum	0		$ -
32					**Subtotal CSC System Cost**	**$ 9,511,409.84**

MOMS						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
33	MOMS System	Included as part of ETC Host cloud costs.	Lump Sum	0	$ -	$ -
34	Spare Parts	Including: all Spare Parts required for TCS System	Lump Sum	0	$ -	$ -
35					**Subtotal MOMS Cost**	**$ -**

ROC Facility						
#	**Item**	**Description**	**Unit**	**Qty**	**Unit Price**	**Total**
36	Walk-In Center	No major upgrade costed, ongoing costs assumed in O&M	Lump Sum	0		$ -
37	Call Center	Facilities Buildout Allowance (ADC/ROC/OCTA Store)	Lump Sum	1	$ 250,000.00	$ 250,000.00
38	Traffic Operations Center	Includes costs associated with upgrade of the Video Wall and NVR's at the ROC Facility.	Lump Sum	0	$ -	$ -
39	ADC Network Upgrade	Includes costs associated with upgrade of the networking at ADC.	Lump Sum	0	$ -	$ -
40					**Subtotal ROC Facility Cost**	**$ 250,000.00**

Total D&D		
10 (Form J-1)	Subtotal TCS Management Cost	$ -
15 (Form J-1)	Subtotal TMS Cost	$ -
25 (Form J-1)	Subtotal ETC System Cost	$ -
32 (Form J-1)	Subtotal CSC System Cost	$ 9,511,409.84
35 (Form J-1)	Subtotal MOMS Cost	$ -
40 (Form J-1)	Subtotal ROC Facility Cost	$ 250,000.00
41	**Total D&D Cost**	**$ 9,761,409.84**

Restated 15 & 91 Operations and Maintenance CSC/Roadside Annually

Description of items	Year 1 O&M	Year 2 O&M	Year 3 O&M	Year 4 O&M	Year 5 O&M	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 CSC Operations	$6,594,000	$6,594,000	$4,452,000	$4,574,430	$4,700,227	$4,841,234	$4,986,471	$5,136,065	$5,290,147	$5,448,851	$5,666,805	$5,893,477	$6,129,216	$6,374,385	$6,629,361	$6,894,535	$7,170,316	$7,457,129	$7,755,414	$8,065,631
91 CSC Operations							$6,416,530	$6,609,026	$6,807,296	$7,011,517	$7,221,861	$7,438,517	$7,661,672	$7,891,522	$8,128,268	$8,372,116	$8,623,279	$8,881,977	$9,148,437	$9,422,890
Combined CSC Operations	**$6,594,000**	**$6,594,000**	**$4,452,000**	**$4,574,430**	**$4,700,227**	**$4,841,234**	**$11,403,001**	**$11,745,091**	**$12,097,443**	**$12,460,368**	**$12,888,666**	**$13,331,994**	**$13,790,889**	**$14,265,907**	**$14,757,628**	**$15,266,651**	**$15,793,595**	**$16,339,106**	**$16,903,851**	**$17,488,521**

Description of items	Year 1 O&M	Year 2 O&M	Year 3 O&M	Year 4 O&M	Year 5 O&M	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 Violations (based on estimated volumes)	$0	$0	$907,800	$819,000	$846,000	$871,380	$902,009	$933,715	$966,535	$1,000,508	$1,040,529	$1,082,150	$1,125,436	$1,170,453	$1,217,271	$1,265,962	$1,316,601	$1,369,265	$1,424,035	$1,480,997
91 Violations (based on estimated volumes)	$0	$0	$0	$0	$0	$0	$720,004	$760,359	$802,293	$845,863	$891,123	$938,131	$986,946	$1,046,207	$1,107,521	$1,171,248	$1,237,468	$1,315,733	$1,397,138	$1,481,791
Combined Violations	**$0**	**$0**	**$907,800**	**$819,000**	**$846,000**	**$871,380**	**$1,622,013**	**$1,694,073**	**$1,768,828**	**$1,846,371**	**$1,931,651**	**$2,020,281**	**$2,112,382**	**$2,216,660**	**$2,324,793**	**$2,437,210**	**$2,554,069**	**$2,684,998**	**$2,821,174**	**$2,962,788**

Description of items	Year 1 O&M	Year 2 O&M	Year 3 O&M	Year 4 O&M	Year 5 O&M	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 Active Transponder Accounts	$0	$0	$1,415,484	$1,504,224	$1,593,600	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
91 Active Transponder Accounts	$0	$0	$0	$0	$0	$0	$1,354,409	$1,461,167	$1,574,271	$1,693,986	$1,820,587	$1,954,361	$2,095,605	$2,244,626	$2,412,543	$2,588,738	$2,773,546	$2,967,314	$3,181,399	$3,358,608
Combined Active Transponder Accounts	**$0**	**$0**	**$1,415,484**	**$1,504,224**	**$1,593,600**	**$0**	**$1,354,409**	**$1,461,167**	**$1,574,271**	**$1,693,986**	**$1,820,587**	**$1,954,361**	**$2,095,605**	**$2,244,626**	**$2,412,543**	**$2,588,738**	**$2,773,546**	**$2,967,314**	**$3,181,399**	**$3,358,608**

Description of items	Year 1 O&M	Year 2 O&M	Year 3 O&M	Year 4 O&M	Year 5 O&M	Year 6 O&M	Year 7 O&M	Year 8 O&M	Year 9 O&M	Year 10 O&M	Year 11 O&M	Year 12 O&M	Year 13 O&M	Year 14 O&M	Year 15 O&M	Year 16 O&M	Year 17 O&M	Year 18 O&M	Year 19 O&M	Year 20 O&M
15 TOC Operations	**$386,400**	**$386,400**	**$405,720**	**$416,877**	**$428,341**	**$441,191**	**$454,427**	**$468,060**	**$482,102**	**$496,565**	**$516,427**	**$537,084**	**$558,568**	**$580,910**	**$604,147**	**$628,313**	**$653,445**	**$679,583**	**$706,766**	**$735,037**
91 TOC Operations	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$711,000**	**$732,330**	**$754,300**	**$776,929**	**$800,237**	**$824,244**	**$848,971**	**$874,440**	**$900,674**	**$927,694**	**$955,525**	**$984,190**	**$1,013,716**	**$1,044,127**
RCTC Only Roadside O&M (91 & 15)[1]	**$2,504,022**	**$2,197,123**	**$2,765,701**	**$3,428,172**	**$3,937,809**	**$4,195,408**	**$4,307,904**	**$4,420,746**	**$4,543,045**	**$4,665,900**	**$4,266,542**	**$4,437,204**	**$4,614,692**	**$4,799,280**	**$4,991,251**	**$5,190,901**	**$5,398,537**	**$5,614,478**	**$5,839,058**	**$6,072,620**

[1]Includes Amendments No.3, Change orders 7B, 23, 28, 33, & 36

Exhibit 25

Attachment 6

Implementation Cost Payment Milestones

[attached behind this page]

Attachment 6: Implementation Cost Payment Milestones

Implementation costs of $6,078,322 will be paid in milestones according to the following chart:

Payment Milestone	Percentage	Amount	Criteria
1	30%	$ 1,823,497	Upon Notice to Proceed
2	20%	$ 1,215,664	3 Sprints Complete
3	20%	$ 1,215,664	Data Migration Load Testing Complete & Documents and Images Migrated
4	20%	$ 1,215,664	Go Live
5	10%	$ 607,833	Post Go Live Puch List Complete
		$ 6,078,322	

The BOS & Network Hardware costs will be paid upon verification of installation and configuration by the Agencies. The BOS & Network Hardware costs will be paid at actual costs to Kapsch. The Agencies are aware that the BOS & Network Hardware costs of $3,683,088 are an estimate and that the Agencies will pay the actual costs. The TSP will provide at least two quotes for Agencies approval prior to purchase. Actual cost above the $3,683,088 will require a change order.

Exhibit 25

Attachment 7

Liquidated Damages

[attached behind this page]

Attachment 7: Liquidated Damages

Implementation Liquidated Damages

In the event that TSP has not completed the 15 and 91 EL BOS transition work before 425 calendar days after issuance of Amendment 5 NTP, liquidated damages shall apply. TSP shall pay RCTC and OCTA a combined total of $5,000 per Calendar Day, commencing the following calendar day after the 425-calendar day period as liquidated damages for delay. The BOS transition delay liquidated damages shall be capped at 20% of the total implementation cost for the 15 and 91 BOS transition work in Amendment 5.

CSC KPI Liquidated Damages

The thirty (30) calendar days prior to Go Live and the first sixty (60) calendar days following Go-Live shall constitute a Stabilization Period. This period allows for system calibration, workforce training, volume normalization, customer behavior adjustment, and operational refinement.

During the Stabilization Period liquidated damages for KPI 18A & 18B, KPI 19, KPI 20, KPI 21, KPI 22, KPI 23, KPI 24, KPI 28, KPI 29, and KPI 30 shall be waived.

- Performance will be measured and reported for transparency purposes.
- Contractor shall use commercially reasonable efforts to meet or exceed all KPIs.

The following operational integrity KPIs shall remain fully enforceable during the Stabilization Period:

- KPI 25 – Image Quality (98%)
- KPI 26 – Image Review Backlog (Turnaround < 3 days)
- KPI 27 – Image Review Reject Rate (95%)

These performance standards are not volume-dependent of the CSC and therefore shall remain unchanged.

Exhibit 25

Attachment 8

Post Go Live Staffing Evaluation

[attached behind this page]

Attachment 8: Post Go Live Staffing Evaluation

If, after sixty (60) calendar days and through the first year following Go-Live, the Contractor is unable to consistently achieve the KPI thresholds, the Parties shall conduct a formal performance and volume assessment.

For purposes of Attachment 8, *“consistently achieve”* shall mean meeting or exceeding weekly avg KPI thresholds over a rolling 60-day period.

If the assessment determines that continued ramp-up conditions, such as material variances between forecasted and actual volumes, system constraints, or other operational factors outside the Contractor’s reasonable control are materially impacting KPI performance, the Parties may mutually agree in writing to extend the evaluation period for an additional term not to exceed thirty (30) calendar days to allow for operational adjustments and staffing alignment.

During the approved extension period:

1. **Performance Measurement:** KPI performance shall continue to be monitored and reported pursuant to the established reporting schedule.
2. **Corrective Actions:** The Contractor shall implement commercially reasonable corrective actions to address identified deficiencies.
3. **Liquidated Damages:** Application of liquidated damages shall be suspended or proportionately reduced, as mutually agreed in writing and
4. **Collaboration:** The Parties shall collaborate in good faith to implement operational, staffing, or process adjustments reasonably necessary to achieve full KPI compliance.

If, following completion of the assessment and any extension period, the Parties jointly determine that additional staffing is required to achieve or maintain KPI compliance, the Agencies shall issue a change order authorizing up to five (5) additional Customer Service Representative (“CSR”) staff. The cost for each such CSR shall not exceed $10,233.00 per month. The base monthly fixed fee includes 33.5 CSRs.

If, at the end of any month, the total number of CSRs employed by the Contractor falls below the sum of (a) the 33.5 baseline staffing level and (b) any approved additional CSRs, the change order amount for that month shall be reduced proportionally to reflect the number of additional CSRs not employed.

For example: if three additional CSRs are approved (baseline 33.5 + 3) but only 34.5 CSRs are employed in a given month, the change order would be reduced by two (2) CSRs.

Any approved additional staffing shall remain in place for the remainder of the contract term unless otherwise mutually agreed in writing.

Exhibit 25

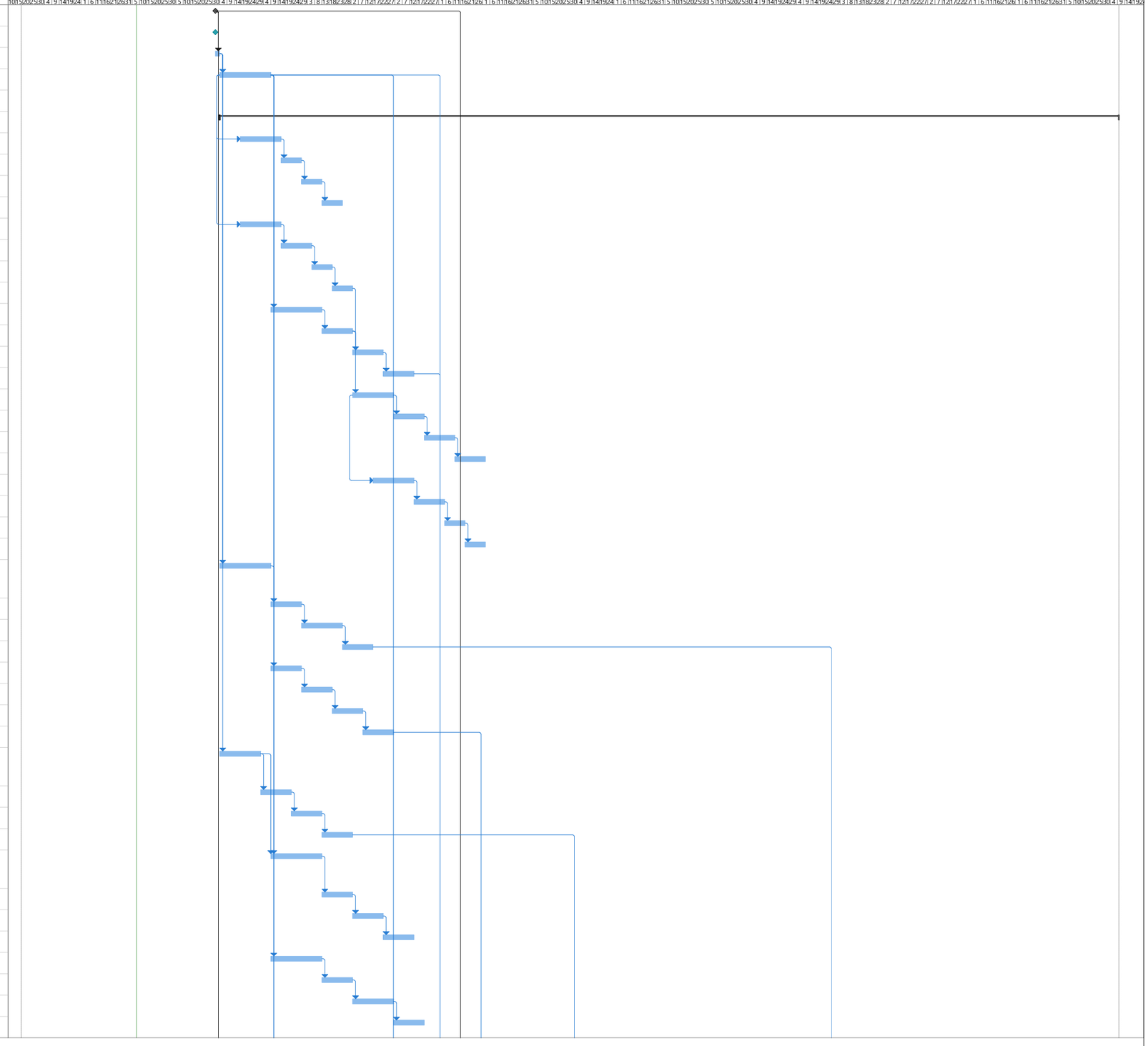
Attachment 9

Schedule

[attached behind this page]

91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
1		E}] d} W }	ì ˙	D}v òlílîċ	D}v òlílîċ		
2		W ˙u v D]o }v í ~E}] } W }	ì ˙	D}v òlílîċ	D}v òlílîċ		
3		W }i <] l }((Wo vv]vP t} l]vP ´ï ˙	D}v òlílîċ	t òlïlîò	í		
4		^˙ u K^ Z µ] u v D]vP } îæ ˙	dZµ òlðlîòt	ólðlîò	ï		
5							
6		} µu v]}v ððî ˙	dZµ òlðlîòt	îlılîô			
7		Yµo] ˙ D v P u v Wo v Ào} u v îì ˙	dZµ òlíôlît	ólíælî	ð^^=íì ˙		
8		P v ˙ Z À] ` }uu v íì ˙	dZµ ólíòlît	ólîılîòó			
9		h ^µ u] Z À] & v µu íì ˙	dZµ ólïìlît	ôlíîlîòô			
10		P v ˙ Z À] ` }Ào íì ˙	dZµ ôlíîlît	ôlîòlîòı			
11		µ]v Zµo v µu Ào} u v îì ˙	dZµ òlíôlît	ólíælî	ð^^=íì ˙		
12		P v ˙ Z À] ` }uu v íæ ˙	dZµ ólíòlît	ôlælîòíí			
13		h ^µ u] Z À] & v µu íì ˙	dZµ ôlòlîòt	ôlíılîòíî			
14		P v ˙ Z À] ` }Ào íì ˙	dZµ ôlîìlît	ılîlîòíï			
15		& v µu Ào} u v ^µ u] o îæ ˙	dZµ ólılîòt	ôlíîlîòð			
16		P v ˙ Z À] ` }uu v íæ ˙	dZµ ôlíîlît	ılîlîòíæ			
17		h ^µ u] Z À] & v µu íæ ˙	dZµ ılîïlîòt	ılîïlîòíòUíð			
18		P v ˙ Z À] ` }Ào íæ ˙	dZµ ılîðlît	íìlíðlî	íó		
19		µ]v }v]vµ] ˙ Wo v h ^µ îì ˙	dZµ ılîìlîòt	ılîìlîòíò			
20		P v ˙ Z À] ` }uu v íæ ˙	dZµ íìlílîlt	íìlîíílî	íı		
21		h ^µ u] Z À] µ]v }v]víæ ˙	dZµ íìlîîlt	íílíílî	îì		
22		P v ˙ Z À] ` }Ào íæ ˙	dZµ ílílîlt	íîlîlîòíí			
23		K((] ^ (˙ Wo v h ^µ u] ɑîì ˙	dZµ ılíólît	íìlíðlî	íı^^=íì ˙		
24		P v ˙ Z À] ` }uu v íæ ˙	dZµ íìlíæt	ílíðlîòîï			
25		h ^µ u] Z À] µ]v }v]víì ˙	dZµ ílílælt	ílílíðlî	îð		
26		P v ˙ Z À] ` }Ào íì ˙	dZµ ílílílılt	íîlîlîòîæ			
27		E `} l , ` h P d v]]}v Ào} u v ^µ u] o îæ ˙	dZµ òlðlîòt	ólðlîò	ï		
28		P v ˙ Z À] ` }uu v íæ ˙	dZµ ólılîòt	ólîılîòîó			
29		h ^µ u] Z À] d v]]}v Woîì ˙	dZµ ólïìlît	ôlîòlîòîô			
30		P v ˙ Z À] ` }Ào íæ ˙	dZµ ôlîólît	ılíòlîòîı			
31		h D vµ o Wo v Ào} u v ^µ u íæ ˙	dZµ ólılîòt	ólîılîòð			
32		P v ˙ Z À] ` }uu v íæ ˙	dZµ ólïìlît	ôlílîòïí			
33		h ^µ u] Z À] h D vµ o Wíæ ˙	dZµ ôlîìlît	ılılîò	ïî		
34		P v ˙ Z À] ` }Ào íæ ˙	dZµ ılílîlît	ılïìlîòïï			
35		^Zıí K d Z d K^ D]P]}v Ào} u v ^µ u] o îì ˙	dZµ òlðlîòt	ólílîò	ï		
36		P v ˙ Z À] ` }uu v íæ ˙	dZµ ólîlîòt	ólîîlîòïæ			
37		h ^µ u] Z À] D]P]}v íæ ˙	dZµ ólîïlît	ôlíîlîòïò			
38		P v ˙ Z À] ` }Ào íæ ˙	dZµ ôlíïlît	ılîlîò	ïó		
39		^Zıí K d Z d K^ ^ µ] ˙ Wîæ ˙ Ào} u v ^µ u] o	dZµ ólılîòt	ôlíîlîò	ðUïæ		
40		P v ˙ Z À] ` }uu v íæ ˙	dZµ ôlíïlît	ılîlîò	ïı		
41		h ^µ u] Z À] ^ µ] ˙ Víæ ˙	dZµ ılïïlîòt	ılîïlîò	ði		
42		P v ˙ Z À] ` }Ào íæ ˙	dZµ ılîðlît	íìlíðlî	ði		
43		<W/ Z DW h ^µ u] o îæ ˙	dZµ ólılîòt	ôlíîlîòð			
44		P v ˙ Z À] ` }uu v íæ ˙	dZµ ôlíïlît	ılîlîò	ði		
45		h v ^µ u] Z À] <W/ Z DW îì ˙	dZµ ılïïlîòt	ılïìlîòðð			
46		P v ˙ Z À] ` }Ào íæ ˙	dZµ íìlílît	íìlîíílî	ðæ		

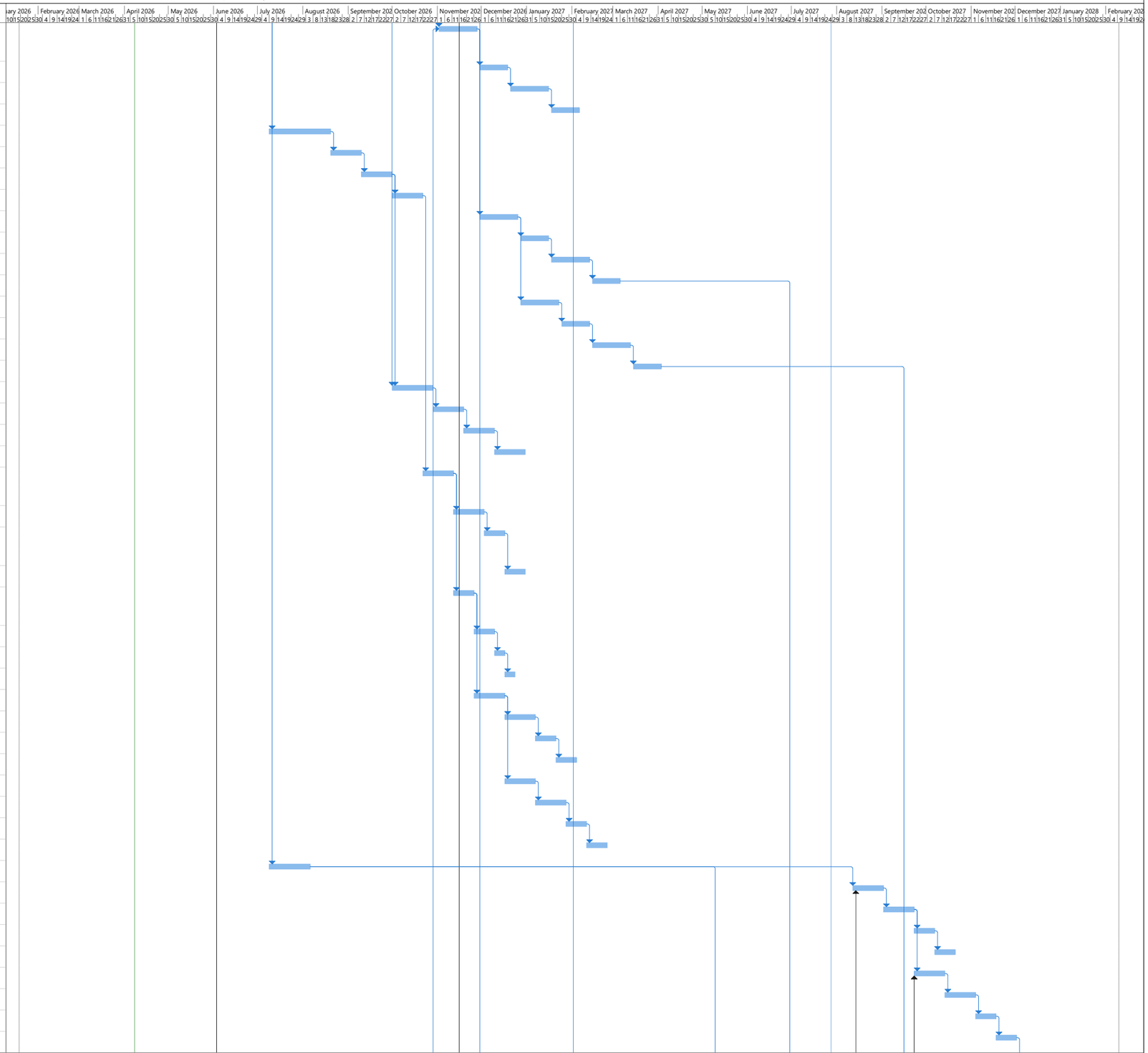


Project: RCTC- OCTA BOS Expa
Date: Wed 4/8/26

Task | Split | Milestone | Summary | Project Summary | Inactive Task | Inactive Milestone | Inactive Summary | Manual Task | Duration-only | Manual Summary Rollup | Manual Summary | Start-only | Finish-only | External Tasks | External Milestone | Deadline | Progress | Manual Progress

91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
47		&]v v] oU µ]]vP v d ((] Z } v ^µu] o	îì ˙	D}v íílîlî	&] íílîólî	ðUíôUíðó&^	
48		P v ˙ Z À] ` }uu v	íæ ˙	D}v íílîìîl	&] íîlíólî	ðó	
49		h v ^µu] Z À] Z } W }	îì ˙	D}v íîlîíîl	&] ílíælî	ðõ	
50		P v ˙ Z À] ` }Ào	íæ ˙	D}v íllíõlî	&] îlælîî	ðı	
51		K]}v Wo v h ^µu] o	ïì ˙	dZµ ólıılîòt	õlíıîîò	ð	
52		P v ˙ Z À] ` }uu v	íæ ˙	dZµ ðlîìlîî	t ıîıîîò	æí	
53		h v ^µu] Z À] K]}v V	íæ ˙	dZµ ıllíìlîî	t ıîïìlîò	æî	
54		P v ˙ Z À] ` }Ào	íæ ˙	dZµ íìlíîlî	t íìlîíîlî	æï	
55		d ^Kd W } µ Ào} u v v ^µu	îì ˙	D}v íílïìîl	&] íîlîæ	ðó	
56		P v ˙ Z À] ` }uu v	íæ ˙	D}v íîlîôl	&] íllíælî	ææ	
57		h v ^µu] Z À] d ^Kd W }	îì ˙	D}v íllíõlî	&] îlíîlîî	æò	
58		P v ˙ Z À] ` }Ào	íæ ˙	D}v îlíæl	&] ïlæîî	æó	
59		d ^ d W } µ Ào} u v v ^µu	îì ˙	D}v íîlîôl	&] íllîîlî	ææ	
60		P v ˙ Z À] ` }uu v	íæ ˙	D}v íllæl	&] îlíîlîî	æı	
61		h v ^µu] Z À] d ^ d W }	îì ˙	D}v îlíæl	&] ïlíîlîî	òì	
62		P v ˙ Z À] ` }Ào	íæ ˙	D}v ïlíæl	&] ðlîlîó	òí	
63		d]v]vP Wo v h v ^µu] o	îì ˙	dZµ íìlíîlî	t íìlîôlî	ðUæï	
64		P v ˙ Z À] ` }uu v	íæ ˙	dZµ íìlîıl	t íílíólî	òï	
65		h ^µu] Z À] d]v]vP Wo	íæ ˙	dZµ íílíıl	t íîlıılîò	òð	
66		P v ˙ Z À] ` }Ào	íæ ˙	dZµ íîlíîl	t íîlïîlî	òæ	
67		µ }u }uuµv]]}v } µu v h ^µu] o	íæ ˙	dZµ íìlîîîl	t íílíílî	æð	
68		P v ˙ Z À] ` }uu v	íæ ˙	dZµ íílíîîl	t íîlîlîò	òó	
69		h ^µu] Z À] µ }u }uuµ } µu v	íì ˙	dZµ íîlïlîl	t íîlíòlî	òõ	
70		P v ˙ Z À] ` }Ào	íì ˙	dZµ íîlíól	t íîlïîlî	òı	
71		K^ E}](]]}v u o } µu v h ^µu] o	íì ˙	dZµ íílíîîl	t íílîæl	òó	
72		P v ˙ Z À] ` }uu v	íì ˙	dZµ íílîòl	t íîlıılîò	óí	
73		h ^µu] Z À] K^ E}](]]	æ ˙	dZµ íîlíìl	t íîlíòlî	óî	
74		P v ˙ Z À] ` }Ào	æ ˙	dZµ íîlíól	t íîlîïlî	óï	
75		Yµo] ` } µu v]}v h v ^µu	íæ ˙	dZµ íílîòl	t íîlíòlî	óí	
76		P v ˙ Z À] ` }uu v	íæ ˙	dZµ íîlíól	t ílòlîó	óæ	
77		h ^µu] Z À] K^ E}](]]	íì ˙	dZµ ílólîó	t íllîlîó	óò	
78		P v ˙ Z À] ` }Ào	íì ˙	dZµ íîlíílî	t îlïlîó	óó	
79		D]]P]}v D]˘ h v ^µu]	íæ ˙	dZµ íîlíól	t ílòlîó	óæ	
80		P v ˙ Z À] ` }uu v	íæ ˙	dZµ ílólîó	t íllîólîó	óı	
81		h ^µu] Z À] D]]P]}v D	íì ˙	dZµ íllîôlî	t îlíìlîó	ôì	
82		P v ˙ Z À] ` }Ào	íì ˙	dZµ îlíílî	t îllðlîó	ôí	
83		^KW ~ ^ &]v v d u o h	îì ˙	dZµ ólıılîòt	ôlælîòð		
84		D]v v v Wo v ~s}o î h v	íæ ˙	dZµ õlíîlî	t ıllílîó	õïUíıì	
85		P v ˙ Z À] ` }uu v	íæ ˙	dZµ ıllîlîó	t ıllîîlîó	ôð	
86		h ^µu] Z À] D]v v v W	íì ˙	dZµ ıllîïlî	t íìlòlîó	ôæ	
87		P v ˙ Z À] ` }Ào	íì ˙	dZµ íìlólî	t íìlîìlî	ôò	
88		>] }(d}oo ^ À] h v ^µu	íæ ˙	dZµ ıllîïlî	t íìlíïlî	íıìUôæ	
89		P v ˙ Z À] ` }uu v	íæ ˙	dZµ íìlíðl	t íílïlîó	ôõ	
90		h ^µu] Z À] d}oo ^ À]	íì ˙	dZµ íílíðlî	t íílíólî	ôı	
91		P v ˙ Z À] ` }Ào	íì ˙	dZµ íílíôl	t íîlíîlîó	ıì	

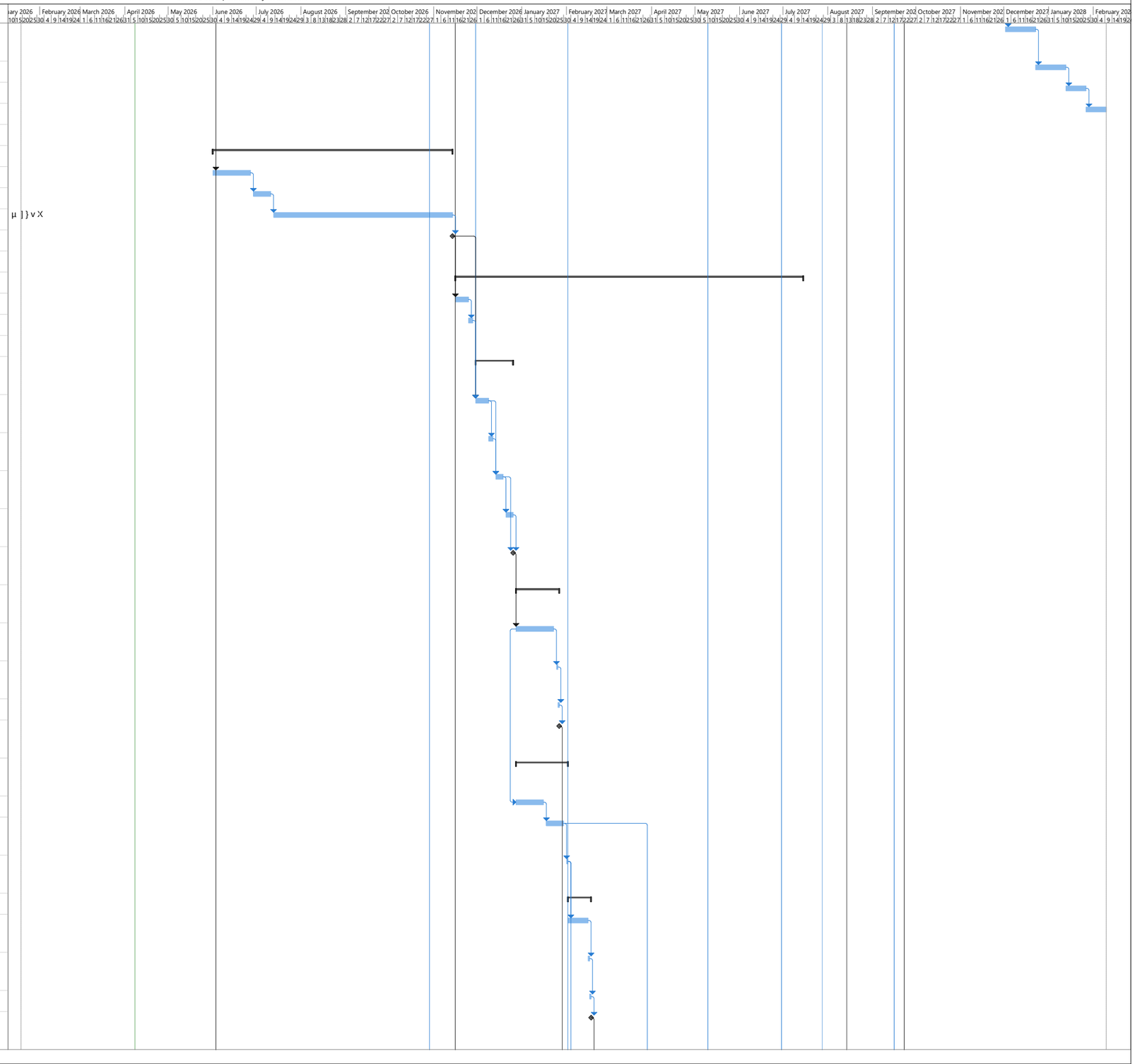


Project: RCTC- OCTA BOS Expa
Date: Wed 4/8/26

Task
Split
Milestone
Summary
Project Summary
Inactive Task
Inactive Milestone
Inactive Summary
Manual Task
Duration-only
Manual Summary Rollup
Manual Summary
Start-only
Finish-only
External Tasks
External Milestone
Deadline
Progress
Manual Progress

91/15 BOS Expansion Project Schedule

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
92		vvµ o Z v ` o d]vP Z } h	íæ `	dZµ íîlîîlî	t íîlîîlî	ıí	
93		P v ˙ Z À] ` }uu v	íæ `	dZµ íîlîîîl	t íllîîlîô	ıî	
94		h ^µ u] Z À] Zd Z }	íì `	dZµ íllîîîlî	t íllôlîô	ıï	
95		P v ˙ Z À] ` }À o	íì `	dZµ íllîólî	t îlıîlîô	ıð	
96							
97		E `} lU ^ À W , ` W } µ u	íîì `	D}v òlíîlîc	&] íílîíîlí		
98		&]v o]Ì]oo }(D] o	îì `	D}v òlíîlîc	&] òlîòlîıí		
99		Wo WK (} µ] u v	íì `	D}v òlîıîlî	&] ólíìlîııð		
100		µ] u v > d]u o]À `	ıì `	D}v ólíïlî	&] íílîíïlíıı		/v } ıì `
101		W } µ u v }u o	ì `	&] íílîíïlí	&] íílîíïlíîìì		
102							
103		E `} lU ^ À W , ` h P	íóæ `	D}v íílíòl	t ólíðlîó		
104		^ P }v(]Pµ E `} l , `	ó `	D}v íílíòl	dµ íílîðlîíìí		
105		^Z] E `} l , ` } ^]	ï `	t íílîæl	&] íílîólíîìð		
106							
107		Z ^ À Z}}u E `} l ^ À , `	îì `	D}v íílïîl	&] íîlîæ		
108		/v oo }uu]]}v E `} l ^ À Z Z ^ À Z}}u	ó `	D}v íílïîl	dµ íîlôlîcíìíUíìæUïč		
109		}uu]]}v ˇ]]vP µ] u v Z o}]}v	rï `	t íîlıılîò	&] íîlíílííìô		
110		µ}À E `} l , ` } W } µ]} ^ À Z}}u	æ `	D}v íîlíðl	&] íîlíólííìðUíìı		
111		d E `} l ^ À , ` } W }æ Z ^ À Z}}u	`	D}v íîlîíl	&] íîlîæ	ííì	
112		Z ^ À Z}}u E `} l ^ À h P	ì `	&] íîlîæ	&] íîlîæ	ííìUííí	
113		ZK ^ À Z}}u E `} l ^ À , `	îî `	D}v íîlîôl	dµ íllòlîc		
114		/v oo d E `} l ^ À , ` ^ À Z}}u	îì `	D}v íîlîôl	&] íllîîlîcíííî		
115		µ}À E `} l , ` } W } µ]} ^ À Z}}u	í `	D}v íllîæl	D}v íllîæl	ííð	
116		}uu]]}v > P ˙ E `} l , `	í `	dµ íllòlîc	dµ íllòlîcííæ		
117		ZK ^ À Z}}u E `} l ^ À h }u o	ì `	dµ íllòlîc	dµ íllòlîcíío		
118		E `} l }vv ]À] ˙ d ]vP `] Z >}]}v &]o]] r &}	ıí `	D}v íîlîôl	D}v îlíílîć		
119		/v oo }v(]Pµ K d /]o}v ^]	íæ `	D}v íîlîôl	&] íllíæl	íííð^^	
120		}v(]Pµ d E `} l }vv Z &]o]]	íì `	D}v íllíôlî	&] íllıılîcíííı		
121		µ}À (]v o E `} l }v(]Pµ ] }vv ]À] ˙ `] Z ZK Z &]o]]	í `	D}v îlíílîć	D}v îlíílîcíîì		
122		ZK E ` ^Z & ]o] ˙ E `} l h P	íî `	dµ îlîlîó	t îlíólîó		
123		/v oo d E `} l , ` &]o] ˙	zíì `	dµ îlîlîó	D}v îlíæl	íîî	
124		µ}À E `} l , ` } W } µ]} ZK E ` ^Z &]o] ˙	í `	dµ îlíòlîc	dµ îlíòlîcíîï		
125		}uu]]}v > P ˙ E `} l , `	í `	t îlíólîó	t îlíólîóíîð		
126		ZK E ` ^Z & ]o] ˙ E `} l h P	ì `	t îlíólîó	t îlíólîóíîæ		

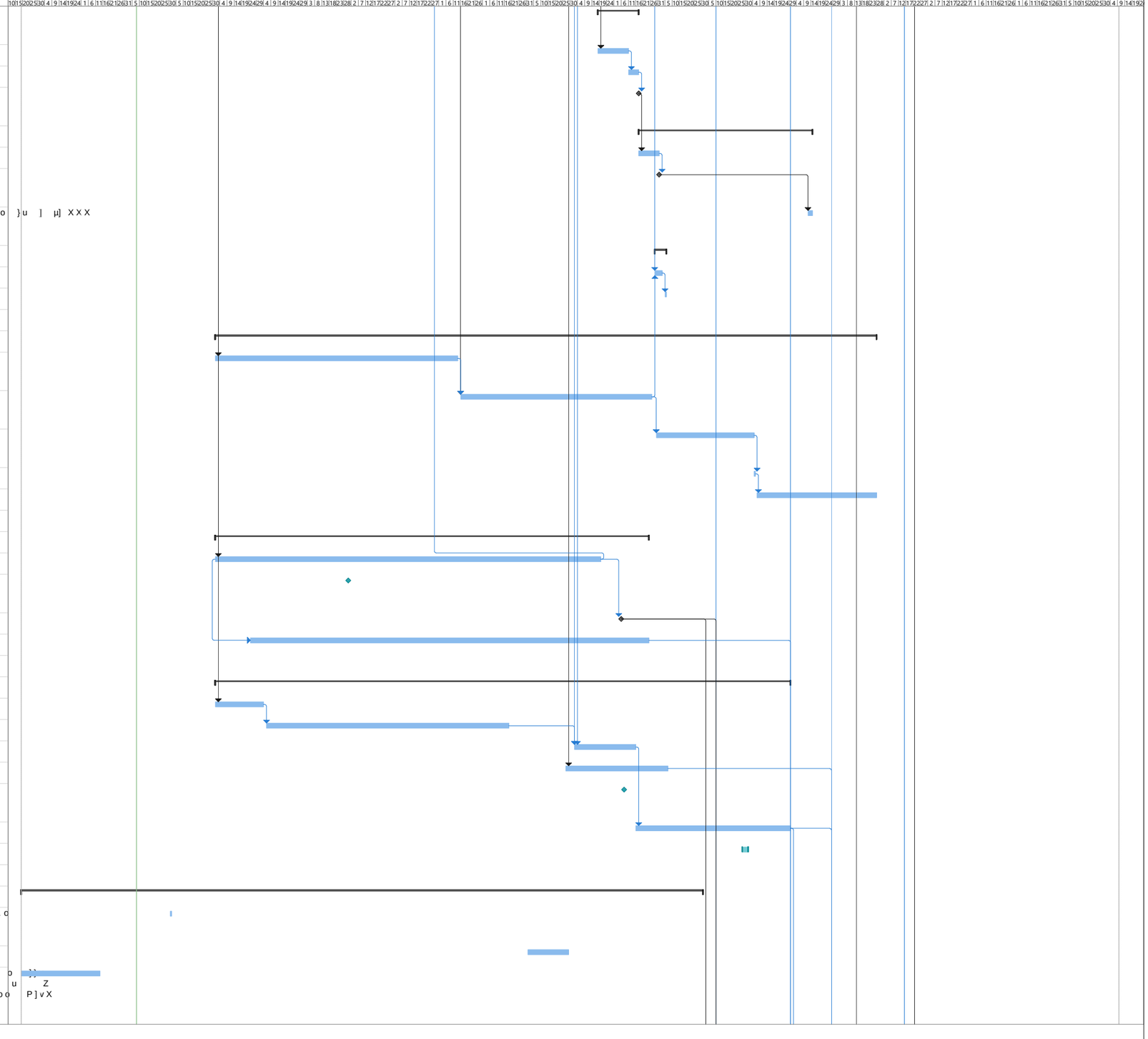


Project: RCTC- OCTA BOS Expa
Date: Wed 4/8/26

Task | Milestone | Project Summary | Inactive Milestone | Manual Task | Manual Summary Rollup | Start-only | External Tasks | Deadline | Manual Progress
Split | Summary | Inactive Task | Inactive Summary | Duration-only | Manual Summary | Finish-only | External Milestone | Progress

91/15 BOS Expansion Project Schedule

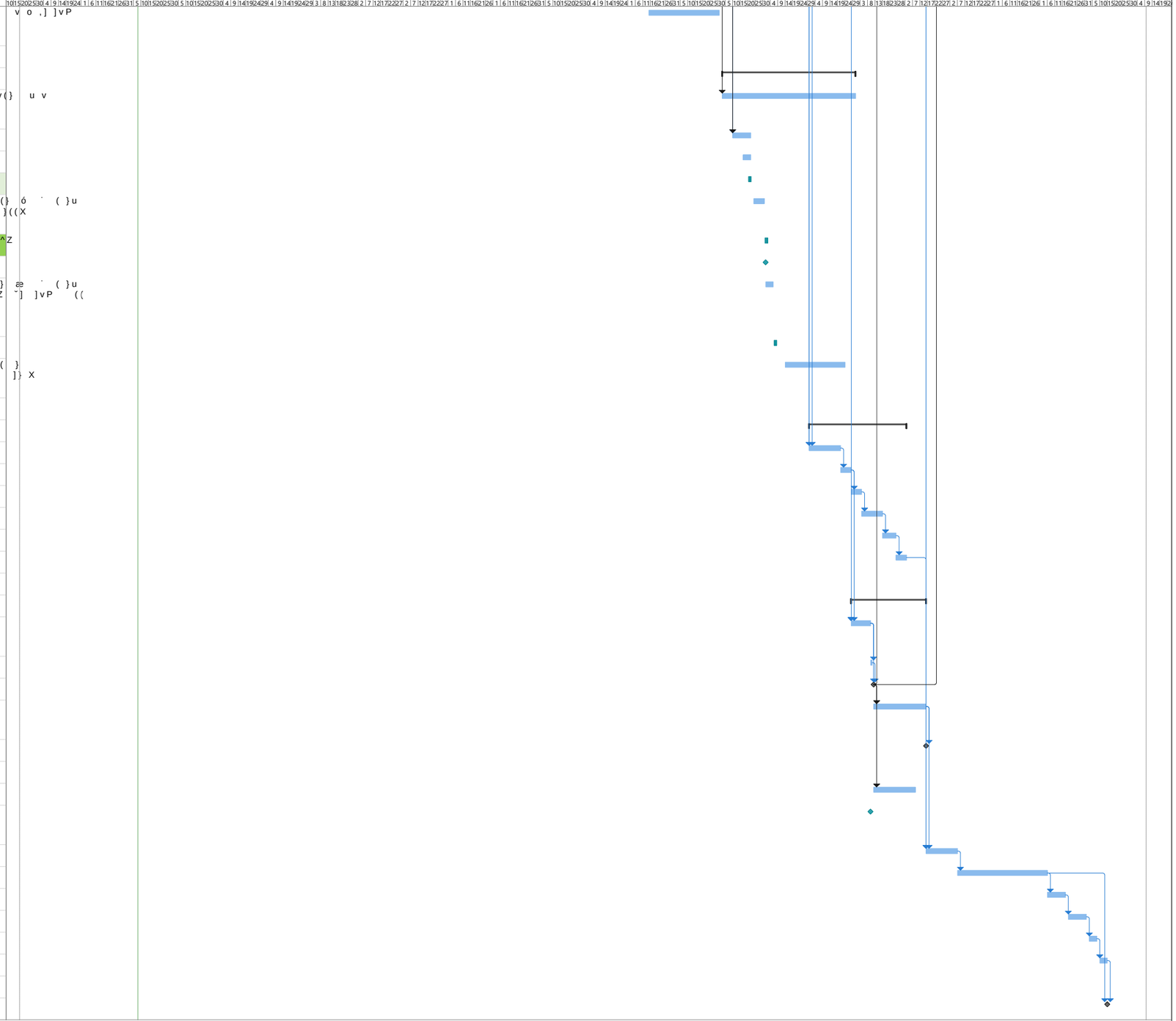
ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
127		ZK E ` ^Z & ]o] ˙ }u µ U t} l îì ˙ , ` h P		dZµ îlíôlî	t ïlíólîó		
128		/v oo d , ` Z ZK Ðíæ ˙		dZµ îlíôlî	t ïlíìlîó	íîò	
129		}uu]]}v > P ˙ , ` æ ˙		dZµ ïlíílî	t ïlíólîó	íîõ	
130		ZK E ` ^Z &]o] ˙ W K , ì ˙ }u o		t ïlíólîó	t ïlíólîó	íîı	
131		K d ^ } }u µ t} l]}v h Põó ˙		dZµ ïlíôlî	t ólíðlîó		
132		/v oo d , ` Z K d íì ˙		dZµ ïlíôlî	t ïlïílîó	íïì	
133		K d ^ } &]o] ˙ W , ` hì ˙		t ïlïílîó	t ïlïílîó	íïî	
134		}uu]]}v > P ˙ E `} l , ` ï ˙		D}v ólíîlî	t ólíðlîó	íïï	^`] ZU &] ` ooU v d o }u] µ XXX
135		dK µ}À (} ^Zrıí > ò ˙		D}v ïlîılî	D}v ðlælî		
136		s](˙ dK }vv]Àȷ ˙ `} l]}væ ˙		D}v ïlîılî	&] ðlîlîó	íîìUíðí	
137		&]v o µ}À	í ˙	D}v ðlælî	D}v ðlælî	íïò	
138							
139		&]o]] d v]]}v Wo v	ïîó ˙	D}v òlíîlîċ	&] ôlîólîć		
140		WZ í t dK U ZK ıí ^ v K] }À ˙ v µ]o]P v íîì ˙		D}v òlíîlîċ	&] íílíïlíí		
141		WZ î t dK U ZK v K d /v(µ µ h P }ıæ ˙		D}v íílíòl	&] ïlîòlîć	íUíðì	
142		WZ ï t ^˙ u v K dK U ZK v K d ^ }]}v o s æì ˙		dµ ïlïìlîć	&] òlðlîó	íðí&^=í ˙	
143		WZ ðt }v }oo ^ Àȷ d l }À í ˙		^ òlælîć	^ òlælîć	íðî	
144		WZ æ t ^]o]Ì]}v W]} W} òì ˙		D}v òlólîć	&] ôlîólîć	íðï	
145							
146		K^ sdy ^}(` Ào} u v îíï ˙		D}v òlíîlîċ	t ïlîðlîó		
147		sdy ^}(` u}](]]}v íıì ˙		D}v òlíîlîċ	&] îlíıllîć	í	
148		W ˙u v D]o }v ð ~ ï D}v Zo˙ }u o ì ˙		D}v ólïílî	D}v ôlïílî		
149		d]v]vP vÀȷ }vu v Z ˙ ì ˙		&] ïlælîć	&] ïlælîć	íðó&^=íì	
150		D}v Zo˙ ^}(` o}˙u v Z o íıæ ˙		dZµ òlîælî	t ïlîðlîó	íðó^^=íô	
151							
152		D]P]}v îôð ˙		D}v òlíîlîċ	dµ òlîıllîć		
153		WZ í D W]}v îæ ˙		D}v òlíîlîċ	&] ólïîlîò	í	
154		WZ ï D D}](]]}v íîì ˙		D}v ólòlîċ	&] íîlíólííæï		
155		WZ ï D >}]vP d]vP ïì ˙		dµ îlîlîó	D}v ïlíælíæðUïôUíîí		
156		ıí /u P } µu v D]P æì ˙		t ílîólîó	dµ ðlólîó	ííó	
157		W ˙u v D]o }v ï ~ D]P]}vì }u o } µu v v /u P D]P ˙		D}v ïlðlîć	D}v ïlðlîć		
158		/v u v o o}]vP óõ ˙		dµ ïlíòlîć	dµ òlîıllîć	íææ	/v ˙ Z }µPZ òlí
159		µrKÀ ^]vP ï ˙		&] ælîôlí	D}v ælïíl		^˙ u µ}À
160							
161		t} l(} D]P]}v d l ïïæ ˙		D}v ílíıllî	&] ðlïìlîć		
162		< Z > } s] Woµ u o}˙ í ˙		&] ælílîć	&] ælílîć		~ v v }v } }Ào
163		/v Àȷ `]vP :} K((îì ˙		&] ílílîó	dZµ ílîôlî		
164		lP }µv Z l ðì ˙		D}v ílíıllî	&] ïlíïlîć		KÀ o]vP ((} `Z]o o }v ]vµ U o ]}v u Z lP }µv Z l } `]o o P]vX



Project: RCTC- OCTA BOS Expa
Date: Wed 4/8/26

Task | Milestone | Project Summary | Inactive Milestone | Manual Task | Manual Summary Rollup | Start-only | External Tasks | Deadline | Manual Progress
Split | Summary | Inactive Task | Inactive Summary | Duration-only | Manual Summary | Finish-only | External Milestone | Progress

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Notes
165		]]}v o ^ ((,]]vP	ïæ ˙	D}v ïlíæl	&] ðlíìlíc		~/(` Z} ((˘ }
166							
167		d]v]vP	òó ˙	D}v ælïlî	&] ólíìlíc		
168		^ ((Z]v d]v]vP	òó ˙	D}v ælïlî	&] ólíìlíc	íðı	Z µ µ]}v }(<W/ v(} u v µ]vP v]]}v ({}
169		íæ ˘]]vP ^Z d]v]vP Z í	íì ˙	D}v ælíìl	&] ælîíìl	íðıUõï	îó < Z ^ ((
170		d]v]vP D] o h	æ ˙	D}v ælíól	&] ælîíìl		
171		'}lE} '}]]}v	í ˙	&] ælîíìlí	&] ælîíìl		
172		ıí ˘]]vP ^Z d]v]vP Z í	ò ˙	D}v ælîðl	^µv ælïìl		d]v]vP íæ ^Z (}u ıí (} ó ˙ (}u ælîð } ælïìU D}v ˙ ïí }((X
173		òlí '}r>]À	í ˙	dµ òlíìlîó	dµ òlíìlîó		'}r>]À íælıí }u]v ðl ^Z
174		W ˙u v D]o }v ð ~'}r>]À	ì ˙	dµ òlíìlîó	dµ òlíìlîó		
175		ıí ˘]]vP ^Z d]v]vP Z î	æ ˙	dµ òlíìlîó	^ òlælîc		d]v]vP ïð ^Z (}u ıí (} æ ˙ (}u òlí } òlæV ^Z }`]vP `] Z ˘]]vP (((} lr}(([l XXXX
176		òló '}r>]À oo ^ ((	í ˙	D}v òlólîć	D}v òlólîć		'}r>]À oo ^ ((
177		Z (Z d]v]vP l } d]v]vP	ïì ˙	D}v òlíðlî	&] ólîìlîc		t} l `] Z v]]}v ((} P v } }À ïì ˙]} X
178							
179		d ^Kd d Z }	ðó ˙	t òlîìllîó	dZµ ılîllîó		
180		d ^Kd ˙ Zµv &} u o W]}v	íæ ˙	t òlîìllîó	dµ ólîìlîc	æðUíæìUíæ	
181		d ^Kd &} u o d]vP	æ ˙	t ólîíllîó	dµ ólîólîć	íôì	
182		À o} ^µ u] d ^Kd d Z }	æ ˙	t ólîðllîó	dµ ðlïllîó	íôí	
183		P v ˙ Z À] ` }uu v	íì ˙	t ðlðllîó	dµ ðlíólîć	íôî	
184		h ^µ u] Z À] d ^Kd d Z ó ˙	t ðlíðllîó	dZµ ðlîòlî	íôï		
185		P v ˙ Z À] ` }À o	æ ˙	&] ðlîólîć	dZµ ılîllîó	íôð	
186							
187		K^ µ}À	ïò ˙	dµ ólîólîć	t ılíælî		
188		&]v o u]P]}v }(}]v]vP } v ` sdy /v v	íï ˙	dµ ólîólîć	D}v ðlılîć	íæðUíæòUí	
189		µ(((} '}r>]À r '}lE}r'}]]}v	í ˙	D}v ðlılîć	dµ ðlíìlîć	íôô	
190		'}r>]À }(}u]v K d lZ d K^	ì ˙	t ðlíílîó	t ðlíílîó	íôô&^=î ˙	
191		í D}v Z K À]}v }(K d lZ d E W (} u v ~K <W/ µ	îæ ˙	dZµ ðlíîlî	t ılíælî	íıì	
192		Z }]}v }(K d lZ d K]}v o	ì ˙	t ılíælî	t ılíælî	íıí	
193							
194		K^ Wµv Zo] / u o} }µ	îì ˙	dZµ ðlíîlî	t ılðlîó	íıì	
195		W ˙u v D]o }v æ ~W} '}r>]À W	ì ˙	dµ ðlíìlîć	dµ ðlíìlîć		
196		d ^ d ˙ Zµv &} u o W]}v	íæ ˙	dZµ ılíòlî	t íìlòlîó	ðîUíôæUíıí	
197		d ^ d &} u o d]vP	òì ˙	t íìlòlîó	^µv íîlæl	íıò	
198		À o} ^µ u] d ^ d d Z }	íì ˙	D}v íîlòlî	&] íîlíólí	íıó	
199		P v ˙ Z À] ` }uu v	íì ˙	D}v íîlîìl	&] íîlïílí	íıô	
200		h ^µ u] Z À] d ^ d d Z }	æ ˙	D}v ílïllîć	&] ílólîô	íıı	
201		P v ˙ Z À] ` }À o	æ ˙	D}v ílíìlî	&] ílíðlîć	íîì	
202							
203		W }i }u o	ì ˙	&] ílíðlîć	&] ílíðlîć	íıóUîìí	



Project: RCTC- OCTA BOS Expa
Date: Wed 4/8/26

Task | Milestone | Project Summary | Inactive Milestone | Manual Task | Manual Summary Rollup | Start-only | External Tasks | Deadline | Manual Progress
Split | Summary | Inactive Task | Inactive Summary | Duration-only | Manual Summary | Finish-only | External Milestone | Progress

(T X L S P H Q W / H D G 7 L F
Increased to 90 days as a precaution.
' H F R P P L V V L R Q / H J D F \ 1 H W
Switch, Firewall, and Telecom Circuit
Decomission after go-live legacy network.
, Q F U H P H Q W D
Increased days through 6/1
& X W 2 Y H U
System cutover
. D S V F K / H W W H U W R 9 L
(Dependent on Board Approval start date)
% D F N J U R X Q
Overlapping effort while selection continues, as selections are made the background check process will begin.
$ G G L W L R Q D O
(If we are short staffed) External Hiring proceeds
6 W D I I 5 H D G L Q H V
Request reduction of KPI enforcement during transistion effort
([L V W L Q J & 6 5 7 U D
27 Kapsch Staff
([L V W L Q J & 6 5 7 U D
Training 15 CSRs from 91 for 7 days from 5/24 to 5/30, Monday 31st off.
* R /
Go-Live 15/91 combined 40 CSRs
([L V W L Q J & 6 5 7 U D
Training 34 CSRs from 91 for 5 days from 6/1 to 6/5; Shadowing with existing staff for back-office tasks.

* R / L Y H $
Go-Live All Staff
5 H I U H V K H U 7 U D L Q L Q J & U R V V 7 U
Work with transistioned staff to address gaps and errors over 30 day period.

EXHIBIT 26

TOTAL REMAINING CONTRACT AUTHORITY

91 CONSOLIDATION IMPLEMENTATION PHASE PAYMENTS		
TYPE OF PAYMENT	AUTHORITY AMOUNT ($)	COMMISSION AMOUNT ($)
Fixed Price	$4,880,705	$4,880,705

REFRESH		
TYPE OF PAYMENT	AUTHORITY AMOUNT ($)	COMMISSION AMOUNT ($)
Fixed Price		$31,084,186

OPERATIONS AND MAINTENANCE PHASE PAYMENTS		
TYPE OF PAYMENT	AUTHORITY AMOUNT ($)	COMMISSION AMOUNT* ($)
Fixed	$60,891,642	$226,037,270
Variable Costs Based on Unit Prices	$30,595,331	$39,650,789
MAXIMUM OBLIGATION	**$96,367,678**	**$301,652,950**

*Includes 15 Express Lanes Roadside, RCTC 91 Express Lanes Roadside, 15 and 91 Express Lanes BOS.

ATTACHMENT B

RCTC Agreement No. 12-31-039-01
OCTA Agreement No. C-1-3190

AMENDED AND RESTATED

COOPERATIVE AGREEMENT

EXPRESS LANES OPERATIONS

BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND

ORANGE COUNTY TRANSPORTATION AUTHORITY

DRAFT

AMENDED AND RESTATED
COOPERATIVE AGREEMENT
FOR EXPRESS LANES OPERATIONS
BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION AND
ORANGE COUNTY TRANSPORTATION AUTHORITY

This Amended and Restated Cooperative Agreement for State Route 91 Express Lanes Operations("Cooperative Agreement") is made and entered into this ____ day of _____, 2026 ("Entered Into Date") by and between the Riverside County Transportation Commission ("RCTC") and the Orange County Transportation Authority ("OCTA"). RCTC and OCTA are sometimes referred to herein individually as "Party", and collectively as the "Parties".

Recitals

WHEREAS, OCTA operates and maintains the existing SR-91 Express Lanes in Orange County under a franchise agreement with the State of California.

WHEREAS, RCTC extended the RCTC 91 Express Lanes on the State Route 91 between the Riverside/Orange County line and the Interstate 15 interchange, including transition areas anticipated to commence as far north as Hidden Valley Parkway on Interstate 15, as far south as Cajalco Road on Interstate 15, as far east as Pierce Street on State Route 91, and as far west as Gypsum Canyon on State Route 91.

WHEREAS, prior to RCTC's construction of the RCTC 91 Express Lanes the Parties entered into Cooperative Agreement for State Route 91 Express Lanes and Corridor Improvements, dated December 16, 2011 ("Original Agreement"), in order to achieve economies of scale and cost benefits for both Parties through joint contracting and joint provision of certain services related to maintenance and operation of the 91 Express Lanes.

WHEREAS, continued coordination between the Parties during operation of the RCTC 91 Express Lanes is crucial to provide for seamless operation of the 91 Express Lanes in both Riverside and Orange Counties.

WHEREAS, it is the intent of the Parties in entering into this Cooperative Agreement to continue opportunities for cooperation and coordination and to set forth various responsibilities of the Parties, all as further set forth herein. It is the further intent of the Parties that all provisions contained in this Cooperative Agreement and all actions taken hereunder shall be consistent with Sections 130240, 130244, and 130245 of the California Public Utilities Code and all other applicable laws.

WHEREAS, RCTC commenced operation of the 91 Express Lanes in Riverside County in March of 2017, and the Parties have been successfully operating the 91 Express Lanes through joint contracts for operations and other services, or for individually held contracts subject to cost sharing.

WHEREAS, RCTC constructed the 15 Express Lanes in Riverside County, and opened the lanes for public use in April, 2021. The 15 Express Lanes are operated by RCTC's toll services provided, Kapsch TrafficCom Transportation NA, Inc. ("Kapsch").

DRAFT

WHEREAS, the Parties now desire to consolidate the 91 Express Lanes with the RCTC 15 Express Lanes back office and customer service operation in order to achieve additional economies of scale;

WHEREAS, it is the intent of the Parties that, as of the Effective Date, this Cooperative Agreement supersede and replace, in its entirety, the Original Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed by RCTC and OCTA as follows.

ARTICLE 1

DEFINITIONS

For the purposes of this Cooperative Agreement, the following terms shall have the meanings hereinafter provided:

1.1 **Anaheim Facility**. The term "Anaheim Facility" shall mean and refer to the toll operations center in Anaheim.

1.2 **CEO**. The term "CEO" shall mean and refer to the Chief Executive Officer of OCTA, or his or her designee.

1.3 **Consolidated Back Office**. The term "Consolidated Back Office" shall mean and refer to the consolidation of the 91 Express Lanes with the RCTC 15 Express Lanes back office and customer service operation under RCTC's existing contract with Kapsch.

1.4 **Corona Regional Operations Center**. The term "Corona ROC" shall mean and refer to the customer service center in Corona located at 291 and 301 Corporate Terrace Circle.

1.5 **Cost and Revenue and Allocation**. The term "Cost and Revenue Allocation" shall mean the cost and revenue sharing between OCTA and RCTC related to the Express Lanes, as further detailed in Exhibit "A".

1.6 **Customer**. The term "Customer" shall mean and refer to paying, or otherwise authorized, users of any portion of the 91 Express Lanes, which user has both a Transponder and an account with OCTA, RCTC or with any Other Toll Entities.

1.7 **Customer Accounts**. The term "Customer Accounts" shall mean and refer to accounts of Customers held by OCTA.

1.8 **Customer Account Business Rules/Operating Rules**. The term "Customer Account Business Rules/Operating Rules" shall mean and refer to the following: charges and/or deposits for initial issuance and replacement of Transponders; enrollment and/or membership fees; minimum monthly Customer Account maintenance fees; other administrative fees related to Customer Accounts; toll violation policies; collection policies; other similar rules related to Customer Accounts and use and issuance of Transponders; rules related to use of the Express Lanes

DRAFT

by Customers, including rules requiring all Customers to have Transponders or Customer Accounts; and other similar rules related to use of the Express Lanes by Customers.

1.9 **Designated Executive Representative**. The term "Designated Executive Representative" shall mean and refer to the OCTA employee designated by the CEO and to the RCTC employee designated by the Executive Director to make decisions on behalf of the Parties pursuant to this Cooperative Agreement.

1.10 **Effective Date**. The term "Effective Date" shall mean and refer to the "go-live" date of the Consolidated Back Office. .

1.11 **Emergency**. The term "Emergency" shall mean and refer to an unforeseen circumstance that poses an imminent risk or danger of serious injury, damage or harm to persons or property.

1.12 **Executive Director**. The term "Executive Director" shall mean and refer to the Executive Director of RCTC, or his or her designee.

1.13 **Existing 91 Operator Agreement**. The term "Existing 91 Operator Agreement" shall mean and refer to that certain OCTA Agreement No. C-9-117; RCTC Agreement No. 19-31-059-00, as subsequently amended, amongst Cofiroute, OCTA and RCTC for the 91 Express Lanes operations.

1.14 **Express Lanes**. The term "Express Lanes" shall mean and refer, jointly, to the OCTA 91 Express Lanes, RCTC 91 Express Lanes, and RCTC 15 Express Lanes, and any other express lanes of either Party that is included as part of the Consolidated Back Office under the Operations Agreement.

1.15 **91 Express Lanes**. The term "91 Express Lanes" shall mean and refer, jointly, to the OCTA 91 Express Lanes and the RCTC 91 Express Lanes.

1.16 **OCTA 91 Express Lanes**. The term "OCTA 91 Express Lanes" shall mean and refer to the existing four-lane, 10-mile high occupancy toll facility constructed in the median of the State Route 91 freeway, between the Orange/Riverside County line and the State Route 55 freeway.

1.17 **Operator**. The term "Operator" shall mean the company under contract for customer service and back office system operation of the Express Lanes and the Express Lanes traffic operations center.

1.18 **Operations Agreement**. The term "Operations Agreement" shall mean and refer to a three-party agreement that the Parties, concurrently with entering this Cooperative Agreement, will enter into with the Operator to jointly provide customer service operations for the Express Lanes and traffic operations services for the Express Lanes.

1.19 **Other Toll Entities**. The term "Other Toll Entities" shall mean and refer to any other public agency or private entity operating a toll facility in California and with whom OCTA has entered into a cooperative user fee processing (CTOC) agreement.

DRAFT

1.20 **RCTC Express Lanes**. The Term "RCTC Express Lanes" shall mean and refer to the RCTC 15 Express Lanes and RCTC 91 Express Lanes.

1.21 **RCTC 15 Express Lanes**. The term "15 Express Lanes" shall mean and refer to the Interstate 15 Express Lanes constructed by RCTC in Riverside County, between Route 60 in Jurupa Valley/Eastvale and Cajalco Road in Corona, and shall include the Interstate 15 Express Lanes southern extension, between El Cerrito Road in Corona and State Route 74 (Central Avenue) in Lake Elsinore, once constructed and open for public use.

1.22 **RCTC 91 Express Lanes**. The term "RCTC 91 Express Lanes" shall mean and refer to the high occupancy toll facility that RCTC constructed by RCTC on the existing State Route 91 between the Orange/Riverside County line and as far east as the Interstate 15 interchange, including transition areas anticipated to commence as far north as Hidden Valley Parkway on the Interstate 15, as far south as Cajalco Road on Interstate 15 and as far east as Pierce Street on State Route 91.

1.23 **ROFA**. The term "ROFA" shall mean and refer to RCTC-OCTA Facility Agreement or similar separate agreement between the Parties that establishes cost sharing for the Toll Facilities, Additional Vendor Contracts and other services to be shared between the Parties.

1.24 **Revenue or Revenues**. The term "Revenue" or "Revenues" shall mean and refer to gross revenues.

1.25 **SR-91**. The term "SR-91" shall mean and refer to the State Route 91.

1.26 **SR-91 Advisory Committee**. The term "SR-91 Advisory Committee" shall mean and refer to the joint RCTC and OCTA committee, comprised of elected officials, established by Section 130245 of the California Public Utilities Code.

1.27 **Switchable Transponder**. The term "Switchable Transponder" shall mean and refer to a Transponder that allows Customers to declare when they are using the RCTC Express Lanes other than as a full toll paying vehicle, such as a reduced toll paying vehicle or as an exempt vehicle.

1.28 **Toll Pricing Policies**. The term "Toll Pricing Policies" shall mean and refer to policies adopted by each Party for setting toll prices and rates for Customers.

1.29 **Toll Related Facilities**. The term "Toll Related Facilities" shall mean and refer to the Anaheim Facility and the Corona ROC.

1.30 **Transponder**. The term "Transponder" shall mean the in-vehicle electronic toll paying device issued for use or usable for the Express Lanes, which allows for automatic transaction identification at electronic toll collection facilities.

DRAFT

ARTICLE 2

RELATIONSHIP BETWEEN THE PARTIES.

2.1 Joint Operator. The Parties acknowledge and agree that various terms of this Cooperative Agreement are based on the assumption of a joint Operator. If, at any time during the term of this Cooperative Agreement, the Parties cease jointly contracting with a joint Operator, the Parties agree and acknowledge that the terms of this Cooperative Agreement shall be modified as necessary to reflect multiple operators of the Express Lanes.

2.2 Procurement of New Operator. In the event of a termination of the Operations Agreement for default or for any reason during the term of this Cooperative Agreement, the Parties agree to cooperate as equal parties in the procurement of a new operator and such new procurement shall take into account a scope of work that applies to both the OCTA 91Express Lanes and the RCTC 91 Express Lanes, and if agreed upon by the Parties, the RCTC 15 Express Lanes. OCTA and RCTC staff shall each have the joint right to participate in the development of, review and approve the new operator procurement documents, scope of work, technical provisions and form of operator contract, participate in and approve the recommendation for selection of the new operator to the governing boards and negotiate the terms and conditions of such new operations contract. Each Party shall bear its own costs in connection with such new procurement.

2.3 Approval or Agreement of the Parties. Except as otherwise expressly provided, or where the context indicates otherwise, where the approval or agreement of one or both of the Parties is required by a provision of this Cooperative Agreement, such approval or agreement may be given or made by each Party's Designated Executive Representative. Notwithstanding the foregoing, this Section is not intended to authorize the Parties' Designated Executive Representatives to make decisions or to enter into agreements for which approval of a Party's governing board or other person or body is otherwise required by law or pursuant to an adopted policy of a Party.

2.4 Reevaluation of Cost and Revenue and Allocation. The Parties agree to re-evaluate, in good faith, the Cost and Revenue and Allocation annually or as otherwise required. As of said reevaluation date(s), the Cost and Revenue and Allocation may be subject to change upon mutual agreement, with each Party acting in good faith. Any change to the Cost and Revenue and Allocation shall be made pursuant to a mutually agreed written amendment to Exhibit "A" of this Cooperative Agreement.

2.5 Communication and Cooperation.

2.5.1 The Parties agree that communication and cooperation between OCTA and RCTC is critical to the successful and seamless operation of the Express Lanes in both Riverside and Orange Counties.

2.5.2 Communication and cooperation is necessary during operation of the Express Lanes.

2.5.3 It is the intent of the Parties that communication and cooperation be accomplished through various forums, including as follows:

DRAFT

(a) For the 91 Express Lanes, meetings of the SR-91 Advisory Committee.

(b) Meetings of or communications between the Designated Executive Representatives.

(c) Individual or small group meetings, which shall be called as necessary to address specific issues related to the Express Lanes. Other affected public agencies or parties shall be invited to attend such meetings as the Parties determined necessary or beneficial.

(d) Communications between operational staff of RCTC and OCTA on an ongoing and as-needed basis.

2.6 Toll Related Facilities.

2.6.1 General Provisions Regarding Toll Related Facilities

(a) The Parties acknowledge that OCTA is the lease holder for the Anaheim Facility and that OCTA shall use reasonable efforts to reduce the square footage with the lessor or relocate the operation to a new location upon the termination of the 2031 lease. The Parties agree that they will share the cost of the facility and agree to any improvements or betterments as shall be further set forth in the ROFA.

(b) The Parties acknowledge that RCTC is the owner of the Corona ROC. RCTC will amend its existing facility license agreement with the Operator to establish the Operator's rights and responsibilities related to use of the Corona ROC. The Parties agree that they will share the cost of the facility and agree to any improvements or betterments as shall be further set forth in the ROFA.

(c) It is the intent of the Parties that both Parties will jointly utilize and operate the Toll Related Facilities, and that the Parties will share in the operating and maintenance costs for the Toll Related Facilities as shall more particularly be set forth in the ROFA.

2.6.2 Anaheim Facility.

(a) It is intent of the Parties that OCTA shall remain the sole lease holder of the Anaheim Facility, and that RCTC shall have an irrevocable license and right to use thereof through the term of this Cooperative Agreement, and for any additional period as further set forth herein. It is not intended that RCTC become a lessee, co-lessee or sublessee of the Anaheim Facilities. Notwithstanding the foregoing, however, it is the intent of the Parties that RCTC shall have equal rights of access and use of the Anaheim Facility as does OCTA.

(b) OCTA shall not terminate its lease for the Anaheim Facility nor change any material provisions thereof, without RCTC's prior written approval, in its reasonable discretion.

(c) If the lease expires or is terminated or the location of the Anaheim Facility is changed as a result of the expiration or termination of OCTA's lease therefor or

DRAFT

otherwise, the Parties shall mutually agree on the terms of any new lease and shall modify the provisions of this Cooperative Agreement to address, as applicable, the new or extended lease, the new location and relevant circumstances of the Toll Related Facilities.

(d) OCTA shall confer with RCTC no less than twelve (12) months prior to expiration of OCTA's lease for the Anaheim Facility regarding the terms and conditions for renegotiation of said lease and/or regarding any potential change in the ownership or location of the Anaheim Facility. Notwithstanding the foregoing sentence, if the Anaheim Facility will require relocation at the expiration of OCTA's lease for the Anaheim Facility, OCTA shall confer with RCTC as soon as OCTA determines the same, but in no event less than twelve (12) months prior to the expiration of said lease.

(e) Cost sharing for operating and maintenance costs for the existing Anaheim Facility, including building lease costs; utility expenses; property insurance costs; office equipment costs; back office system maintenance costs; telephone maintenance costs; and computer hardware, equipment repairs, equipment/servers maintenance and software licenses for equipment and programs utilized at the Anaheim Facility, shall be as further set forth in the ROFA.

2.6.3 Corona Regional Operations Center

(a) It is intent of the Parties that RCTC shall remain the sole owner of the Corona ROC, and that OCTA shall enter into a lease agreement with RCTC providing OCTA the right to use thereof through the term of this Cooperative Agreement, and for any additional period as further set forth herein. It is the intent of the Parties that OCTA shall have equal rights of access and use of the ROC as does RCTC, with OCTA's rights to be further detailed in the lease agreement.

(b) RCTC shall not sell or lease for the Corona ROC nor materially change any use of the Corona ROC without OCTA's prior written approval, in its reasonable discretion.

(c) The Parties shall share in RCTC's operating and maintenance costs for the Corona ROC as shall be further detailed in the lease and ROFA.

2.7 Objectives Regarding Operation of 91 Express Lanes and Consolidated Back Office.

2.7.1 RCTC is and shall continue to be responsible for operating and maintaining the RCTC 91 Express Lanes in Riverside County and the RCTC 15 Express Lanes. RCTC shall also continue to be solely responsible for its debt service obligations, ongoing routine and capital maintenance and for future capital improvement projects related to the RCTC 91 and RCTC 15 Express Lanes.

2.7.2 OCTA is and shall continue to be responsible for operating and maintaining the OCTA 91 Express Lanes in Orange County. OCTA shall also continue to be solely responsible for its debt service obligations, ongoing routine and capital maintenance and for future capital improvement projects related to the OCTA 91 Express Lanes.

DRAFT

2.7.3 It is the intent and objective of the Parties to operate the 91 Express Lanes in both Orange County and Riverside County so that Customers will experience a seamless transition between the two facilities, and will view the 9I Express Lanes as a single facility. The Parties agree to cooperate in order to facilitate this goal.

2.7.4 It is the intent and objective of the Parties to achieve cost savings and other benefits by consolidating the 91 Express Lanes with the RCTC 15 Express Lanes under the Consolidated Back Office.

2.7.5 The Parties intend that each Party will pay its own share of the cost to operate the Express Lanes and the Toll Related Facilities, as more particularly described in this Cooperative Agreement.

2.7.6 Joint and Non-Joint Expenditures.

(a) In order to achieve economies of scale, the Parties agree to jointly share certain costs related to operation of the Express Lanes based on the Cost and Revenue and Allocation.

(b) Each Party shall be solely responsible for Non-Joint Expenditures related solely to operation or maintenance of its respective portion of the Express Lanes (e.g., where the other Party's portion of the Express Lanes are not benefited by such operations or maintenance). "Non-Joint Expenditures" may include, but are not limited to: auditing services, general counsel services, bond counsel services, trustee services, rating fees, financial advisory services, management consultant services, traffic and revenue consultant services, Caltrans maintenance expenses, California Highway Patrol enforcement contracts, engineering paving analysis services, 91 or 15 implementation plan costs, electronic traffic and toll management maintenance agreement costs, camera maintenance agreement costs, collection services, court costs, variable message sign maintenance, lane closures, service vehicle costs and tow trucks.

2.7.7 Mutual Aid in Case of 91 Express Lanes Related Emergency.

(a) The Parties agree to share resources in case of emergencies, and to provide mutual aid as needed. In the case of an emergency, the Operator, if the Parties have selected a joint operator, will utilize the resources of both Parties that are under its control to respond to a 91 Express Lanes related emergency.

(b) Except as may be otherwise set forth in the Operations Agreement, the Operator, if the Parties have selected a joint Operator, shall have the power and authority to utilize the tow trucks and other resources of both Parties to respond to an emergency on any portion of the 91 Express Lanes, however, if a second emergency or multiple emergencies occur, the Operator shall remove trucks as needed from the site of the first emergency to address the needs related to the subsequent emergencies.

2.7.8 Maintenance of 91 Express Lanes. The Parties agree that maintenance of the 91 Express Lanes in good condition and repair is of primary importance to both Parties, and to the successful and seamless operation of the 91 Express Lanes. Each Party shall take reasonable

DRAFT

steps to ensure that its respective segment of the 91 Express Lanes will be in good condition and repair in accordance with its obligations under its respective separate agreement with Caltrans.

2.8 Customer Accounts.

2.8.1 The Parties agree that, as of the Effective Date, it is in the best interest of both Parties and of Customers to create and maintain Customer Accounts through a single entity.

2.8.2 Except as otherwise mutually agreed by the Parties, in their reasonable discretion, or as otherwise provided herein, OCTA shall be considered the "account holding agency" for purposes of creating and maintaining Customer Accounts. In connection with the opening of the RCTC 15 Express Lanes, RCTC elected to also become an "account holding agency" for purposes of creating and maintaining Customer Accounts.

2.8.3 The RCTC 15 Express Lanes customer accounts will be combined with the 91 Express Lanes accounts, and OCTA will be permanently considered the account holding agency.

2.8.4 The Parties shall cooperate on the transfer of Customers and Customer Accounts from RCTC to OCTA in order to provide a smooth transition for Customers.

2.8.5 The Operator shall manage transactions for new and existing Customer Accounts and Customers for the Express Lanes, including transactions with Other Toll Entities for toll charges incurred by Customers on any portion of the Express Lanes and for toll charges incurred by Customers on toll facilities of Other Toll Entities.

2.8.6 RCTC shall be solely responsible for handling any claims or lawsuits regarding toll violations and/or collection prosecutions arising from the RCTC 15 Express Lanes which are not part of the 91 Express Lanes, and nothing contained in this Cooperative Agreement shall create any liability on the part of OCTA for any such claims or lawsuits. RCTC shall solely bear all costs in connection with its efforts to handle such claims or lawsuits.

2.8.7 Subject to RCTC's compliance with OCTA's existing agreements with Customers and applicable laws related to Customer privacy and recordkeeping, OCTA agrees to provide RCTC equal and timely access through the Operator to the full database and all other information regarding existing and new Customer Accounts. OCTA shall continue to utilize a Customer Agreement that (a) to advises Customers that RCTC owns and operates a portion of the 91 Express Lanes and is an express third party beneficiary of, and may enforce, Customer obligations under the Customer Agreement directly related to Customers' use of the RCTC 91 Express Lanes; (b) reflects that RCTC will have access to California Highway Patrol reports of incidents on the 91 Express Lanes; (c) reflects that RCTC will have access to Customer Account information for purposes related to RCTC's ownership and operation of the RCTC 91 Express Lanes, including, but not limited to, collecting and enforcing tolls, fines and/or other charges; and (d) to add RCTC as an express beneficiary to the release, indemnification, and disclaimer of representations/warranties provisions of the Customer Agreement. Any changes to the Customer Account agreement shall be agreed upon by the Parties prior to use with Customer.

DRAFT

2.9 Customer Account Business Rules

2.9.1 The Parties agree that, where practicable, it is in the best interest of Customers to maintain and implement consistent Customer Account Business Rules

2.9.2 RCTC utilizes and adopted Customer Account Business Rules consistent with OCTA's Customer Account Business Rules. Any changes to the Customer Account Business Rules must be reviewed and approved by the Parties' Designated Executive Representatives.

2.9.3 If the Parties' Designated Executive Representatives are unable to reach consensus on proposed changes to the Customer Account Business Rules, the matter shall be referred to the CEO and the Executive Director, respectively.

2.9.4 If the CEO and Executive Director are unable to reach consensus on changes to the Customer Account Business Rules, the matter may be referred to additional dispute resolution procedures as may be agreed upon by the Parties.

2.9.5 The Parties shall each be responsible for adopting and implementing their own Toll Pricing Policies, including pricing for reduced toll paying vehicles. Notwithstanding the foregoing, the Parties intend to maintain reasonably consistent Toll Pricing Policies.

2.10 Express Lanes Marketing.

2.10.1 General Principles.

(a) The Parties agree that it is in the best interest of each Party to create and implement consistent branding and marketing for the Express Lanes.

(b) The Parties agree that the OCTA 91 Express Lanes and the RCTC 91 Express Lanes shall be referred to jointly, for branding and marketing purposes, as the "91 Express Lanes" unless the Parties agree otherwise in writing, in their reasonable discretion.

(c) The Parties agree that the RCTC 15 Express Lanes joint branding will be mutually agreed upon, and will sufficiently represent the RCTC 15 Express Lanes while retaining the 91 Express Lanes trademark.

(d) The "branding" and marketing for the entirety of the 91 Express Lanes shall recognize the ownership of both OCTA and RCTC. Each Party shall cooperate on marketing and outreach efforts for the 91 Express Lanes.

(e) The Parties agree to cooperate in developing marketing and branding materials and plans. If the Parties are unable to agree on a joint marketing plan, each Party shall be entitled to undertake its own marketing, subject to the provisions of this Section.

2.10.2 Marketing Materials and Website.

DRAFT

(a) The Parties agree that all advertisements, regardless of format, web-based and printed materials and joint facilities and equipment utilizing the 91 Express Lanes logo shall also include the logos for both OCTA and RCTC.

(b) The Parties shall share the cost of marketing materials or programs for the Express Lanes that are of mutual benefit to both Parties, including Express Lanes surveys, welcome postcards and brochures, based on the Cost and Revenue and Allocation.

(c) The website for the 91 Express Lanes shall include the OCTA 91 Express Lanes, the RCTC 91 Express Lanes and the RCTC 15 Express Lanes, and each Party shall have joint access, and ability to post materials, to the website.

(d) OCTA and RCTC shall continue to jointly produce the Express Lanes quarterly newsletter, with cost sharing for such production to be based on the Cost and Revenue and Allocation.

2.10.3 Review of Marketing Materials.

(a) The Parties intend that neither Party will market the Express Lanes, or any portion thereof, in a manner that will negatively impact the other Party or the portion of the Express Lanes operated by the other Party.

(b) Each Party shall submit all marketing materials and programs for the Express Lanes for review and concurrence of the other Party, in its reasonable discretion, prior to publicly disseminating such materials.

(c) Should a dispute arise regarding marketing materials for the Express Lanes, such dispute shall be submitted to the dispute resolution process set forth in this Cooperative Agreement.

2.10.4 In furtherance of the provisions of this Section, for so long as this Cooperative Agreement is in effect, each Party hereby authorizes and grants the other Party the right to use, free of charge, all registered trademarks and/or service marks held by either Party related to the Express Lanes to the extent necessary for joint Express Lanes branding and marketing purposes. Following termination of this Cooperative Agreement for any reason, each Party shall have the right to continue to use any registered trademarks and/or service marks held by the other Party, which are being utilized for joint branding and marketing purposes at the time of such termination, for Express Lane branding and marketing, provided that such Party pays the Party holding the trademarks and/or service marks reasonable compensation in an amount mutually agreed upon by the Parties in their reasonable discretion.

2.10.5 Each Party has and shall maintain its own licensing agreement with Fastrak for use of the Fastrak logo or other Fastrak materials.

DRAFT

2.11 Changes in Technology; Interoperability.

2.11.1 The Parties acknowledge that either Party may require changes in tolling technology and that cooperation between the Parties will be required to ensure continued interoperability of tolling technology and Transponders used on the Express Lanes.

2.11.2 The Party implementing technology changes shall be responsible for covering reasonable costs associated with such changes, and shall ensure interoperability of the new technology with existing tolling technology and Toll Related Facilities. Notwithstanding the foregoing, if both Parties will benefit from adoption of a new technology, the Parties shall consider, in good faith, an equitable manner of sharing the costs for implementation of the new technology. Determinations regarding equitable cost sharing shall be part of the procedure for requests for technology changes set forth below.

2.11.3 Switchable Transponders.

(a) Any Customer Accounts or Customers

(b) that desire to have an option to use the Express Lanes other than as a full toll paying vehicle, such as a reduced toll paying vehicle or an exempt vehicle, shall be entitled to request a Switchable Transponder. The Parties shall equally share in the cost of purchasing Transponders based on the Cost and Revenue and Allocation.

2.11.4 Procedure for Technology Changes.

(a) In order to ensure that any changes in tolling technology desired by either Party are fully interoperable with the then-existing tolling and operational systems and/or will not cause the other Party to incur unapproved additional costs that will not be reimbursed by the requesting Party, prior to making any changes in Transponders, tolling hardware, tolling software or other tolling technology, the Party desiring the changes shall obtain a determination by the other Party's Designated Executive Representative that the proposed change(s) are both interoperable and will not cause any additional costs to the other Party. Any changes that are not fully interoperable with then-currently implemented and existing tolling and operational systems used for operation of the Express Lanes and/or any changes that may cause the other Party to incur unapproved additional costs that will not be reimbursed by the requesting Party shall require approval of the other Party's Designed Executive Representative. Requests to the appropriate Designated Executive Representative for a determination regarding proposed changes in tolling technology or for approval of proposed changes in tolling technology shall include the following, as applicable (i) information detailing interoperability of the changed elements; (ii) information detailing any changes to the existing Toll Related Facilities, tolling systems and operational systems that may 'be required to incorporate the proposed changes with then-currently implemented and existing tolling systems and operational systems used for operation of the 91 Express Lanes; and (iii) information detailing compliance of the changes to 6C tolling (or any subsequent equivalent standard).

(b) If the Parties' Designated Executive Representatives are unable to reach consensus on adoption of any changes in Transponders, tolling hardware, tolling software or other tolling technology, on whether the proposed changes will cause additional costs to the other

DRAFT

Party or on the interoperability of proposed changes, the matter shall be referred to the CEO and the Executive Director, respectively.

(c) If the CEO and the Executive Director are unable to reach consensus on changes in Transponders, tolling hardware, tolling software or other tolling technology, on whether the proposed changes will cause additional costs to the other Party or on the interoperability of proposed changes, the matter may be referred to additional dispute resolution procedures as may be agreed upon by the Parties.

(d) The Parties agree that any approval of technology changes as set forth herein may require further action by the governing bodies of both or either Party, and no action hereunder shall bind the governing bodies of either Party as to such action, nor shall any action be considered final until all required approvals have been obtained.

2.12 Agreements with Other Toll Entities.

2.12.1 Unless otherwise agreed upon by the Parties, OCTA, as the "account holding agency" shall represent the interests of both Parties under OCTA's existing cooperative user fee processing agreements with Other Toll Entities as relates to the Express Lanes.

2.12.2 RCTC was previously included under OCTA's cooperative user fee processing agreements with Other Toll Entities for the 91 Express Lanes. OCTA will amend these agreements, as may be necessary, to include the RCTC 15 Express Lanes. The Parties established a mutually acceptable process to allocate payments and/or credits from Other Toll Entities between the Parties. Any changes to that process shall be agreed upon in advance by the Parties.

2.12.3 OCTA shall be the signatory for charges to and from the Other Toll Entities incurred pursuant to the cooperative user fee processing agreements.

ARTICLE 3

USE OF OPERATOR

3.1 Objectives Related to Use of Operator.

3.1.1 It is the intent of the Parties that the Existing Operator Agreement will be terminated, and the Parties will enter into an Amended and Restated Operations Agreement with Kapsch, as the Operator, for the Consolidated Back Office. The Operator shall operate the 91 Express Lanes and RCTC 15 Express Lanes as a single toll facility in order to create a seamless experience for Customers. The Parties may add other toll facilities they operate to the operation.

3.1.2 By jointly contracting with the Operator, the Parties desire to minimize extra work and personnel and duplication of services by the Operator, and to minimize the increase in operating costs of the Express Lanes, in order to lower operating costs for both OCTA and RCTC.

3.1.3 By jointly contracting with the Operator, the Parties further desire to minimize conflicting directions that may be provided to the Operator by the Parties, and to maximize the opportunity for sharing of resources and costs, as may be beneficial to both Parties.

DRAFT

3.2 Operator Services.

3.2.1 The Parties intend that the Operations Agreement shall provide that:

(a) In operating the Express Lanes customer service center, the Operator shall not differentiate between RCTC and OCTA in providing services to Customers.

(b) In responding to Emergencies, the Operator shall utilize all of its resources under the Operations Agreement in the most efficient manner to protect the public and the 91 Express Lanes and to reduce any liability that either Party may incur.

(c) In complying with reporting requirements under the Operations Agreement, it is the intent of the Parties that the Operator shall use the same performance measures and reporting format for both Parties, as the same may be modified for compliance with each Party's financing requirements. Special reporting needs shall be accommodated by the Operator upon request of either Party.

3.2.2 At least five (5) years prior to expiration of the term of the Operations Agreement, as extended, the Parties shall meet and confer to determine whether or not to negotiate an amendment to the Operations Agreement extending the term thereof, to negotiate a new Operations Agreement with the Operator, or to procure a new operator jointly or individually for the 91 Express Lanes and RCTC 15 Express Lanes and/or other Express Lanes facilities.

3.2.3 Termination.

(a) If one Party believes that the Operator is in default under the Operations Agreement, the Designated Executive Representatives shall meet and confer regarding the alleged Operator default. Following such meeting, and in addition to any other procedures required pursuant to the Operations Agreement, the Parties shall jointly meet with the Operator regarding the default to determine if cure is possible and to facilitate, as the Parties deem desirable, such cure.

3.2.4 Procedures and Party's Rights in Event of Disagreement Regarding Continued Use of the Operator.

(a) If the Operations Agreement Representatives are in disagreement regarding an alleged uncured or uncurable default of the Operator per the terms of the Operations Agreement and whether to terminate all or a portion of the Operations Agreement pursuant to the Parties' termination rights thereunder, or if the Operations Agreement Representatives are unable to reach consensus regarding the continued use of the same Operator prior to termination of the Operations Agreement, prior to a recommendation being made to either Party's full governing board:

(i) The matter shall be referred for further discussion and negotiation to the Designated Executive Representatives; and

(ii) The matter shall be submitted to the dispute resolution process of this Cooperative Agreement.

DRAFT

(b) If, following completion of the dispute resolution process contained in this Cooperative Agreement, the Parties are unable to reach agreement regarding continued joint use of the Operator's services then:

3.3 In the case of the Operator's alleged uncured or uncurable default and provided that the Parties are able to negotiate such right under the Operations Agreement, either Party shall have the right to unilaterally terminate the Operations Agreement as per said Party's rights and obligations, as the Parties intend shall be further set forth in the Operations Agreement.

3.4 Joint Procurement of New Operator. If the Operations Agreement is mutually terminated by the Parties or expires without extension thereof, the Parties shall jointly solicit a new operator for the Express Lanes. OCTA and RCTC agree to cooperate as equal parties in the procurement of such new operator. OCTA and RCTC shall each have the joint right to participate in the development of, review and approve the new operator procurement documents, scope of work, technical provisions and form of operator contract, participate in and approve the selection of the new operator and negotiate the terms and conditions of such new operations contract. Each Party shall bear its own costs in connection with such new procurement. RCTC and OCTA shall each be parties to any new operator contract as described in this Section.

ARTICLE 4

COST SHARING FOR OPERATOR COSTS

4.1 Operator Costs As of Notice to Proceed with Consolidated Back Office Transition. Commencing with the issuance of notice to proceed under the Operations Agreement for the work to transition to the Consolidated Back Office, RCTC and OCTA intend to jointly and equitably share the cost of the Operator's services, as detailed in the Operations Agreement.

ARTICLE 5

COST SHARING FOR ADDITIONAL SERVICES RELATED TO OPERATION OF THE 91 EXPRESS LANES

5.1 Additional Vendor Contracts. OCTA and RCTC intend and anticipate that, by either jointly contracting with consultants/vendors under certain additional vendor contracts required for the Express Lanes ("Additional Vendor Contracts"), or by sharing in the cost for such contracts that may be held by only one Party, the Parties will minimize extra work and duplication of services by the identified consultants/vendors, and will thereby reduce the operating costs of the Express Lanes. Notwithstanding the foregoing, the Parties understand and agree that it may be necessary or desirable for the Parties to separately contract for some of the services with no cost sharing.

(a) For any Additional Vendor Contracts that are held by only one Party the Additional Vendor Contract, when the Parties deem necessary, shall include indemnification and additional insured requirements to benefit of both Parties, and the non-contracting Party shall be a designated third party beneficiary, and, as applicable, a designated representative shall be included under the contract.

DRAFT

(b) A Party shall not terminate its rights under the relevant Additional Vendor Contract, exercise any extension option or change any material provisions thereof, without the other Party's prior written approval, in its reasonable discretion.

(c) The contracting Party shall confer with the other Party no less than six (6) months prior to expiration of the term of the relevant Additional Vendor Contract regarding the terms and conditions for extension or renegotiation of said contract.

(d) The non-contracting Party's designated representative under the relevant Additional Vendor Contract shall have the same rights as the contracting Party's designated representative thereunder to direct the services of the relevant consultant/vendor.

(e) Neither Party shall unilaterally provide any direction to the consultant/vendor under the relevant Additional Vendor Contract that would materially impact the other Party's portion of the 91 Express Lanes, or that would result in harm, increased costs or loss of Revenue to the other Party.

(f) Following the expiration or termination of any Additional Vendor Contract, the Parties shall confer on how to contract for such services from and after such expiration or termination, it being the intent of the Parties that such future contracting shall be on a joint basis.

5.1.2 Cost sharing under the Additional Vendor Contracts shall be in accordance with the Cost and Revenue and Allocation, or as set forth in the ROFA.

5.2 Reimbursement for Staff Time. If either Party requests the use of the other Party's staff for the benefit of the requesting Party's operation of its segment of the 91 Express Lanes, the requesting Party shall compensate the other Party for the actual cost of such staff time.

ARTICLE 6

CUSTOMER ACCOUNTS AND TOLLS

6.1 Establishment of Accounts; Handling and Allocation of Deposits.

6.1.1 OCTA, RCTC and a custodial financial institution acceptable to both Parties ("Custodian") entered into an agreement to govern the custody and processing of all toll and Transponder Revenues generated on the Express Lanes (the "Custodial Account Agreement").

6.1.2 The Parties agree to keep in place the Custodial Account Agreement or a replacement custodial agreement in full force and effect throughout the term of this Cooperative Agreement, except as to any rights of RCTC to enter into its own separate agreement with a financial institution for maintenance of RCTC toll Revenues in relation to RCTC 15 Express Lanes Customer Accounts.

6.1.3 The Custodial Account Agreement shall provide for:

DRAFT

(a) The establishment of a Customer Account, and Other Toll Entities Account, as defined in Exhibit "B", under the Custodial Agreement (the "Master Custodial Accounts"),

(b) Handling and allocation of deposits to and from the Master Custodial Accounts shall be as further set forth in Exhibit "B".

6.2 Customer Accounts.

6.2.1 OCTA shall maintain Customer Accounts for the benefit of both Parties, and RCTC's existing Riverside Express Customer Accounts will be transferred to OCTA. OCTA shall hold funds for such accounts in the Express Lanes Customer Account and the Express Lanes Customer Funds Account, as those terms are defined in Exhibit "B", as applicable, in accordance with the Custodial Account Agreement and, to the extent not inconsistent with such Custodial Account Agreement, OCTA policies and practices.

6.2.2 Debits and credits to the Express Lanes Customer Account and the Express Lanes Customer Funds Account shall be managed in accordance with the Custodial Account Agreement and, to the extent not inconsistent with such Custodial Account Agreement, OCTA policies and practices.

6.2.3 Any changes to OCTA policies and practices related to Customer Accounts, including changes in the processing and payment of tolls and other charges, and/or handling of funds and deposits thereunder, must be reviewed and approved by the Parties' Designated Executive Representatives,

6.2.4 The Parties agree that any cash, credit card or other deposits maintained by Customers to fund their Customer Accounts shall not constitute Revenues generated from tolls or Transponders and earned by either of the Parties or be due to either Party until debited from the respective Customer Account and allocated to one of the Parties as provided herein for the Customer's use of the 91 Express Lanes in accordance with the Custodial Account Agreement

6.2.5 The Parties agree that all interest earned on Customer deposits from Customer Accounts shall be split between the Parties based on the Cost and Revenue and Allocation on Customer deposits to which RCTC is entitled shall be transferred to an RCTC account, as directed by RCTC, on a monthly basis. Interest on Customer deposits to which OCTA is entitled shall be transferred to an OCTA account, as directed by OCTA, on a monthly basis,

6.3 Toll Revenues and Other Funds.

6.3.1 The Parties agree, and any agreement with the Custodian shall expressly state, that RCTC toll, account and other Revenues allocated to RCTC as provided herein shall at no time be pledged or transferred to any OCTA account and shall only be pledged or transferred to an account designated by RCTC pursuant to the terms of the Custodial Account Agreement. OCTA shall have no interest in such Revenues; and shall not be entitled to access such funds for its own use and OCTA bondholders and lenders shall have no claim, right or interest in and to such funds. To the extent that OCTA receives or otherwise obtains such Revenues, OCTA shall hold

DRAFT

such Revenues as an agent and bailee and shall promptly remit such Revenues to the Custodian for deposit into the appropriate Custodial Account Agreement.

6.3.2 The Parties agree, and any agreement with the Custodian shall expressly state, that OCTA toll, account and other Revenues allocated to OCTA as provided herein shall at no time be pledged or transferred to RCTC or to any RCTC account and shall only be pledged or transferred to an account designated by OCTA pursuant to the terms of the Custodial Account Agreement. RCTC shall have no interest in such Revenues; and shall not be entitled to access such funds and RCTC bondholders and lenders shall have no claim, right or interest in and to such funds. To the extent that RCTC receives or otherwise obtains such Revenues, RCTC shall hold such Revenues as an agent and bailee and shall promptly remit such Revenues to the Custodian for deposit into the appropriate Custodial Account under the Custodial Account Agreement.

6.3.3 The Parties agree, and any agreement with the Custodian shall expressly state, that should either Party default on any of its debts, bondholders or other secured interests of the defaulting Party shall have no right to access any funds allocated to the other Party or to which the other Party is entitled.

6.3.4 RCTC shall direct that any and all Revenues transferred or allocated to RCTC from the Custodian shall be deposited with the trustee for the bonds or other depository that shall be directed to use such Revenues first to pay OCTA for any outstanding operating expenses, the Operator or any other vendor providing joint services, as applicable, for any amounts owed by RCTC to OCTA hereunder for operating expenses or to the Operator or such vendor, as applicable, prior to the use of such Revenues for payment of debt service, funding reserves or any other purpose.

6.3.5 OCTA's existing agreements and financing documents provide that the Custodian must deposit with the trustee for the bonds or other depository: such Revenues and the trustee or other depository: is required first to pay RCTC for any outstanding operating expenses, the Operator or any other vendor providing joint services, as applicable, for any amounts owed by OCTA to RCTC hereunder for operating expenses or to the Operator or such vendor, as applicable, prior to the use of such Revenues for payment of debt service, funding reserves or any other purpose. OCTA shall, in no event, modify or alter the foregoing obligations and flow of funds without the prior written approval of RCTC, in its sole discretion.

6.3.6 The Parties agree that neither Party shall have ownership of any Revenues while Revenues are held by the Custodian but shall have the rights granted under the Custodial Account Agreement to have Revenues allocated to either Party as provided in the Custodial Account Agreement.

6.4 Administrative Fees.

6.4.1 The Parties acknowledge that certain administrative fees are currently imposed on Customer Accounts including minimum monthly Customer Account maintenance fees, "Express Club" fees, convenience account fees, account deactivation fees, lost/stolen Transponder fees, standard account fees and other miscellaneous fees ("Administrative Fees"). After the effective date of the Custodial Account Agreement, all of such fees shall be deposited

DRAFT

and paid to a Custodial Account pursuant to the terms of the Custodial Account Agreement. As used herein, the term "Administrative Fees" shall not include any administrative fees imposed for toll violations or in connection with toll enforcement or collections of unpaid tolls.

6.4.2 The Parties agree that any changes to the schedule of Administrative Fees, including changes in the amounts or nature of Administrative Fees, the elimination or suspension of such Administrative Fees or the addition of new administrative fees must be reviewed and approved by the Parties' Designated Executive Representatives.

6.4.3 All Revenues generated from Administrative Fees and any other miscellaneous income generated from Customer Accounts, except as otherwise expressly provided herein, shall be equitably split by the Parties based on the Cost and Revenue Allocation. .

6.5 Transponder Issuance Deposit. The Parties agree that all Revenues generated from interest on Transponder deposits shall be split between the Parties based on the Percentage Revenue Split. After the effective date of the Custodial Account Agreement, all of such Transponder issuance deposits shall be deposited and paid to a Master Account pursuant to the terms of the Custodial Account Agreement.

6.6 Handling of Toll Violations.

6.6.1 The Parties agree that Customers and other users of the Express Lanes shall incur separate fines and administrative fees for toll violations on the OCTA 91 Express Lanes RCTC 91 Express Lanes, or RCTC 15 Express Lanes, respectively, and shall be separately notified and billed for such violations.

6.6.2 Each Party shall be solely responsible for handling toll violations, consistent with the Customer Account Business Rules, occurring on that Party's Express Lanes including enforcement and collection of outstanding tolls, and imposition of penalties and fines. Each Party shall solely bear its own costs in connection with such efforts to handle such toll violations. Such discretion includes the right to outsource toll violation collections to a collections agency.

6.6.3 Each Party shall have the sole right to reduce fines/penalties, settle toll violations and/or to prosecute toll violators for violations occurring on that Party's portion of the 91 Express Lanes.

6.6.4 Each Party shall have the sole right to any Revenues generated from toll violations, fines and penalties; collection of disputed tolls; plate read fee income; and violation processing fees related to toll violations occurring on that Party's Express Lanes.

6.7 Insufficient Funds in Customer Account.

6.7.1 If a Customer has insufficient funds in his/her Customer Account, and the Customer incurs a toll charge on both RCTC and OCTA Express Lanes, the Parties agree that funds shall be allocated based on the timing of the toll transaction, with the first transaction to be paid first and the second transaction to be paid with remaining funds, if any.

DRAFT

6.7.2 Monies recovered from Customers for penalties and toll violations shall be allocated on a pro-rata basis based on the amounts owed to each Party at the time of receipt of payment.

6.8 Reporting Requirements/Audit Rights. The Parties shall have the right to require the Operator and/or the Custodian, as applicable, to provide quarterly reporting relating to the number of new Transponders issued, the number of new Customer Accounts, the number of cancelled or suspended Customer Accounts, the total number of Transponders in service, the total number of Customer Accounts, the total Customer deposits and interest earned on such deposits, the toll, account and other Revenue generated on the Express Lanes, and each portion thereof, administrative fees charged, and other fees charged and/or costs incurred related to the operation of the Express Lanes. Either Party may request more frequent reporting, provided that the costs thereof shall be paid by the requesting Party.

6.9 Recourse for Lost Funds. As between the Parties, if either Party, at any time, holds funds that should have been allocated to the other Party, the Party holding such funds shall be fully responsible to the other Party for any loss thereof. In no event shall such Party holding such funds have any rights, claim, interest or title in and to such funds.

6.10 Accounting Treatment. Each Party shall be solely responsible for its own accounting related to operation of that Party's Express Lanes, and for writing off lost toll, account and other Revenues in such manner as that Party determines legal and appropriate. In no event shall either Party be deemed to make any representations or warranties as to the other Party's accounting treatment.

6.11 Coordinating Changes in Toll Rates. The Parties shall make a good faith effort to coordinate the timing of any changes in toll rates.

ARTICLE 7

GENERAL MATTERS

7.1 Indemnification.

7.1.1 RCTC shall indemnify, defend and hold OCTA, its directors, officials, officers, employees, agents, consultants and contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident to any breach of contract, negligent acts, omissions or breach of law, or willful misconduct of RCTC, its officials, officers, employees, agents, consultants or contractors (other than the joint Operator or other contractors with which the Parties have a separate joint agreement) arising out of or in connection with performance under this Cooperative Agreement, including the payment of all reasonable attorneys fees.

7.1.2 OCTA shall indemnify, defend and hold RCTC, its directors, officials, officers, employees, agents, consultants and contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of or incident

DRAFT

to any breach of contract, negligent acts, omissions or breach of law, or willful misconduct of OCTA, its officials, officers, employees, agents, consultants or contractors (other than the joint Operator or other contractors with which the Parties have a separate joint agreement) arising out of or in connection with performance under this Cooperative Agreement, including the payment of all reasonable attorneys fees.

7.1.3 Neither Party shall be liable to the other Party for any consequential, special, incidental or indirect damages.

7.2 Recovery of Damages Under Joint Agreements. In the case of recovery of damages from the Operator under the Operations Agreement, or from any other consultant or contractor under any joint agreement of the Parties related to the Express Lanes, such recovery shall be proportionately allocated between the Parties based on the percentage of damage or loss incurred by each Party, taking into account any contributory negligence of either Party.

7.3 Insurance. Each Party agrees to maintain appropriate insurance in such amounts and with such coverage as determined necessary, in its sole discretion. Each Party shall name the other Party as an additional insured under all of its insurance policies related to the use and operation of the Express Lanes, unless provision for additional insureds is not generally available for a policy covered under this Cooperative Agreement. Alternatively, the Parties may determine to jointly procure insurance required for the use and operation of the Express Lanes.

7.4 Termination.. The Parties may terminate this Cooperative Agreement in whole or in part as follows:

7.4.1 Termination for Convenience. Neither Party shall have the right to terminate this Cooperative Agreement for convenience for the term of the Operations Agreement. Following such period, either Party shall have the right to terminate this Cooperative Agreement, in whole or in part, for convenience of the terminating Party, after providing five (5) years' prior written notice of termination to the other Party, provided that the effective date of such termination must coincide with a termination of the Operations Agreement, either in whole or as to the terminating Party's rights and obligations thereunder, as set forth in this Cooperative Agreement. The notice shall specify the grounds for termination and the effective date thereof.

7.4.2 Termination/or Cause.

(a) Default. Subject to any extensions of time set forth in this Cooperative Agreement and/or any extensions agreed upon by the Parties, the following shall constitute a default under this Cooperative Agreement:

(i) Commencement of a voluntary or involuntary action by or against a Party under federal or state bankruptcy law;

(ii) breach of a material bond covenant or failure to make a timely bond payment by either Party under a bond indenture for a toll revenue bond financing of the 91 Express Lanes to which such Party is a party, which breach or failure has not been cured within any applicable notice and cure period set forth in the bond indenture; or

DRAFT

(iii) failure or delay by either Party to perform any material term or provision of this Cooperative Agreement.

(b) Notice of Default. The non-defaulting Party shall give written notice of default to the Party in default, specifying the default complained of by the non-defaulting Party. Except as otherwise expressly provided in this Cooperative Agreement, any failures or delays by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

(c) Failure to Cure. In the event that the defaulting Party fails to commence to cure, correct or remedy a default within thirty (30) calendar days following receipt of written notice, or thereafter fails to diligently complete such cure, correction or remedy, a default of this Cooperative Agreement shall be deemed to have occurred, and the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such default. In the event of a default, the non-defaulting Party may exercise all rights and remedies available at law or in equity, including the right to seek damages, seek specific performance or other injunctive or equitable relief and/or terminate this Cooperative Agreement through a written notice of termination, the effective date of which shall be no less than ninety (90) days from the date of the notice. Disputes regarding the existence of a default that may give rise to termination under this Section shall be subject to the dispute resolution provisions provided below, but the right to exercise rights and remedies for such reason shall not be subject to review. The exercise of a Party's rights and remedies shall be cumulative with the exercise of other rights and remedies. Notwithstanding anything contained in this paragraph, neither Party shall have the right to terminate this Cooperative Agreement while the subject of such termination is in the process of review pursuant to the dispute resolution procedures contained in this Cooperative Agreement.

7.4.3 Cooperation Prior to Termination. Prior to the effective date of either a termination for cause or for convenience, the Parties shall cooperate in good faith to facilitate the transfer of services, agreements, materials, software, equipment and information, as necessary for the continued successful operation by each Party of its Express Lanes.

7.4.4 Survival Following Termination. Notwithstanding any termination of this Cooperative Agreement, and for the best interest of Customers of the 91 Express Lanes, the Parties shall continue to cooperate and coordinate operation of the 91 Express Lanes.

In addition, all rights and obligations under this Cooperative Agreement that by their nature are to continue after any expiration or termination of this Cooperative Agreement, shall survive any such expiration or termination.

7.5 Dispute Resolution. Unless otherwise specified herein, the Parties shall comply with the following procedures in the case of a dispute, claim or controversy arising under or in relation to this Cooperative Agreement. If one of the procedures below has already been completed pursuant to another section of this Cooperative Agreement, the matter shall immediately be submitted to the subsequent procedure.

DRAFT

7.5.1 Submission to Executive Director and CEO. The dispute shall be referred for negotiation to the Executive Director and the CEO. The Executive Director and the CEO agree to undertake good faith attempts to resolve said dispute, claim or controversy within ten (10) calendar days after the receipt of written notice from the Party alleging that a dispute, claimor controversy exists. The Parties additionally agree to cooperate with the other Party m scheduling negotiation sessions.

7.5.2 Submission to Ad Hoc Committee. If said matter is not resolved by the Executive Director and the CEO within thirty (30) calendar days after conducting the first negotiating session, either Party may then request that the matter be submitted to an ad hoc committee comprised of two (2) members of the SR-91 Advisory Committee, with one (1) member from the governing board of RCTC and one (1) member from the governing board of OCTA.

7.5.3 Further Dispute Resolution. If a matter is not timely resolved after submission to a dispute resolution ad hoc committee as described above, the Parties may refer the matter to further dispute resolution procedures, as may be agreed upon by the Parties.

7.5.4 Legal Action. If a matter is not resolved within thirty (30) calendar days after the first negotiating session of the dispute resolution ad hoc committee, unless otherwise agreed upon in writing by the Parties, either Party may proceed with any other remedy available in law or in equity.

7.6 Term. This Cooperative Agreement shall remain in full force and effect, unless otherwise terminated as provided herein, so long as both Parties operate their Express Lanes as a toll facility.

7.7 Force majeure. The failure of performance by either Party (except for payment obligations) hereunder shall not be deemed to be a default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, railroad, or suppliers; acts of the other Party; acts or failure to act of any other public or governmental agency or entity (other than the acts or failure to act of the Parties); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform or relief from default. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause. Times of performance under this Cooperative Agreement may also be extended in w1iting by mutual agreement between the Parties.

7.8 Amendments. This Cooperative Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing; however, no amendments or other modifications of this Cooperative Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors or assigns.

7.9 Assignment of Agreement. Neither Party may assign or transfer its respective rights or obligations under this Cooperative Agreement without the express written consent of the other

DRAFT

Party. Any purported assignment or transfer by one Party without the express written consent of the other Party shall be null and void and of no force or effect.

7.10 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Cooperative Agreement.

7.11 General Interpretation.

7.11.1 As used in this Cooperative Agreement, unless otherwise specified, the tern1"including" shall mean including, but not limited to, or without limitation.

7.11.2 As used in this Cooperative Agreement, unless otherwise specified, the terms "shall" and "will" shall have the same meaning.

7.12 Entire Agreement. This Cooperative Agreement, including the attached exhibits, constitutes the entire agreement between the Parties with respect to the subject matter contained herein. As of the Effective Date, this Cooperative Agreement shall supersede and replace, in its entirety, the Original Agreement.

7.13 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Cooperative Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Cooperative Agreement, which shall be interpreted to carry out the intent of the Parties hereunder.

[Signatures on following page]

DRAFT

SIGNATURE PAGE TO
COOPERATIVE AGREEMENT
FOR STATE ROUTE 91 EXPRESS LANES
AND CORRIDOR IMPROVEMENTS
BETWEEN RIVERSIDE COUNTY TRANSPORTATION COMMISSION
AND
ORANGE COUNTY TRANSPORTATION AUTHORITY

DRAFT

EXHIBIT A

COST AND REVENUE AND ALLOCATION BETWEEN THE EXPRESS LANES

This exhibit sets forth the agreed-upon methodology for sharing revenue and expenses processed through the consolidated back-office and the sharing of Operator costs.

The methodologies are broken down in the following sections:

1. Revenue and Discounts
2. Operator Costs (non pass-through)
3. Pass-through Expenses
4. Allocation Formulas

1. REVENUE AND DISCOUNTS

Toll and Violation Revenue

All toll and violation revenue associated with a specific toll transaction shall be assigned to the entity (OCTA 91 Express Lanes, RCTC 91 Express Lanes, or RCTC 15 Express Lanes) for which the toll plaza is assigned. The assignment of revenue includes tolls, NTEV penalty, NDTEV penalty, Collection Agency Assignment Fee and the DMV Registration Hold Fee.

	OCTA 91 Express Lanes	**RCTC 91 Express Lanes**	**RCTC 15 Express Lanes**
Toll Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Penalty Revenue	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza
Violation Fee Revenue at Transaction Level	OCTA 91 Express Lanes Toll Plaza	RCTC 91 Express Lane Toll Plaza	RCTC 15 Express Lanes Toll Plaza

Toll Transaction Discounts

Discounts given at the transaction level should be assigned to the entity for which the toll plaza is assigned. This includes HOV3+, disabled veteran, disabled plate, motorcycle, standard plan frequent user discount and AAA one/two-week free discount.

Account Level Discounts and Credits

Discounts or credits given at the account level will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50%.

DRAFT

Account-Based Revenue

Prior to consolidation, the 91 Express Lanes had approximately 186,000 accounts compared to the 15 Express Lanes 25,000 accounts. OCTA, as the account-holding agency, will take over the 15 Express Lanes accounts and the 15 EL will no longer "own" accounts. The 91 Express Lanes also offered account plans that the 15 Express Lanes did not have: Express Club and Convenience. The 15 Express Lanes Account Fee revenue will be $550,000 per fiscal year for the term of the agreement. The remaining annual Account Fee revenue will be split evenly between the 91 Express Lanes. The allocation of account-based revenue will not change through the term of this agreement.

If the 15 Express Lanes South is added to the operation, it will not receive any account revenue or change the allocation in any way.

	RCTC 15 FY 25
Express Club	0
Standard Account Fee	346,220
NSF and Statement Fee	47,302
Convenience Fee	0
Account Deactivation	54,293
Transponder	102,185
Totals	550,000

This table is for the purpose of determining the 15 Express Lanes on-going fixed account revenue.

2. OPERATOR COSTS (Non Pass-Through)_

Kapsch BOS Fixed Fee

The Kapsch contract has three fixed fee components: BOS Fixed Fee, CSC Fixed Fee, and BRiC BOS Fixed Fee. The total contract fee for these items (the base contract and 2041 refresh cost plus the 2026 Amended and Restated 91 EL Costs), less the costs of the RCTC ODS program ($555k annually for ODS) and for project management shared with the RCTC roadside ($1.5M annually) will be allocated based on the Entity Transaction Calculation.

91 TOC Costs

All 91 TOC costs shall be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

15 TOC Costs

All 15 EL TOC costs shall be paid by RCTC 15 Express Lanes.

DRAFT

Bad Debt Expense Accounts

Bad debt expense for prepaid customers will be shared equally between the RCTC 91 Express Lanes and OCTA 91 Express Lanes, 50% each.

Bad Debt Expense Violations

Bad debt expense for violations will be assigned to each entity based on toll plaza assignment.

Variable Account Fee

The Kapsch contract has a variable account fee based on the number of active transponder accounts. This fee will be allocated using the Entity Transaction Calculation.

Variable NTEV Fee

The Kapsch contract has a variable violation processing fee based on the number of NTEVs mailed. NTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Back Office System Improvement Costs

The cost of improvements or changes for a specific entity will be paid for by that entity. BOS improvements that benefit all entities shall be split according to the Entity Transaction Calculation.

3. PASS THROUGH EXPENSES

The Kapsch contract includes several pass-through costs that will be paid according to the following allocations.

Credit Card Fees

Credit card fees shall be allocated to each entity based on the Entity Revenue Calculation.

PayNearMe Fees

PayNearMe fees are commonly not a pass-through cost. This fee is charged by PayNearMe to the contracting parties when minimum revenue thresholds are not met. In the instance where this fee is charged, the cost shall be shared by the entities using the Entity Revenue Calculation.

Welcome Kit Postage

Welcome Kit Postage will be allocated based on the Entity Transaction Calculation.

CSC Phone Lines

CSC Phone Lines will be allocated based on the Entity Transaction Calculation.

DRAFT

Violation Postage

The Kapsch contract has a pass-through cost for NTEV and NDTEV mailings. NTEVs and NDTEVs can include trips from all three entities on them. The Entity Violation Calculation will be used.

Administrative Hearings

Administrative Hearing costs will be allocated based on the Entity Transaction Calculation.

Collection Fees

Collection Fees will be allocated based on the toll plaza assignment for the transaction on which the fee was charged.

Miscellaneous Mailing Postage and Fees

Miscellaneous Mailing Postage and Fees will be allocated based on the Entity Transaction Calculation.

4. ALLOCATION FORMULAS

Entity Revenue Calculation

Each year prior to budget development (January), the proportion of entity revenue will be calculated using revenue from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided that no new entity is introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated revenue for the new entity. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll revenue	60,605,242	90,629,646	44,633,972	NA
Violation Penalty Revenue	5,615,410	10,382,059	8,875,611	NA
Fees	1,580,587	2,455,636	726,672	NA
Total	67,801,239	103,467,341	54,236,255	NA
Percentage	30.1%	45.9%	24.1%	NA

Initial Percentages Based on FY 2025 Revenue

DRAFT

Entity Trip Calculation

Each year prior to budget development (January), the proportion of entity trips will be calculated using trips from the prior fiscal year. The calculated percentages will be used for the entire fiscal year provided a new entity is not introduced to the operation. If a new entity is introduced, the allocation will be revised based on estimated trip for the new entity. The calculation will be applied for the entire fiscal year following the calculation. The calculation will be as follows:

	OCTA 91 Express Lanes	RCTC 91 Express Lanes	RCTC 15 Express Lanes	New Entity
Toll Trip	21,992,452	20,952,400	16,802,743	0
Percentage	36.8%	35.1%	28.1%	0

Initial Percentages Based on FY 2025 Trips

Entity Violation Calculation

Violation notices can include trips from all three entities. Violation notices are cost drivers for the CSC regardless of the number of violations included on a single NTEV. A weighted-average allocation of the NTEVs issued for the combined entities will be calculated each year prior to budget development (January). If the Parties agree, this calculation may be performed more frequently. Only NTEVs will be used in the calculation and assumes NDTEVs follow the same allocation. The calculated percentages will be used for the entirety of the following year provided a new entity is not introduced to the operation. As there is not historical data to make this calculation for the Go Live date the Agencies will agree to an allocation based on the best available data. The calculation will be as follows:

DRAFT

Transaction Mix on Single NTEV	NTEV Count by Mix*	OCTA 91	RCTC 91	RCTC 15	OCTA 91 Allocation	RCTC 91 Allocation	RCTC 15 Allocation
		Weighted Average	Weighted Average	Weighted Average			
OCTA 91 Only	20,000	1			20,000	-	-
RCTC 91 EL only	20,000		1		-	20,000	-
15 El Only	20,000			1	-	-	20,000
OCTA 91 EL and RCTC 91 EL	40,000	0.5	0.5		30,000	30,000	-
RCTC 91 El and RCTC 15 EL	30,000		0.5	0.5	-	10,000	10,000
OCTA 91 and RCTC 15	5,000	0.5		0.5	10,000	-	10,000
OCTA 91, RCTC 91 and RCTC 15	30,000	0.33	0.33	0.34	6,600	6,600	6,800
Total	165,000				66,600	66,600	46,800
					37%	37%	26%

This is sample data for illustrative purposes only. The initial split will be OCTA 91 30%, RCTC 91 30%, 15 Express Lanes 40%.

If the Parties identify changes to the allocation methods described in this Exhibit the Executive Director of RCTC and CEO of OCTA shall be authorized to approve an amendment to this Exhibit to reflect those changes.

DRAFT

EXHIBIT B

TOLL REVENUE ALLOCATION

1. Custodial Agreement. RCTC and OCTA shall jointly enter into a Custodial Agreement with a Custodian in a form agreed upon by the Parties, pursuant to which the accounts described below shall be established by the Custodian. RCTC and OCTA shall negotiate with the Operator to include the Operator obligations below under the Operations Agreement.

2. 91 Express Lanes Customer Account Transactions. Operator will use commercially reasonable efforts to insure that balances in the Express Lanes Customer Funds Account are maintained. For Customer Account holders that have agreed to permit OCTA to request advances on credit cards of such Customer Account holders, Operator shall timely request and process such advances whenever the current balance of funds on deposit to the credit of such Customer Accounts are not sufficient to either pay any amounts payable with respect to such Customer Account, including for any use of the Express Lanes, or to satisfy any minimum cash balance requirements applicable to such Customer Account.

2.1 For each Express Lanes Customer Transponder transaction on the Express Lanes, Operator agrees that by no later than the date specified in Section 4.1 of this Exhibit, Operator will instruct the Custodian to (i) debit the Express Lanes Customer Funds Account in order to effect payment into a designated RCTC Express Lanes toll Revenue account ("RCTC Express Lanes Toll Revenue Account"), of the toll Revenue for such transaction determined by the Operator as described in Section 4. 1 and (ii) transfer such funds to the designated RCTC payee account ("RCTC Payee Account").

2.2 For each Express Lanes Customer Transponder transaction on the OCTA 91 Express Lanes, Operator agrees that by no later than the date specified in Section 4.2 of this Exhibit, Operator will instruct the Custodian to (i) debit the Customer Funds Account in order to effect payment into a designated OCTA Express Lanes toll Revenue account ("OCTA Express Lanes Toll Revenue Account"), of the toll Revenue for such transaction determined by the Operator as described in Section 4,2 and (ii) transfer such funds to the designated OCTA payee account ("OCTA Payee Account").

3. Other Toll Entity Transactions. OCTA will deliver instructions to each Other Toll Entity to make or cause to be made all payments with respect to Transponder transactions by their customers on the Express Lanes not to OCTA but instead either (i) into a single master account maintained by the Custodian under the Custodial Agreement (the "Other Toll Entity Revenue Account"), which will be collected daily, processed and cash proceeds transferred by the Custodian into a single master Custodial account maintained by the Custodian under the Custodial Agreement (the "Other Toll Entity Revenue Account") or (ii) directly to the Custodian by electronic funds transfer for deposit into the Other Toll Entity Revenue Account.

3.1 For each Other Toll Entity Transponder transaction on the RCTC Express Lanes, Operator will instruct the Custodian to (i) debit the Other Toll Entity Revenue Account in order to

DRAFT

effect payment into the RCTC 91 Express Lanes Toll Revenue Account, of the toll Revenue for such transaction and (ii) transfer such funds to the RCTC Payee Account.

3.2 For each Other Toll Entity Transponder transaction on the OCTA 91 Express Lanes, Operator will instruct the Custodian to (i) debit the Other Toll Entity Revenue Account in order to effect payment into the OCTA 91 Express Lanes Toll Revenue Account, of the toll Revenue for such transaction and (ii) transfer such funds to the OCTA Payee Account.

4. Toll Transaction Payments.

4.1 Operator shall direct the Custodian to pay to the designated RCTC Payee Account, in arrears, the toll Revenue for each Transponder transaction on the RCTC 91 Express Lanes, including the toll Revenue received from Other Toll Entity account holders, within five (5) business days after the date that all required transaction data for such Transponder transaction has been acquired by the Operator.

4.2 Operator shall direct the Custodian to pay to the designated OCTA Payee Account, in arrears, the toll Revenue for each Transponder transaction on the OCTA 91 Express Lanes, including the toll Revenue received from Other Toll Entity account holders, within five (5) business days after the date that all required transaction data for such Transponder transaction has been acquired by the Operator.

4.3 Operator shall specify the date of each required distribution by the Custodian in its payment instructions to the Custodian under the Custodial Agreement and Operator agrees that such dates shall be on or before the date that payments are required under Sections 4.1 and 4.2 above.

4.4 Operator acknowledges that Operator is an intermediary of RCTC and has no beneficial interest in the toll Revenues collected and held by the Custodian with respect to any Transponder trips on the RCTC Express Lanes.

4.5 Operator acknowledges that Operator is an intermediary of OCTA and has no beneficial interest in the toll Revenues collected and held by the Custodian with respect to any Transponder trips on the OCTA 91 Express Lanes.

4.6 OCTA acknowledges that OCTA is an intermediary of RCTC and has no beneficial interest in the toll Revenues collected by OCTA, if any, with respect to any Transponder hips on the RCTC Express Lanes.

DRAFT

91 Express Lanes Back-Office System and Customer Service Center Consolidation with the 15 Express Lanes

Background

- 91 Express Lanes constructed by CPTC at a cost of $135 million
- 91 Express Lanes opened to the public in December 1995
- OCTA acquired and took over operations and maintenance of the 91 Express Lanes in January 2003
- OCTA and RCTC entered into a cooperative agreement for express lanes in December 2011
- RCTC extended the 91 Express Lanes into Riverside County and commenced joint operations with OCTA in March 2017

CPTC - California Private Transportation Company, LLC
OCTA – Orange County Transportation Authority
RCTC – Riverside County Transportation Commission

Background Continued

- OCTA Board selected CUSA in November 2019 to provide joint BOS/CSC services for an initial seven-year term, with up to two, three-year options
- CUSA deployed a new BOS/CSC system in March 2022
- Initial term of the BOS/CSC services agreement expires in January 2027
- Staff presented three BOS/CSC options to the Committee in August 2025
- The Committee asked staff to explore BOS consolidation with the 15 Express Lanes

Board – Board of Directors
CUSA - Cofiroute USA, LLC
BOS – Back-Office System
CSC – Customer Service Center
Committee - OCTA Finance and Administration Committee

BOS/CSC Services Include

- BOS software
- Hardware and software maintenance
- CSC staffing and activities
- Violations processing and collections
- Customer account management
- Payments and other mail processing
- Revenue collections and transaction processing
- Traffic operations and incident management
- Emergency services coordination
- Transponder inventory management
- Telephone system

Status of the Current Agreement

- Completed operational acceptance testing in June 2025
- Still need to complete implementation of deferred items, and final acceptance is anticipated in June 2026
- History of technical issues in the BOS and CSC, resulting in missed key performance indicators and liquidated damages
- Several improvements in the BOS and CSC, but performance gaps remain

Available Options

Option 1 - Enter into a three-party agreement with RCTC and Kapsch

- Authorize the combination of BOS and CSC services with the 15 Express Lanes
- Execute agreement C255087 with RCTC and Kapsch
- Amend and restate the cooperative agreement with RCTC
- Extend the CUSA agreement during the implementation phase

Option 2 – Continue with the current agreement with CUSA and exercise the optional years of the agreement, while issuing an RFP

- Maintains the current agreement and vendor
- Staff will return to the Board to execute each option term
- Staff will work with RCTC to update documents and return to the Board to issue RFP

RFP – Request for Proposals
Kapsch – Kapsch TrafficCom USA Inc.

Comparison of Options

	Kapsch Agreement	Continue with CUSA and Issue an RFP
Benefits	• Significant savings over issuing a new RFP • Known costs through 2041 • Seamless customer service with the 15 Express Lanes • Transition to a BOS with a proven track record in the region	• No disruption in service until 2033 • Competitive bid
Risks	• Minor data migration risk • Sole-source, non-competitive	• Inconsistent performance • Higher risk than the Kapsch option for future RFP • Higher anticipated costs • Unknown costs after 2033 • Limited potential vendors

OCTA Cost Comparison

	Kapsch Proposal	CUSA and RFP Option	Varriance
Implementation	4,880,705	10,500,000	5,619,295
14 years of O&M	91,486,973	92,781,607	1,294,634
14 Years of Pass-through	26,789,559	34,246,119	7,456,560
Total	123,157,237	137,527,726	14,370,489

- The Kapsch option includes 3% yearly cost escalation
- CUSA option includes 3% yearly escalation through 2033 and 4.5% afterwards
- The Kapsch proposal could further be reduced with communication improvements
- Staff also recommends a contingency of $3,215,247 which is 2.6% of the agreement value

O&M – Operations and Maintenance

Recommendations

A. Authorize the consolidation of the 15 and 91 Express Lanes BOS and CSC operations with Kapsch TrafficCom USA, Inc., as the selected vendor

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C255087 with Kapsch TrafficCom USA, Inc., in the amount of $126,372,484, to provide BOS and CSC operations for the 91 Express Lanes

C. Authorize the Chief Executive Officer to negotiate and execute the amended and restated cooperative agreement for express lanes between the Riverside County Transportation Commission and Orange County Transportation Authority, Agreement No. C-13190

Next Steps

- Negotiate and execute the three-party and cooperative agreements
- Issue notice to proceed for the consolidation
- Return to the Board with CUSA extension
- Complete BOS updates for the inclusion of the 91 Express lanes
- Update agreements with CTOC partners and complete communications
- Inform customers of the consolidation and transition accounts
- Go live with new BOS - July 1, 2027

OCTA

May 21, 2026

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2026-27 Budget and Personnel and Salary Resolution

Overview

The Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget presents a balanced plan of sources and uses of funds while providing for the current and future transportation needs of Orange County. The proposed budget continues to strengthen the Orange County Transportation Authority's long-term financial sustainability by maintaining a structurally balanced plan with no unplanned use of reserves, while advancing the Board of Director's Strategic Initiatives and delivering reliable transportation services.

The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget following the public hearing to be held at the Board of Directors' meeting on June 8, 2026, at the following Board of Directors meeting on June 22, 2026, or in a special meeting convened at their discretion, on or before June 30, 2026. The Board of Directors are also asked to approve the Personnel and Salary Resolution as part of the budget approval process.

Recommendations

A. Approve by Resolution the Orange County Transportation Authority Fiscal Year 2026-27 Budget.

B. Approve the Personnel and Salary Resolution for fiscal year 2026-27.

C. Approve the update to the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.

D. Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders, and/or agreements.

E. Approve up to $14.5 million for the fiscal year 2026-27 Orange County Transportation Authority contribution to the Southern California Regional Rail Authority operating subsidy to support Metrolink service through the first quarter of the fiscal year. Funding for operations, as well as capital and rehabilitation expenditures for the remainder of the fiscal year, is contingent upon a formal budget request from Metrolink and approval by the Orange County Transportation Authority Board of Directors, and concurrence from all member agencies.

Background

The development of the Orange County Transportation Authority's (OCTA) Fiscal Year (FY) 2026–27 Proposed Budget began in December 2025 and reflects a comprehensive planning effort grounded in OCTA's mission, strategic priorities, and long-term financial management, with a continued focus on sustaining core programs through stable and growing revenues. Initial steps included the development of revenue projections, service plans, and program-specific goals and objectives, all developed in alignment with the direction of the Board of Directors (Board) and the Chief Executive Officer (CEO).

In January 2026, each division submitted detailed budget requests based on their operational needs and strategic objectives. These submissions underwent multiple layers of internal review to ensure fiscal discipline and alignment with agency-wide goals. An internal budget review committee, appointed by the CEO and consisting of the Deputy CEO, Chief Financial Officer, and the Executive Director of People and Community Engagement, conducted an evaluation of the proposed budget to ensure it reflects a balanced, efficient, and strategically aligned financial plan. The committee assessed requests for consistency with the Board's priorities, the CEO's goals, OCTA's Strategic Plan Initiatives, the Comprehensive Business Plan, and the Next 10 Delivery Plan.

Key programmatic assumptions supporting the FY 2026-27 proposed budget were presented to the Finance and Administration (F&A) Committee on March 19, 2026, and the Board on March 23, 2026. The presentation outlined the guiding principles and financial assumptions that form the foundation of the proposed budget across OCTA's core program areas, including

Measure M2 (M2), transit operations, motorist services, and the express lanes program.

An informational budget workshop was conducted for the Board on May 11, 2026. During the workshop, staff provided an overview of the proposed budget, including agency-wide goals and objectives, the staffing plan, and the anticipated sources and uses of funds. The workshop was designed to provide Board Members with a comprehensive understanding of the proposed financial plan; however, no formal action or public hearing occurred at that time.

A public hearing on the FY 2026-27 proposed budget is scheduled for the June 8, 2026, Board meeting. Following the public hearing, staff will request formal approval of the proposed budget by the Board. The adopted budget will serve as the agency's financial blueprint for the coming FY, supporting delivery of high-quality and efficient transportation services for Orange County residents and commuters.

Discussion

The proposed budget presents a balanced financial plan, detailing the sources and uses of funds. It reflects a judicious mix of new revenues and the strategic use of previously designated funds, ensuring fiscal stability without resorting to deficit spending. Previously designated funds, also known as planned uses of prior year designations, are funds set aside (designated) in prior FYs to be utilized in the current FY.

The combination of estimated revenues and planned uses of prior year designations produces available funding of $2,049.7 million, while proposed expenditures and designations yield a total use of funds of $2,049.7 million. On a year-over-year comparison to the FY 2025-26 approved budget, the proposed budget is $310.5 million more than the FY 2025-26 approved budget.

In FY 2026-27, the growth rate for the M2 Program one-half-cent Local Transportation Authority sales tax revenue is forecasted to be 2.2 percent. The growth rate for the one-quarter-cent Local Transportation Fund sales tax revenue is forecasted to be 2.3 percent. These growth rates were provided by MuniServices, LLC forecasts based on the Board-approved sales tax forecasting methodology.

The proposed M2 Program budget outlines a clear plan to enhance transportation infrastructure across the County while delivering on the M2

Next 10 Delivery Plan. It prioritizes major freeway improvements on State Route 91, State Route 55, and Interstate 5, alongside continued investment in local and regional streets, roads, and transit services, including Community-Based Transit Circulators and the Senior Mobility Program. The budget also reaffirms OCTA's commitment to supporting local jurisdictions and the County through sustained funding for key programs such as the Local Fair Share Program, Regional Capacity Program, and Regional Traffic Signal Synchronization Program, ensuring continued progress and coordination on critical transportation projects.

The proposed budget presents a structured plan for transit services with a strong emphasis on sustainability. For the OC Bus Program, it provides 1.62 million service hours, with approximately 60 percent operated directly by OCTA and the remaining 40 percent delivered by contractors. It also includes continued investment in paratransit buses and bus base infrastructure.

Under the Rail Program, the proposed budget maintains support for local, regional, and coastal rail improvements. For FY 2026-27, OCTA has set a target for Metrolink's operating subsidy not to exceed $46 million to help ensure the long-term financial sustainability of rail operations through 2041, contingent upon Board approval of an acceptable service plan and funding commitments from all member agencies. In addition, the budget prioritizes coastal rail resiliency and reliability to protect critical infrastructure and maintain uninterrupted service.

The express lanes budgets projects strong performance from the 91 Express and 405 Express Lanes. Continued growth in toll revenue is anticipated which will enable the express lanes to meet operating, capital and reserve service requirements while continuing to meet the goal of maximizing throughput along the corridors. These projections reflect OCTA's ongoing commitment to meeting express lanes obligations while effectively managing congestion and supporting regional mobility.

In terms of staffing, the budget includes a total of 1,407 positions, reflecting a net increase of 28 positions to support operational needs and service delivery. The increase is a net figure based on an increase of 13 administrative positions and an increase of 15 coach operator positions.

The 13 administrative positions support operational needs and program delivery. Of these, 11 positions were previously identified as necessary in FY 2024-25 but were strategically deferred pending stabilization of sales tax revenues. With improved sales tax collections, these positions plus two additional positions are

now being brought forward for approval to ensure adequate staffing and continued progress on key initiatives.

Staff have attended and will continue to attend and be available to present, review, and/or answer questions about the budget at the following committees, as well as to individual Board Members upon request.

Committee	Date
Transit Committee	May 14
Legislative and Communications Committee	May 21
Finance and Administration (Preview of Public Hearing)	May 21
Executive Committee	June 1
Regional Transportation Planning Committee	June 1

Personnel and Salary Resolution (PSR)

The FY 2026-27 PSR (Attachment C) governs administrative employees and is approved annually as part of the budget. Changes have been made to the PSR to include minor clarifications, where necessary.

The PSR includes a four percent merit pool and four percent special performance award (bonus) pool. The PSR also includes an adjustment of two-and-a-half percent to the maximum salary for each salary grade. Salary grade adjustments do not automatically increase employee salaries unless they fall below the minimum of the new range. Currently, there are 23 OCTA employees that fall below the proposed minimum grade range, which would require an automatic salary increase totaling $36,941. The 23 employees represent approximately 1.6 percent of OCTA's total workforce of 1,407 employees.

Update to the Policy for Compensation Benefits, Reimbursement of Expenses, and Mandatory Training for Members of the Board of Directors

Attachment D is an update to the Policy for Compensation, Benefits, Reimbursement of Expenses, and Mandatory Training for Members of the Board of Directors. The update reflects a change in state law relating to record keeping for Board Members and clarifying language regarding mandatory training.

Information Systems Licensing and Maintenance Agreements

Each year, in conjunction with approving the budget, the Board approves OCTA's software and hardware licensing and maintenance agreements. OCTA follows industry practice to ensure proper maintenance and to receive critical product upgrades of its licensed software and purchased hardware. The annual and multi-year licensing and maintenance agreements are executed with each hardware and software developer on a sole source basis, for an amount not to exceed the contracted value for each vendor. The sole source list includes licensing and maintenance agreements, as well as emergency support for after hours, weekends, and holidays. The Switch Ltd. vendor listed on the sole source list provides data center colocation services for the hosting of OCTA's mission critical business application computing infrastructure. Though other firms offer this service, OCTA included them on the sole source list based upon the criticality of their services in providing the facility for operating our business applications, as well as them being the leader in the industry in providing colocation data center services.

On a cumulative basis, the software and hardware licensing, maintenance, and emergency support agreements will not exceed $20.4 million. A list of the agreements is included as Attachment E.

Metrolink FY 2026-27 Proposed Budget

Under the Joint Powers Agreement that governs Metrolink, each member agency must approve its financial contribution to the Metrolink proposed budget. OCTA's FY 2026-27 proposed budget includes funding of up to $14.5 million for Metrolink operating service, intended to support operations through the first quarter of the FY.

OCTA is not proposing funding for SCRRA capital or rehabilitation expenditures. Funding for the remainder of FY 2026-27 for operations as well as capital or rehabilitation expenses are contingent upon Metrolink providing a revised service plan that is acceptable to OCTA and subsequently reviewed and approved by the OCTA Board, as well as approval by all member agencies.

Summary

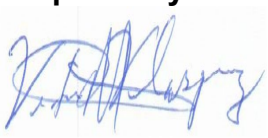
The Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget reflects a balanced and forward-looking financial plan that supports delivery of Measure M2 commitments, maintains safe and reliable OC Bus service, aligns Metrolink operations with demand, fulfills express lanes commitments, and prioritizes coastal rail resiliency, ensuring the continued delivery of efficient and effective transportation solutions for Orange County.

The proposed budget was previously reviewed by the Board of Directors in a workshop setting on May 11, 2026, providing an opportunity for discussion of key assumptions, priorities, and program investments. The Board of Directors may approve the Orange County Transportation Authority Fiscal Year 2026-27 Proposed Budget following the public hearing on June 8, 2026, at the regularly scheduled meeting on June 22, 2026, or in a special meeting convened at their discretion, on or before June 30, 2026.

Attachments

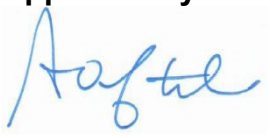
A. Resolution of the Board of Directors for the Orange County Transportation Authority Approving an Operating and Capital Budget Fiscal Year 2026-27
B. Orange County Transportation Authority Budget Summary Fiscal Year 2026-27
C. Proposed Changes for the Personnel and Salary Resolution (PSR) Fiscal Year 2026-27
D. Update to the Policy for Compensation, Benefits, Reimbursement of Expenses, and Mandatory Training for Members of the Board of Directors
E. Orange County Transportation Authority Licensing and Maintenance Agreements Sole Source List - Fiscal Year 2026-27

Prepared by:



Victor Velasquez
Department Manager,
Financial Planning and Analysis
(714) 560-5592

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649

ATTACHMENT A

RESOLUTION OF THE BOARD OF DIRECTORS FOR THE ORANGE COUNTY TRANSPORTATION AUTHORITY APPROVING AN OPERATING AND CAPITAL BUDGET FISCAL YEAR 2026-27

WHEREAS, the Chief Executive Officer and staff have prepared and presented to the Board of Directors a proposed operating and capital budget in the amount of $2,049.7 million for fiscal year 2026-27.

WHEREAS, said Chief Executive Officer and staff did conduct a public workshop before the Board of Directors on May 11, 2026, in the Board Chambers, at which time the proposed budget was considered;

WHEREAS, a public hearing was conducted on June 8, 2026, at which the public was invited to express its views and objections to said budget; and

WHEREAS, the original of said proposed budget will be revised to reflect each and all of the amendments, changes, and modifications which the Board of Directors, up to the time of the approval of this resolution, believes should be made in said proposed budget as so submitted and to correct any non-substantive errors or omissions.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Orange County Transportation Authority as follows:

1. The operating and capital budget of the Orange County Transportation Authority and all affiliated agencies for the fiscal year July 1, 2026 through June 30, 2027, is hereby approved, a copy of which is on file with the Clerk of the Board.
2. The Clerk of the Board shall certify to the passage and approval of this resolution, and it shall thereupon be in full force and effect.

ADOPTED, SIGNED, AND APPROVED this 8th day of June 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Andrea West Clerk of the Board	Jamey M. Federico, Chair Orange County Transportation Authority

ATTACHMENT B

Orange County Transportation Authority
Budget Summary
Fiscal Year 2026-27

$ in millions

Estimated Revenues		$ 1,515.1
Use of Prior Year Designations		$ 534.6
	Total Sources of Funds	**$ 2,049.7**

Appropriate Funds to:

Salaries & Benefits		$ 240.5
Services & Supplies		507.8
Contributions to Other Agencies		269.0
Debt Service		69.7
Capital / Fixed Assets		869.9
	Total Expenses	$ 1,956.9
	Designation of Funds	$ 92.8
	Total Uses of Funds	**$ 2,049.7**

ATTACHMENT C

Proposed Changes for the Personnel and Salary Resolution (PSR) Fiscal Year 26-27

Subject	Page(s)	Section	Proposed Change	Reason
Various formatting and language changes				Throughout document; language clarified to align with policies; page numbers and dates updated; percentage formatted for consistency; clarity of document. Final formatting completing after document is approved.
Deferred Compensation Match Percentages	22	5.5A	Change the OCTA matching contribution percentages for the 401-(a) plans from 1%, 2% and 3% to 2%, 4% and 6%	Recruitment and retention investment in organizational continuity and to sustain high performance.
Internship Pay Rates	11	2.4	Add $1.00 to each hourly rate	To ensure Intern rates of pay stay above minimum wage rates in the State and local counties.
Additional Retiree Benefit Account Plan	20	5.5C	Update benefit amount for retirees	Annual 2% cost adjustment to benefit amount.
Employee Recreation Association (ERA)	19	5.2A	Remove the actual number of council members	The number of members on the ERA varies year by year.
Executive Compensation Salary Ranges	29	6.3	Increase the salary ranges by 2.5%; the same as the other administrative salary ranges	To keep the ranges consistent with all administrative salary ranges and ensure there is no compression between the executive ranges and the other ranges.

Proposed Changes for the
Personnel and Salary Resolution (PSR) Fiscal Year 26-27

Subject	Page(s)	Section	Proposed Change	Reason
Titles and Salary Grade Assignments	31-38		Annual update of section	Removed and added salary grades and classifications.
Salary Structure	39		Update salary structure	Annual salary structure adjustment; 2.5% for FY 26-27.

PERSONNEL AND SALARY RESOLUTION

FISCAL YEAR 2026~~5~~-2027~~6~~

Effective: June 1~~5~~4, 2026~~5~~

Formatted: Highlight

This document provides information on general policies regarding employment practices, employee benefits, compensation, and salary structure for administrative employees at the Orange County Transportation Authority and was approved by the Orange County Transportation Authority Board of Directors on June ~~8~~9, 2026~~5~~.

Formatted: Highlight

Prepared by:

People and Community Engagement Division

OCTA

TABLE OF CONTENTS

SECTION 1 6

1.1 PURPOSE OF PERSONNEL AND SALARY RESOLUTION 6

1.2 HUMAN RESOURCES POLICIES AND PROCEDURES 6~~6~~

1.3 STATEMENT OF EQUAL EMPLOYMENT OPPORTUNITY 7~~6~~

SECTION 2 7

2.1 AT-WILL EMPLOYMENT 7

2.2 APPROVAL AUTHORITY FOR EMPLOYEE ACTIONS 7

2.3 COMPENSATION 7~~7~~

2.4 INTERNSHIPS 8~~7~~

2.5 OUTSIDE EMPLOYMENT ACTIVITIES 8~~7~~

2.6 PERFORMANCE PLANNING AND REVIEW PROGRAM 8

2.7 RELOCATION EXPENSES 8

2.8 ELIMINATION OF POSITIONS AND WORKFORCE REDUCTIONS 8~~8~~

2.8A LAYOFF BENEFITS..... 8~~8~~

2.8B LAYOFF SEVERANCE PAY..... 9

SECTION 3 10~~10~~

3.1 EXEMPT EMPLOYEES 10~~10~~

3.2 NON-EXEMPT EMPLOYEES 10~~10~~

3.3 WORKWEEK 10~~10~~

Field Code Changed

3.4 ALTERNATIVE WORK SCHEDULES 11~~11~~

3.5 OVERTIME 11~~11~~

3.6 MAKE-UP TIME 12~~12~~

SECTION 4 13~~13~~

4.1 BOARD MEMBER BENEFITS 13~~13~~

4.1A BENEFITS ELIGIBILITY ..... 13~~13~~

4.1B DEFERRED COMPENSATION ..... 13~~13~~

4.1C RETIREMENT PLAN ..... 13~~13~~

4.1D LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE ..... 13~~13~~

4.1E REIMBURSEMENT OF EXPENSES ..... 14~~14~~

4.1F COMPENSATION ..... 14~~14~~

4.1G SICK LEAVE ..... 14~~14~~

5.1 HEALTH, LIFE, AND DISABILITY INSURANCE BENEFITS 15~~15~~

5.1A HEALTH INSURANCE ..... 15~~15~~

5.1B LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE ..... 15~~15~~

5.1C DISABILITY INSURANCE ..... 15~~15~~

5.1D SURVIVOR BENEFIT ..... 15~~15~~

5.1E COBRA AND CONTINUED COVERAGE ..... 16~~16~~

5.1F CONTINUATION OF HEALTH BENEFITS FOR RETIREES ..... 16~~16~~

5.2 MISCELLANEOUS BENEFITS 16~~16~~

5.2A EMPLOYEE RECREATION ASSOCIATION ..... 16~~16~~

5.2B EMPLOYEE USE OF TRANSPORTATION SYSTEM ..... 16~~16~~

5.2C MILEAGE REIMBURSEMENT ..... 16~~16~~

5.2D OUT-OF-POCKET EXPENSES ..... 17~~17~~

5.2E PROFESSIONAL LICENSES AND CERTIFICATES ..... 17~~17~~

5.2F RECOGNITION AND AWARD PROGRAMS ..... 17~~17~~

5.3 LEAVES OF ABSENCE **17~~17~~**

5.3A PERSONAL LEAVE ..... 17~~17~~

5.4 REIMBURSEMENTS AND ALLOWANCES **17~~17~~**

5.4A AUTOMOBILE ALLOWANCE AND ASSIGNMENT OF AUTOMOBILES ..... 17~~17~~

5.4B EDUCATIONAL REIMBURSEMENT PROGRAM ..... 18~~18~~

5.4C UNIFORMS ..... 18~~18~~

5.4D SAFETY SHOES ..... 18~~18~~

5.5 RETIREMENT AND DEFERRED COMPENSATION **18~~18~~**

5.5A DEFERRED COMPENSATION ..... 18~~18~~

5.5B RETIREMENT ..... 19~~19~~

5.5C ADDITIONAL RETIREE BENEFIT ACCOUNT PLAN ..... 19~~19~~

5.6 TIME OFF BENEFITS **20~~20~~**

5.6A TIME OFF ACCRUALS ..... 20~~20~~

5.6B BEREAVEMENT LEAVE ..... 20~~20~~

5.6C CATASTROPHIC LEAVE DONATIONS ..... 20~~20~~

5.6D HOLIDAYS AND PERSONAL PAID HOLIDAYS ..... 21~~21~~

5.6E JURY DUTY ..... 21~~21~~

5.6F SICK LEAVE – FULL-TIME AND PART-TIME EMPLOYEES ..... 22~~22~~

5.6G SICK LEAVE SELLBACK ..... 23~~23~~

5.6H VACATION ..... 23~~23~~

5.6I VACATION SELLBACK 2424

6.1 COMPENSATION PHILOSOPHY 2525

6.1A SALARY RESOLUTION 2525

6.1B SALARY STRUCTURE 2525

6.2 ADMINISTRATION OF COMPENSATION 2525

6.3 EXECUTIVE COMPENSATION 2626

6.4 NEWLY HIRED/PROMOTED EMPLOYEES 2626

6.5 RECLASSIFICATIONS 2727

6.6 CLASSIFICATION TITLES 2727

6.7 MERIT ADJUSTMENTS 2727

6.8 SPECIAL PERFORMANCE AWARDS 2727

6.9 TEMPORARY ASSIGNMENTS 2828

6.10 EQUITY ADJUSTMENTS 2828

APPENDIX A – GLOSSARY OF TERMS 40

APPENDIX B – ALPHABETICAL INDEX 42

APPENDIX C - EEO STATEMENT 45

Formatted: Font: (Default) Arial

SECTION 1
PURPOSE AND PROCEDURES

1.1 PURPOSE OF PERSONNEL AND SALARY RESOLUTION

In an effort to establish an equitable and consistent plan for managing Human Resources matters, to attract, develop, and retain top talent, and to ensure consistent selection, promotion, and compensation practices based on merit, ability, and performance, the following Human Resources policies for administrative employees are hereby adopted.

The Orange County Transportation Authority (OCTA) reserves and maintains the right to eliminate, modify, or otherwise change, at any time, for any reason, any provision(s) of this Personnel and Salary Resolution (PSR), as established and approved by the Board of Directors (Board), including, but not limited to, any employee benefit or right provided in this PSR.

1.2 HUMAN RESOURCES POLICIES AND PROCEDURES

The Chief Executive Officer (CEO), acting as the Appointing Authority (AA), may elect to delegate certain responsibilities. The CEO is charged with ensuring OCTA Human Resources policies and procedures provide for an effective and efficient organization, staffed with qualified employees receiving fair and equitable treatment. The Executive Director of People and Community Engagement (PACE) is responsible for managing the Human Resources functions and is responsible for developing and administering Human Resources policies and procedures that are in the best interest of OCTA and its employees.

The CEO makes the final determination on the interpretation of OCTA Human Resources policies and is authorized to establish and maintain Human Resources procedures that are consistent with those policies.

Exceptions to the PSR may be authorized in writing by the CEO. This exception authority may not be delegated.

Please refer to specific policies and procedures for additional information.

1.3 STATEMENT OF EQUAL EMPLOYMENT OPPORTUNITY

The OCTA practices equal employment opportunity and non-discrimination in all personnel actions. The full policy statement can be found in the Appendix to this PSR.

SECTION 2
EMPLOYMENT

2.1 AT-WILL EMPLOYMENT

OCTA employees whose employment is governed by the provisions of this PSR are at-will. The AA has the right to reassign, dismiss, reduce pay, or suspend without pay any employee, at any time, for any reason. Similarly, OCTA employees may separate their employment at any time without prior notice.

2.2 APPROVAL AUTHORITY FOR EMPLOYEE ACTIONS

The CEO is the AA for the selection and separation of all employees in all positions except those reporting directly to the Board. The CEO is authorized to approve revisions in classification titles and grades, provided that any such changes are in accordance with established OCTA Policies and Procedures and the Board-adopted fiscal year budget.

2.3 COMPENSATION

OCTA will maintain a compensation philosophy and salary structure for full-time and part-time employees as stated in the PSR.

Salary ranges, rates, and employee benefits are reviewed and considered for adjustment annually and more frequently as necessary. This permits OCTA an opportunity to periodically assess the competitiveness of the compensation plan, including the salary structure, and make necessary adjustments to reflect changes in internal equity and labor market conditions.

2.4 INTERNSHIPS

A person employed in a College Intern position will be compensated at an hourly rate to be determined by the AA. A College Intern is not eligible for employee benefits paid by OCTA, except as required by law. The fiscal year 2026~~25~~-2~~7~~6 Intern pay rates are: full-time undergraduate: $20~~19~~.00/hour, graduate – $2~~1~~0.00/hour, master's degree student - $2~~3~~2.00/hour.

2.5 OUTSIDE EMPLOYMENT ACTIVITIES

An administrative employee may not engage in outside employment or other outside activities incompatible with the full and proper discharge of the duties and responsibilities of his/her OCTA employment. Before accepting or engaging in any outside employment that may interfere with a current job role, an employee must obtain written permission from their Department Manager.

2.6 PERFORMANCE PLANNING AND REVIEW PROGRAM

The AA is responsible for developing and administering a formal performance planning and review program for all full-time and part-time administrative employees.

2.7 RELOCATION EXPENSES

OCTA may provide relocation assistance as defined in the Reimbursement of Relocation Expenses Policy.

2.8 ELIMINATION OF POSITIONS AND WORKFORCE REDUCTIONS

Whenever it becomes necessary, the CEO may eliminate any position. The CEO has the authority to reduce the workforce and to layoff full-time or part-time employees because of the elimination of a position, lack of funds, lack of work, or for operational efficiencies. An employee who is laid off because of the elimination of a position or reduction in the workforce may be placed in another position for which the employee is qualified at the same level or below, provided an opening exists. Workforce reductions may allow for the position to remain vacant until the AA finds it necessary to fill the position.

2.8A LAYOFF BENEFITS

An employee recalled within six months may be reinstated to the same position if the position is available. For purposes of this section, benefits based on length of service, with the exception of Deferred Compensation plans, will be reinstated to the level prior to layoff if an employee is reinstated to the same or a different position within six months following the date of layoff.

An employee placed on layoff may be granted paid health insurance in accordance with the following schedule:

Years of Service	Length of Coverage
Less than 3	1 month
3 but less than 5	2 months
5 but less than 10	3 months
10 or more	4 months

Upon separation from OCTA due to layoff, all unused or unpaid vacation, personal paid holidays, and sick leave will be paid to the affected employee.

If employment is recalled within six months, health insurance coverage will take effect on the first day of the following month from the rehire date. However, if the granted paid health insurance is still in effect, then coverage will be effective the first day of the month from the return-to-work date.

2.8B LAYOFF SEVERANCE PAY

The CEO may authorize the payment of severance pay to full-time and part-time employees in accordance with the following schedule:

Years of Service	Weeks of Severance Pay
Less than 3	2 weeks
3 but less than 5	3 weeks
5 but less than 10	4 weeks
10 or more	5 weeks

Severance pay for part-time employees is prorated in accordance with their regularly scheduled pay.

SECTION 3
EXEMPT AND NON-EXEMPT EMPLOYEE, WORKWEEK, SCHEDULES, OVERTIME, AND MAKE-UP TIME

3.1 EXEMPT EMPLOYEES

Exempt employees are those in positions that are not covered under the provisions of the Fair Labor Standards Act (FLSA) regarding minimum wage, overtime, maximum hours and recordkeeping.

An exempt employee, either part-time or full-time, is not eligible for overtime payment, compensatory time, or any additional compensation for time worked in excess of eight hours per day or 40 hours per workweek, or time worked in excess of his/her regular schedule, except in accordance with the Disaster Pay and Leave Policy.

Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours.

3.2 NON-EXEMPT EMPLOYEES

Non-exempt employees are those in positions that are covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and recordkeeping. All hours worked, holidays, and benefit time taken must be accurately recorded on a timesheet and approved by the supervisor. Sick leave and vacation accruals, as well as retirement service credits, accrue on paid hours excluding overtime.

Non-exempt employees are strictly prohibited from volunteering or donating their time to OCTA by performing any work or function that is the same or similar to their regularly scheduled duties while in an unpaid status.

3.3 WORKWEEK

The FLSA defines workweek as a period of 168 hours consisting of seven consecutive 24-hour periods. The employer can determine the day and hour that the workweek begins. Each workweek is considered on its own to determine minimum wage and overtime payments; there is no averaging of two or more workweeks. The Department of Labor uses workweek to determine compliance with federal regulations such as requirements for wage payments and overtime. Workweek and overtime will be administered consistent with any applicable state and federal laws.

The regular workweek for a full-time OCTA employee is 40 hours per week, Sunday through Saturday, unless otherwise established with an alternative work schedule. The workweek does not need to coincide with the calendar week.

3.4 ALTERNATIVE WORK SCHEDULES

The AA has the authority to designate flexible starting, ending, and core times for the performance of work during the standard workday consistent with OCTA's Workweek and Overtime Policy.

The AA also has the authority to designate alternative workweek schedules, such as 4/10 or 9/80, provided the administration of such schedules is consistent with OCTA policy and any applicable state and federal laws.

The AA may establish necessary guidelines to administer alternative workweek schedules at the department and section level.

3.5 OVERTIME

Overtime must be authorized prior to performance of such work. Authorized work performed in excess of eight hours per day or in excess of 40 hours per workweek by a full-time or part-time non-exempt employee is considered overtime. This does not apply to a non-exempt employee who regularly works a 9/80 work schedule or who regularly works any other work schedule totaling 40 hours per workweek. All paid hours except sick time will be considered hours worked.

Excluding employees on an alternative work schedule, non-exempt employees will be paid 1-1/2 times their regular rate for all time worked in excess of eight (hours in a workday or 40 hours in a workweek). Non-exempt employees on alternative work schedules will be eligible for daily overtime for hours worked in excess of their regular schedule or 40 hours in a workweek.

For purposes of calculating overtime compensation, paid holidays not worked and pre-approved vacation not worked are treated as authorized work performed. If a designated holiday occurs on a regularly scheduled day off, these hours are not considered hours worked. Hours away from work due to illness, even when compensated, are not included in overtime calculations.

A non-exempt employee who is required to work on a designated holiday will be paid 1-1/2 times his/her regular rate for authorized work performed, in addition to regular holiday pay. Added pay for holiday hours worked will not be considered when calculating overtime on more than 40 hours in a workweek.

OCTA does not permit the accrual of compensatory time in lieu of payment of overtime.

In no case may a non-exempt employee's workweek be changed when the purpose of the change is to avoid compensating the employee at 1-1/2 times his/her regular rate for work performed in excess of his/her regular work schedule.

If, in the judgment of the employee's supervisor, work beyond the normal workday, workweek, or work period is required, such work may be authorized.

3.6 MAKE-UP TIME

Consistent with OCTA policy, when a non-exempt employee requests to leave or miss certain hours of a day and then to make it up by working longer hours on another day, it is called make-up time. Make-up time is permitted when requested by the employee due to the employee's personal obligation. The employee must request to use make-up time in writing before taking the time off or working the make-up hours, and the supervisor must approve it. The time must be made up within the same workweek as the time that was taken off. The made-up time cannot cause the employee to work more than 11 hours in a day or more than 40 hours in a workweek, as this will require overtime to be paid. Managers and/or Supervisors are prohibited from encouraging or soliciting an employee to request make-up time.

SECTION 4
BOARD MEMBER BENEFITS AND COMPENSATION

4.1 BOARD MEMBER BENEFITS

The AA may establish and be responsible for health (medical, dental, and vision), and life (life and accidental death and dismemberment) insurance benefits for Board Members at a cost not to exceed the amount established by the Board in the annual budget.

4.1A BENEFITS ELIGIBILITY

For public Board Members and for Board Members who do not receive health benefits from the public entity they are elected to serve: the Board Members will have the same premium cost and the same health benefits as full-time administrative employees paid by OCTA, which may change to reflect the current programs offered.

For Board Members who receive health benefits and/or a cash waiver from the public entity they are elected to serve: The Board Members may choose to receive the same health benefits as full-time administrative employees, provided the Board Member pays 100% of the OCTA premium, which may change to reflect the current programs offered.

4.1B DEFERRED COMPENSATION

Board Members may participate in OCTA's Deferred Compensation Program.

4.1C RETIREMENT PLAN

Board Members are required to participate in the 3121 Federal Insurance Contributions Act (FICA) Alternative plan, because they are not eligible to participate in the Orange County Employee Retirement System. Board Members contribute 7.50% of OCTA pay. The 3121 FICA Alternative plan is required under the Omnibus Budget Reconciliation Act (OBRA) and is administered by a third-party administrator.

4.1D LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE

Life Insurance will be provided by OCTA in the amount of $50,000 coverage for each Board Member. (Benefit amount reduces at age 75. See Benefits Guide.)

Voluntary Board Member-paid supplemental life insurance may be offered by OCTA for Board Members and/or their dependents. (Benefit amounts reduce at ages 70, 75 and 80. See Benefits Guide.)

4.1E REIMBURSEMENT OF EXPENSES

OCTA will reimburse Board Members and former Board Members who are serving on regional boards at the direction and request of the Board of Directors for actual and necessary expenses incurred in the performance of their duties, as provided in the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.

4.1F COMPENSATION

Board Members and former Board Members, who are serving on regional boards at the direction and request of the Board of Directors, are authorized to receive compensation in the amount of one hundred dollars ($100) per day, not to exceed five hundred dollars ($500) in any calendar month, for attending any of the activities outlined in section III of the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors.

4.1G SICK LEAVE

Commented [HB1]: Not listed on the Table of Contents or Appendix

Board Members are eligible for up to five (5) days of paid sick leave in a calendar year. Unused sick leave is not paid out at time of leaving office with the Authority. Board Members who wish to use paid sick leave must notify the Clerk of the Board in advance of not being able to attend a meeting. Sick Leave will be paid in the amount of $100 per day of absence. For Board Members who have exceeded their maximum payment in a calendar month, no sick leave will be paid.

SECTION 5
EMPLOYEE BENEFITS

5.1 HEALTH, LIFE, AND DISABILITY INSURANCE BENEFITS

5.1A HEALTH INSURANCE

The AA will offer health (medical, dental, and vision), life (life and accidental death and dismemberment), and disability insurance programs for all full-time and part-time employees as determined by the Board.

Employees who are scheduled to work a minimum of 20 hours per week or more and meet the criteria under the Affordable Care Act, are eligible to participate in the health, life, and disability insurance programs on the first day of the month following 30 days of employment. Employees may be required to pay a portion of the premiums. Part-time employees will pay the same portion of the premiums as full-time employees.

Administrative employees who elect to waive an OCTA medical, dental, and vision plan are eligible to receive an employer contribution of $92.31 per pay period into a 401(a) deferred compensation plan, not to exceed the annual IRS maximum contribution. The employee must provide verification annually from the employer or the insurance carrier which verifies proof of other medical plan coverage in order to receive a contribution into the 401(a) plan. An employee who is a spouse, child, or any other dependent of an OCTA administrative employee is not eligible if he/she is covered under an OCTA medical, dental, or vision plan.

Commented [HB2]: Should this be 'or'?

5.1B LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE

Life insurance will be provided by OCTA to full-time and part-time employees in the amount of two times the annual salary, for a maximum benefit of $500,000. Voluntary employee-paid supplemental life insurance may be offered by OCTA for employees and/or eligible dependents (IRS). (Benefit amounts reduce at ages 70, 75, and 80. See Benefits Guide.)

Commented [HB3]: Why is this here?

5.1C DISABILITY INSURANCE

Employer-paid short-term disability and long-term disability insurance programs will be provided to full-time and part-time employees. Coordination of state provided disability payments may be required.

5.1D SURVIVOR BENEFIT

When OCTA is notified of the death of an employee, his/her dependents who were previously enrolled dependents, may be eligible for coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA). If eligible for

COBRA, OCTA will reimburse the cost of the OCTA-sponsored health benefit plan premium to the dependent(s) for a maximum of three months.

5.1E COBRA AND CONTINUED COVERAGE

All full-time or part-time employees separating employment may elect continuing health (medical, dental, and vision) insurance pursuant to the governing provisions of the program in which they are enrolled. The employee will be required to pay the premium for the coverage selected in accordance with the provisions of COBRA, except as provided in the Layoff and Workforce Reduction Policy. Health coverage ends the last day of the month in which the employee separates employment.

5.1F CONTINUATION OF HEALTH BENEFITS FOR RETIREES

An employee who retires from OCTA is eligible to continue medical, dental, and/or vision coverage, provided the retiree continues to pay 100% of the full monthly premium. Current group health benefits may continue up to age 65.

An employee who defers retirement is not eligible for this benefit.

For additional information regarding retiree health benefits that may apply under the Additional Retiree Benefit Account Plan (ARBA) please refer to section 5.5 C.

5.2 MISCELLANEOUS BENEFITS

5.2A EMPLOYEE RECREATION ASSOCIATION

The AA will be responsible for monitoring the Employee Recreation Association (ERA), which is administered by the Human Resources Department. The ERA ~~is a council of 11 members who~~ meet~~s~~ to discuss various employee recognition activities and events and how best to fund them.

5.2B EMPLOYEE USE OF TRANSPORTATION SYSTEM

The AA has established policies and procedures regarding employees and eligible dependents' free transportation on OCTA's transportation services. See the Employee Identification Badge and Dependent Transportation Pass Policy.

5.2C MILEAGE REIMBURSEMENT

An employee will be reimbursed for use of his/her private automobile for official business of OCTA at the rate established by the Internal Revenue Service (IRS).

The AA will determine what constitutes official OCTA business, which would require use of an employee's private automobile. Local travel for mileage reimbursement purposes will include travel in Los Angeles, Orange, Riverside, San Bernardino, ~~Riverside,~~ and San Diego counties. Executive employees are referenced in section 5.4A.

5.2D OUT-OF-POCKET EXPENSES

OCTA will reimburse its employees for out-of-pocket expenses incurred while conducting official business for OCTA as provided in the policies regarding travel and conference expenses.

5.2E PROFESSIONAL LICENSES AND CERTIFICATES

OCTA will pay for any work-related professional licenses, certificates, or renewal fees as approved by the AA.

5.2F RECOGNITION AND AWARD PROGRAMS

The AA may establish and maintain an employee service award program and employee appreciation programs to provide recognition to employees for performance, continuous service, safety, and commitment to public transportation.

5.3 LEAVES OF ABSENCE

Leaves of absence may be granted by the AA to employees with or without pay. This policy will be interpreted and applied in accordance with all applicable state and federal laws. For a detailed description of the various leaves of absence, please refer to the Leave of Absence Policy and the Military Leave Policy.

5.3A PERSONAL LEAVE

When requested, the AA may grant a personal leave of absence without pay, for non-medical reasons, on a case-by-case basis, once all accrued/benefit hours have been exhausted, including vacation hours, sick hours, and Personal Paid Holiday (PPH) hours. See Personal Leave of Absence Policy.

5.4 REIMBURSEMENTS AND ALLOWANCES

5.4A AUTOMOBILE ALLOWANCE AND ASSIGNMENT OF AUTOMOBILES

OCTA may elect to provide both an assigned automobile and all related expenses, or to provide a monthly automobile allowance to Executive employees. The monthly allowance will be in lieu of the IRS standard mileage reimbursement rate that would otherwise apply in the use of his/her personal automobile in the performance of his/her duties.

An executive employee may not receive the automobile allowance for any month during which the employee's driver license has expired, been revoked, or suspended for a moving violation while operating an automobile.

The automobile allowance will be in the same amount as is provided to the County of Orange managers at the department head or agency head level as determined by the Orange County Board of Supervisors.

OCTA may assign vehicles on a 24-hour basis to designated positions, in accordance with the Non-Revenue Vehicle Fleet Policy. Each OCTA operating base and administrative facility will be assigned a pool of non-revenue vehicles for authorized OCTA business. Special purpose vehicles will be assigned to a division based on business need as referenced in the Non-Revenue Vehicle Fleet Policy.

5.4B EDUCATIONAL REIMBURSEMENT PROGRAM

OCTA may provide an Educational Reimbursement Program to reimburse a full-time employee for reasonable educational expenses for work-related courses. The AA will be responsible for developing, administering, and maintaining the program.

As authorized by the Educational Reimbursement Program Policy, a full-time employee who satisfactorily completed approved, work-related educational courses as defined in the Educational Reimbursement Program Policy, will be reimbursed in full for eligible expenses up to a maximum of $5,250 per calendar year. Increases to the tuition reimbursement amount will not exceed the IRS tax-free amount (currently $5,250). If an employee separates employment or gives notice of separation prior to completion of the course, no reimbursement will be made. Newly hired employees may be eligible for educational reimbursement after six months of employment.

5.4C UNIFORMS

An administrative employee who is required to wear a uniform on the job will be granted an allowance up to $500 per year for the purchase of uniforms at OCTA's authorized uniform supplier. Uniform purchases must comply with the guidelines established by the appropriate division.

5.4D SAFETY SHOES

Executive Directors are authorized to approve the cost of a pair of work-required safety shoes approved by the employee's manager.

5.5 RETIREMENT AND DEFERRED COMPENSATION

5.5A DEFERRED COMPENSATION

OCTA may provide all full-time, part-time, and extra-help employees with a deferred compensation program. The Deferred Compensation program is a benefit available to eligible employees to help them to save for retirement. The AA will be responsible for the establishment and administration of this program, utilizing the services of an outside administrator. This service will be provided at no cost to OCTA.

The Deferred Compensation Program is overseen by the Deferred Compensation Plan Committee. The Charter of the Deferred Compensation Plan Committee for the OCTA Retirement Plan Program constitutes the articles governing the operation of the committee. The OCTA has delegated to the CEO the responsibility of determining the committee members which comprise the Deferred Compensation Plan Committee as well as the duties and responsibilities of the committee members.

Enrollment in this program will be offered to employees on a voluntary basis, unless mandated by state or federal law. Employee contributions to the program will be made by a payroll deduction. The CEO may authorize OCTA to pay a lump sum contribution for designated positions.

Administrative employees will receive OCTA-paid matching contributions to 401-(a) plans based on years of service as set forth below, provided employees are making contributions of at least that amount to the OCTA 457-(b) plan:

Commented [KD4]: Potential pending change to these amounts

Years of Service	Percent of Base Pay
New Hire but less than 3	12%
3 but less than 5	24%
5 or more	36%

Formatted: Highlight
Formatted: Highlight
Formatted: Highlight
Formatted: Highlight
Formatted: Highlight
Formatted: Highlight

In addition to the above scale, employees in Salary Grade 260 and above, including executive employees, will receive an employer-paid matching contribution of up to 2.0% of base salary to the 401 (a) plan upon hire or promotion, provided employees are making contributions of at least that amount to the OCTA 457(b) plan.

5.5B RETIREMENT

All full-time and part-time employees of OCTA will participate in the Orange County Employees Retirement System (OCERS) and will be governed by its rules and regulations. All employees shall pay 100~~% of~~% of the OCERS employee contribution rate each pay period.

5.5C ADDITIONAL RETIREE BENEFIT ACCOUNT PLAN

An employee who retires from OCTA after January 1, 1995, who is in good standing with OCTA may be eligible for a benefit under the Additional Retiree Benefit Account Plan (ARBA). The retiring employee is eligible if the following conditions are met:

- at least ten years of service and at least 50 years of age at retirement, and

- receives a retirement benefit under OCERS within 30 days from the date of separation.

For retirees after January 1, 1995 and through June 30, 2023

The benefit amount represents $10.00 per month, per year of service, not to exceed a monthly benefit of $150.00.

For retirees on or after July 1, 2023

The benefit amount on July 1, 2026~~5~~ is $37.14~~36.41~~ per month, per year of service, not to exceed a monthly benefit of $557.13~~546.21~~. Retirees will receive a 2.0% cost adjustment on July 1 of each year.

Commented [KD5]: Check these numbers with Finance

Commented [LH5R2]: Sean M. checked these.

OCTA reserves the right to modify or terminate this plan at any time by action of the Board. Administration of the ARBA Plan will be in accordance with the plan document.

5.6 TIME OFF BENEFITS

5.6A TIME OFF ACCRUALS

All paid time-off benefits will accrue during a leave of absence for only the period during which the employee is paid. An employee on unpaid leave of absence does not earn service credit for purposes of retirement benefits. An employee who returns to work from a leave of absence retains all accumulated service credit. Service credit for retirement benefits will be based on the specifications of the retirement system.

5.6B BEREAVEMENT LEAVE

In accordance with the Bereavement Leave Policy, a full-time or part-time employee will be granted paid bereavement leave, up to five regularly scheduled workdays, upon the death of an immediate family member, consistent with the Bereavement Leave Policy.

The paid bereavement leave will not be chargeable to sick leave or vacation. The AA will authorize such absence from work.

Additional leave, if required, to make arrangements and/or attend the funeral, cremation, or memorial service of an immediate family member may be approved by the AA and will be charged against accrued sick or vacation leave.

An employee may take up to five days of reproductive loss leave following a reproductive loss event, consistent with California law and the Bereavement Leave Policy.

5.6C CATASTROPHIC LEAVE DONATIONS

Employees may elect to donate accrued sick and/or vacation leave for use by an employee who has met the eligibility requirements under the Catastrophic Leave Policy. For a detailed description, please refer to the Catastrophic Leave Policy.

5.6D HOLIDAYS AND PERSONAL PAID HOLIDAYS

OCTA will observe 12 paid holidays consisting of designated holidays and Personal Paid Holidays (PPH) as determined by the CEO. Annually, the listing of holidays observed for the year will be posted on the OCTA Intranet.

A full-time, non-exempt employee will receive the equivalent of 12 days of holiday pay at his/her regular rate during the calendar year. A full-time non-exempt employee who works an alternative work schedule will receive holiday pay for each of the above holidays based on his/her normally scheduled workday.

When a holiday falls on a Saturday, the previous day will be observed as the holiday, and when a holiday falls on a Sunday, the next day will be observed as the holiday, unless otherwise designated by the CEO. When a holiday falls on an employee's scheduled day off, either the previous working day or the next scheduled working day will be observed by the employee as the holiday.

A full-time or part-time non-exempt employee who is required to work on a holiday will be paid at 1-1/2 times his/her regular hourly rate for all hours worked in addition to pay for his/her regularly scheduled workday. An exempt employee will receive no premium pay for work on a scheduled OCTA holiday.

A full-time, exempt employee will receive holiday pay for each of the holidays observed and will be paid based on his/her normally scheduled workday.

All part-time employees will receive holiday pay for each holiday at his/her regular rate on a pro-rated basis.

PPHs are taken at an employee's discretion following supervisory approval. An employee will be paid for any unused PPHs for the current calendar year in the event of separation or retirement. The maximum number of PPHs that an employee may accrue will be two days over the current calendar year's entitlement. For new hires, the PPH accrual schedule for their first year will be posted on the OCTA Intranet and given to them during orientation.

5.6E JURY DUTY

A full-time or part-time employee who is called for jury duty or for examination for jury duty will receive compensation at his/her regular rate of pay for those days that coincide with the employee's regularly scheduled workdays.

Full-time and part-time employees are not eligible to receive additional compensation from the court system, except for mileage reimbursement, consistent with ~~the~~ state law.

5.6F SICK LEAVE – FULL-TIME AND PART-TIME EMPLOYEES

OCTA provides a plan for full-time and part-time employees to accrue sick leave.

Sick leave may be used for an absence from employment consistent with the Sick Leave Policy and state and federal law.

A full-time employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rates as provided in the following table:

Years of Service	Accrual Rates	Approximate Accrual
Less than 3 years	.0347 Hours	9 days per year
3 years or more	.0462 Hours	12 days per year

A part-time employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rates as provided in the following table:

Accrual Rate	Approximate Accrual
.04 Hours	40 hours per year

Sick leave will be paid consistent with an employee's regularly scheduled workday. Accrued sick leave will be added to the employee's sick leave accumulation account upon the completion of the pay period, with no credit to be applied during the progress of the pay period or for a fraction of the pay period during which an employee separates service.

An employee who separates from OCTA with ten years or more of continuous service and who is in good standing with OCTA will receive payment of any earned but unused sick leave up to a maximum of 160 hours.

Upon the death of an employee, the employee's estate will be paid 100% of the employee's unused or unpaid sick leave.

Upon retirement from OCTA, provided the employee has ten years or more of continuous service and is in good standing with OCTA, the employee will be paid a maximum of 240 hours of his/her unused sick leave. An employee is considered retired if he/she begins receiving a retirement benefit from OCERS at the time of his/her separation. This benefit does not apply to deferred retirement.

Upon separation from OCTA due to layoff, all unused or unpaid sick leave will be paid to the affected employee.

An employee who is injured on the job, resulting in loss of time, will be paid for the balance of the assignment on the day of injury at the regular rate of pay. The employee will also be paid for the time lost during the waiting period (first three days following date of injury, for which no Workers' Compensation benefits are provided). This payment will be at benefit rates provided under the Workers' Compensation Act. Payments under this section will not

be charged against the employee's accumulated sick leave. Vacation and sick leave accruals will continue during the three-day period and the employee will be credited as if he/she had worked his/her regularly scheduled hours each day.

For group insurance purposes only, time lost due to an on-the-job injury will not be considered an unpaid leave of absence. OCTA will continue to maintain and pay for the employee's group health coverage at the same level as active employees. To continue health coverage, an employee will be responsible for submitting health insurance contributions at the same rate and frequency as active employees. Failure to pay the employee's contribution may result in a lapse of coverage.

Extra-Help Employees and Interns

OCTA provides a plan for extra-help employees and interns to accrue sick leave. The employee will be eligible to use their sick leave on the 90th day of employment. Unused sick leave is not paid out at time of separation from employment. However, employees who are re-employed with OCTA within a year of separation will have their accrued unused bank of sick time made available to them immediately upon re-employment.

Sick leave may be used for an absence from employment consistent with the Sick Leave Policy and state and federal law.

An employee will accrue sick leave with pay for each paid hour in a regularly scheduled workweek at the rate as provided in the following table:

Accrual Rate	Approximate Accrual
.04 Hours	40 hours per year

5.6G SICK LEAVE SELLBACK

An employee who has accumulated sick leave in excess of 120 hours, as of the close of the first pay period ending in November, may choose to retain all unused accumulated sick leave and continue to accrue sick leave or to receive a single payment at his/her current rate of pay for any amount in excess of 120 hours. If the employee elects to receive payment, it will be paid no later than the pay date of the final payroll of that year.

5.6H VACATION

OCTA provides vacation leave with pay for full-time and part-time employees. Vacation leave is differentiated from other types of leave because it is intended for the rest, relaxation, and renewal of employees.

Accrued vacation leave will be applied to the employee's vacation accumulation account only upon completion of each pay period, except when an employee separates employment.

Upon separation, all unused vacation leave accrued through the employee's separation date will be paid.

Upon hire, an employee with less than two years of service will earn .0577 hours of vacation leave for each straight time hour of pay in a regularly scheduled workweek, unless otherwise approved by the AA and authorized by the Department Manager, Human Resources.

Accrual rates change beginning with the pay period following the pay period that begins the next year of service.

The maximum allowable accrued vacation leave at any time for full-time or part-time employees is listed below.

At the Beginning of Year:	The Employee Shall Earn:	To a Maximum Per Year of:	Maximum Accrued Vacation Leave
0 through year 2	.0577 hours	120 hours	240 hours
3 through year 4	.0577 hours	120 hours	300 hours
5 through year 9	.0770 hours	160 hours	300 hours
10 through year 14	.0962 hours	200 hours	390 hours
15 through year 18	.1039 hours	216 hours	390 hours
19 or more	.1154 hours	240 hours	440 hours

An employee will not accrue vacation leave in excess of the maximum amount unless authorized by the CEO. The CEO is exempt from a maximum accrual. Vacations will be scheduled consistent with efficient OCTA operations.

5.6I VACATION SELLBACK

An employee has the option of selling back up to 200 hours of vacation pay each calendar year for accrued but unused vacation. An employee must use at least 40 hours of vacation during the previous 12 months before exercising the sellback option.

The sellback option may be exercised twice in any given calendar year and may not exceed 200 hours.

Under unusual circumstances involving verifiable emergencies, the AA may authorize a cash value payment to an employee for an amount up to the total amount of accrued vacation.

An employee separating from OCTA will be paid, in a lump sum payment, for all unused vacation leave accrued through his/her separation date at his/her current rate of pay.

SECTION 6
COMPENSATION

6.1 COMPENSATION PHILOSOPHY

OCTA's objective is to provide competitive wages based on the market value for comparable work. Human Resources strives to administer the compensation program in a flexible but consistent manner. The purpose of the compensation program is to attract, retain, and motivate employees.

Employees are recognized for their contributions through performance-based merit increases.

6.1A SALARY RESOLUTION

The purpose of the Salary Resolution is to:

- Attract and retain a workforce dedicated to excellence, thereby ensuring OCTA's ability to meet the present and future business objectives of the organization; and
- Maintain a salary program that will give maximum incentive to real accomplishments and compensate individuals on the basis of merit without discrimination, while providing necessary administrative control of salary costs; and
- Provide salary structures that are internally equitable and externally competitive.

6.1B SALARY STRUCTURE

The Salary Structure is designed to provide:

- Salary grade ranges for classifications based upon the scope and level of responsibility of work performed in comparison to other work performed within OCTA, and in comparison, to the external market; and
- Salaries paid to employees that reflect the level of responsibilities of the classification and the performance of the individual.

6.2 ADMINISTRATION OF COMPENSATION

The AA is responsible for the establishment of definitive guidelines for adjusting individual salaries and salary ranges. The development and administration of these guidelines may be delegated to appropriate staff.

Within guidelines established by the AA, compensation adjustments may be given:

- as an increase to base pay; and
- in a lump sum payment.

The AA is authorized to adjust an incumbent's salary.

6.3 EXECUTIVE COMPENSATION

The salary of each Executive employee will be determined by the CEO. The salary range for the following titles are noted below:

Chief Financial Officer
Chief Operating Officer
Deputy CEO
Executive Director
General Manager
LOSSAN Managing Director

The current salary range for the above-mentioned titles is $212,014.40216,257.60 ($101.93103.97/hour) - $376,334.40383,864.00 ($180.93184.55/hour).

Directors and the LOSSAN Deputy Managing Director are also considered Executive employees. ~~The salary range that they are assigned to is salary grade 285 (refer to salary grade table on pg. 37).~~ The current salary range for these titles is $221,020.80 ($106.26/hour) - $304,116.80 ($146.21/hour), equivalent to salary grade 285.

6.4 NEWLY HIRED/PROMOTED EMPLOYEES

An employee may be hired or promoted into a position at any salary within the range for the classification; such salary is to be determined based on individual qualifications. Approval by the Division Executive Director is required for starting salaries at or above the midpoint of the salary grade for external hires. Approval by the CEO is required for starting salaries at or above the midpoint of the salary grade for external hires in salary grade 260 and above, for employee salary increases over 10.0%, or for executive level salaries. All promotions and salary increases must have an effective date that is the first day of a paythe pay period.

For new hires, after six months of employment, the employee's performance will be evaluated.

The performance of promoted employees may be evaluated after six months, as determined by the hiring manager prior to the job offer. The six-month review date is calculated from the beginning of the pay period in which they were promoted.

Subsequent performance reviews will be conducted annually on a common review date and merit increases may be authorized at that time.

6.5 RECLASSIFICATIONS

When a position is changed to a different classification in a higher salary grade, a lower salary grade, or in the same salary grade, it will be considered a reclassification. This action is based on substantial changes in the kind, difficulty, and/or responsibility level of the duties performed. See ~~Refer to the~~ Reclassification Policy.

Any employee in a position that is reclassified to a higher salary grade will be paid at least the minimum of the new salary grade. An employee in a position that is reclassified to a lower salary grade may have his/her salary reduced to the maximum of the new salary grade or with approval of the AA, may retain his/her salary paid prior to the reclassification.

6.6 CLASSIFICATION TITLES

All filled positions must have classification titles that are included in the PSR. The CEO or the Board may authorize the addition of new classification titles to the PSR and assign or authorize changes to classification salary grade assignments at any time during the year.

6.7 MERIT ADJUSTMENTS

For fiscal year 202~~5~~-27~~6~~, a pool for merit-based salary increases of 4.0% has been established for administrative positions, based on the availability of financial resources, as approved by the Board of Directors.

An employee may receive a merit increase based on his/her performance evaluation rating at the time of the common review unless the overall rating is “Does Not Meet Expectations.”

Individual merit increases may vary in amount depending on performance.

An employee’s performance may be reviewed at any time during the year as appropriate, but his/her salary may not be adjusted other than as provided in this PSR.

6.8 SPECIAL PERFORMANCE AWARDS

For fiscal year 202~~5~~-27~~6~~, a special performance award pool of 4.0% has been established for administrative positions based on the availability of financial resources, as approved by the Board of Directors.

Should a special performance award pool be established, the AA may authorize special performance awards for full-time and part-time employees based on individual employee performance. Each award will be a single lump sum payment and will not increase an employee’s base salary. Employees who have not completed six months of employment are not eligible to receive a Special Performance Award. An employee may not receive over 6.0%

of their total salary in Special Performance Awards per fiscal year. See Special Performance Award Policy.

6.9 TEMPORARY ASSIGNMENTS

Performing Additional Duties of a Different Classification

When an employee is temporarily assigned duties of a different position with the same or higher salary grade, the employee's salary may be increased by an amount not to exceed 5.0% per salary grade for the difference between the employee's current classification and the temporary assignment. Same salary grade temporary increases are limited to a maximum of 5.0%. Such increases may be made only in those instances where the assignment will last at least 30 days and will not, in any event, be paid for a period in excess of 180 days, without written authorization by the CEO. Temporary increases must be effective the first day of a pay period.

Performing Duties Critical to the Organization

At the sole discretion of the CEO, when an employee is performing duties critical to the organization during a crucial project or period of time, a temporary increase or stipend can be used to incentivize the key employee to remain at OCTA. This compensation can be in the form of a percentage of base salary, one or more lump sum amounts, or an additional employer non-matching deferred compensation contribution. The CEO must provide written authorization, by way of a memo, which includes the justification and time period for which this will be in effect. The amount and type of compensation will be determined by the CEO and reviewed annually or when the critical duties are no longer being performed.

6.10 EQUITY ADJUSTMENTS

The AA is authorized to adjust an incumbent's base salary to resolve a significant salary disparity manifested by internal salary compression, external market pressure(s), or both, whereby the individual is no longer appropriately compensated and a base salary adjustment is appropriate.

Equity adjustments should be used sparingly and should not be done in lieu of or in combination with, a promotion, reclassification, transfer, or merit adjustment. The types of situations in which an equity adjustment is appropriate include, but are not limited to:

a. retention of critical staff;
b. salary compression issues;
c. impact of new hires whose hiring rate exceeds those of current staff;
d. offer from another employer;
e. assignment of more complex duties that do not meet the criteria for reclassification; and

f. equity with peers in the same classification with similar education and experience levels.

Equity adjustments may not increase an incumbent's salary outside the specified salary range. Additionally, equity adjustments do not affect any established merit pool approved by the Board.

Equity adjustments may only be approved by the CEO.

TITLES AND SALARY GRADE ASSIGNMENTS

Class Title	Salary Grade
Accountant	185
Accountant, Associate	175
Accountant, Principal	205
Accountant, Senior	195
Accounting Specialist	155
Accounting Specialist, Associate	145
Accounting Specialist, Senior	165
Administrative Specialist	160
Analysis Project Manager	205
Applications Analyst	200
Applications Analyst, Associate	190
Applications Analyst, Principal	220
Applications Analyst, Senior	210
Artificial Intelligence (AI) Architect	215
Artificial Intelligence (AI) Architect, Senior	225
Assistant Base Manager	215
Base Manager	235
Benefits Specialist	185
Benefits Specialist, Associate	175
Benefits Specialist, Principal	~~215~~210
Benefits Specialist, Senior	~~205~~200
Bid Coordinator	190
Budget Manager	242
Business Computing Solutions Specialist	205
Business Computing Solutions Specialist, Associate	195
Business Computing Solutions Specialist, Lead	225
Business Computing Solutions Specialist, Senior	215
Business Intelligence Analyst	205
Business Intelligence Analyst, Associate	195
Business Intelligence Analyst, Senior	215
Business Systems Analyst	195
Business Systems Analyst, Associate	185
Business Systems Analyst, Principal	215
Business Systems Analyst, Senior	205
Business Unit Analyst	185
Business Unit Analyst, Associate	175
Business Unit Analyst, Principal	205

Commented [HB6]: Not listed in Table of Contents.

Also, title should be Arial.

Formatted: Font: Arial

Formatted Table

Formatted: Font: Italic, All caps

Formatted: Font: Italic

Commented [LH7]: 195 and 210?

Business Unit Analyst, Senior	195
Business Unit Specialist	170
Buyer	180
Buyer, Associate	170
Buyer, Senior	190
Civil Engineer	215
Civil Engineer, Principal	235
Civil Engineer, Senior	225
Claims Manager	220
Claims Representative	180
Claims Representative, Associate	170
Claims Representative, Principal	200
Claims Representative, Senior	190
Clerk of the Board Manager	245
Clerk of the Board Specialist	175
Clerk of the Board Specialist, Assistant	165
Clerk of the Board Specialist, Principal	190
Clerk of the Board Specialist, Senior	180
Coach Operator Instructor	190
Communications Department Manager, Senior	280
Communications Specialist	190
Communications Specialist, Associate	180
Communications Specialist, Principal	210
Communications Specialist, Senior	200
Community Relations Specialist	175
Community Relations Specialist, Associate	165
Community Relations Specialist, Principal	195
Community Relations Specialist, Senior	185
Community Transportation Coordinator	195
Community Transportation Coordinator, Principal	215
Community Transportation Coordinator, Senior	205
Compensation Analyst	190
Compensation Analyst, Associate	180
Compensation Analyst, Principal	210
Compensation Analyst, Senior	200
Construction Safety Section Manager	235
Construction Safety Specialist, Principal	210
Contract Analyst	205
Contract Administrator, Principal	215
Contract Administrator, Senior	205
Contract Administrator	195
Contract Administrator, Associate	185
Creative Services Specialist	170
Creative Services Specialist, Associate	160
Creative Services Specialist, Principal	190
Creative Services Specialist, Senior	180
Customer Relations Representative	130

Formatted Table

Customer Relations Representative, Senior	140
Customer Relations Specialist	160
Customer Relations Specialist, Associate	150
Customer Relations Specialist, Senior	170
Cyber Security Analyst	200
Cyber Security Analyst, Associate	190
Cyber Security Analyst, Senior	210
Cyber Security Compliance Analyst	195
Cyber Security Compliance Analyst, Associate	185
Cyber Security Compliance Analyst, Senior	205
Cyber Security Engineer, Associate	205
Cyber Security Engineer	210
Cyber Security Engineer, Senior	220
Cyber Security Intrusion Analyst	200
Cyber Security Intrusion Analyst, Associate	190
Cyber Security Intrusion Analyst, Senior	210
Cyber Security Risk Analyst	200
Cyber Security Risk Analyst, Principal	220
Cyber Security Risk Analyst, Senior	210
Data Warehouse Architect	215
Data Warehouse Architect, Associate	205
Data Warehouse Architect, Principal	235
Data Warehouse Architect, Senior	225
Database Administrator	205
Database Administrator, Principal	225
Database Administrator, Senior	215
DBE (Disadvantaged Business Enterprise) Specialist	185
DBE (Disadvantaged Business Enterprise) Specialist, Associate	175
DBE (Disadvantaged Business Enterprise) Specialist, Senior	195
Department Manager	260
Department Manager, Senior	270
Deputy Treasurer	230
Desktop Support Technician	180
Desktop Support Technician, Associate	170
Desktop Support Technician, Senior	190
Desktop Support Technician, Principal	200
Digital/Reprographic Specialist	150
Digital/Reprographic Specialist, Senior	160
~~Director~~	285
Emergency Management Specialist	210
Employee Programs Administrator	190
Employee Programs Specialist	175
Employee Relations Representative	190
Employee Relations Representative, Associate	180
Employee Relations Representative, Principal	210
Employee Relations Representative, Senior	200
Executive Assistant I	160

Commented [LH8]: Moved to Executive Compensation; section 6.3

Executive Assistant II	170
Executive Assistant III	175
Executive Assistant IV	180
Executive Assistant V	190
Facilities Maintenance Supervisor	205
Fare Technology & Operations Manager	230
Field Administrator	180
Field Administrator, Associate	170
Field Administrator, Senior	190
Financial Analyst	195
Financial Analyst, Associate	185
Financial Analyst, Principal	215
Financial Analyst, Senior	205
Fleet Analyst	175
Fleet Analyst, Associate	165
Fleet Analyst, Senior	185
General Services Specialist	145
General Services Specialist, Assistant	135
General Services Specialist, Senior	155
GIS Analyst	195
GIS Analyst, Associate	185
GIS Analyst, Principal	215
GIS Analyst, Senior	205
Government Relations Representative	195
Government Relations Representative, Associate	185
Government Relations Representative, Principal	215
Government Relations Representative, Senior	205
Grants Compliance Analyst	195
Grants Compliance Analyst, Associate	185
Grants Compliance Analyst, Principal	215
Grants Compliance Analyst, Senior	205
Grants Compliance Manager	245
Grants Technician	155
Health, Safety & Compliance Specialist, Associate	185
Health, Safety & Environmental Compliance Specialist	195
Health, Safety & Environmental Compliance Specialist, Principal	215
Health, Safety & Environmental Compliance Specialist, Senior	205
Human Resources Assistant	160
Human Resources Business Partner	195
Human Resources Business Partner, Associate	185
Human Resources Business Partner, Senior	205
Human Resources Business Partner, Principal	215
Human Resources Representative	185
Human Resources Representative, Associate	175
Human Resources Representative, Senior	195
Internal Audit, Senior Manager	245
Internal Auditor	205

Commented [LH9]: Still in discussion

Formatted Table

Formatted Table

Internal Auditor, Associate	195
Internal Auditor, Principal	225
Internal Auditor, Senior	215
Inventory Analyst	190
IS Business Strategist	230
IS Enterprise Architect	225
IS Project Manager I	210
IS Project Manager II	220
IS Project Manager III	230
IS Project Manager, Senior	240
Learning & Development Administrator, Principal	205
Learning & Development Administrator, Senior	195
Learning and Development Administrator	185
Learning and Development Administrator, Associate	175
LOSSAN Accounting Analyst	185
LOSSAN Accounting Analyst, Associate	175
LOSSAN Accounting Analyst, Senior	195
LOSSAN Capital Program Manager	255
LOSSAN Deputy Managing Director	285
LOSSAN Equipment~~, and~~ Mechanical and Rail Safety Manager	~~235~~245
LOSSAN Executive Administrative Assistant	175
LOSSAN Financial Analyst	195
LOSSAN Financial Analyst, Associate	185
LOSSAN Financial Analyst, Principal	215
LOSSAN Financial Analyst, Senior	205
LOSSAN Financial Planning & Analysis Manager	255
LOSSAN Marketing and Communications Manager	220
LOSSAN Marketing Specialist	180
LOSSAN Marketing Specialist, Associate	170
LOSSAN Marketing Specialist, Principal	200
LOSSAN Marketing Specialist, Senior	190
LOSSAN ~~Operations~~ Rail Compliance and Safety ~~Manager~~ Specialist, Principal	~~245~~230
LOSSAN Program Manager	~~255~~260
LOSSAN Program Manager, Senior	270
LOSSAN Project Manager	230
LOSSAN Project Manager, Senior	240
LOSSAN Senior Manager, Finance & Administration	270
LOSSAN Transportation Analyst	195
LOSSAN Transportation Analyst, Associate	185
LOSSAN Transportation Analyst, Principal	215
LOSSAN Transportation Analyst, Senior	205
LOSSAN Transportation Funding Analyst	195
LOSSAN Transportation Funding Analyst, Associate	185
LOSSAN Transportation Funding Analyst, Principal	215
LOSSAN Transportation Funding Analyst, Senior	205
M2 PMO Manager	245
Maintenance Field Administrator	200

Formatted Table

Maintenance Field Administrator, Principal	220
Maintenance Field Administrator, Senior	210
Maintenance Instructor	200
Maintenance Instructor, Senior	210
Maintenance Planner	190
Maintenance Planner, Senior	200
Maintenance Resource Analyst	185
Maintenance Resource Analyst, Senior	195
Maintenance Supervisor	205
Marketing Specialist	180
Marketing Specialist, Assistant	160
Marketing Specialist, Associate	170
Marketing Specialist, Principal	200
Marketing Specialist, Senior	190
Materials Management Planner	190
Network Administrator	200
Network Administrator, Associate	190
Network Administrator, Principal	220
Network Administrator, Senior	210
Network Analyst	200
Network Analyst, Associate	190
Network Analyst, Senior	210
Network Engineer	205
Network Engineer, Associate	195
Network Engineer, Principal	225
Network Engineer, Senior	215
Office Specialist	145
Office Specialist, Assistant	135
Office Specialist, Senior	155
On-Board Evaluator	125
Operations Analyst	185
Operations Analyst, Associate	175
Operations Analyst, Principal	205
Operations Analyst, Senior	195
Operations Project Manager	230
Pass Sales Coordinator	165
Payroll Administrator	180
Program Management Analyst	195
Program Management Analyst, Associate	185
Program Management Analyst, Principal	215
Program Management Analyst, Senior	205
Program Manager	260
Program Manager, Senior	270
Programming & Grants Development Manager	245
~~LOSSAN Program Manager, Senior~~	~~270~~
Programmer Analyst	190
Programmer Analyst, Associate	180

Formatted Table

Formatted Table

Formatted Table

Commented [LH10]: Moved to LOSSAN area

Programmer Analyst, Senior	200
Project Controls Analyst, Associate	180
Project Controls Analyst	190
Project Controls Analyst, Principal	210
Project Controls Analyst, Senior	200
Project Manager I	210
Project Manager II	220
Project Manager III	230
Project Manager, Senior	240
Public Records Administrator	170
Public Records Administrator, Associate	160
Radio & Field Specialist	190
Radio & Field Specialist, Lead	195
Rail Maintenance-of-Way Administrator	185
Rail Maintenance-of-Way Administrator, Senior	195
Rail Systems Safety Specialist, Principal	~~215~~220
Real Property Agent	~~185~~190
Real Property Agent, Associate	~~175~~180
Real Property Agent, Principal	~~205~~210
Real Property Agent, Senior	~~195~~200
Real Property Department Manager, Senior	280
Records Administrator	160
Records Administrator, Senior	170
Revenue Administrator	185
Revenue Administrator, Associate	175
Revenue Administrator, Principal	205
Revenue Administrator, Senior	195
Schedule Analyst	180
Schedule Analyst, Associate	170
Schedule Analyst, Senior	190
Schedule Analyst, Principal	200
Section Manager I	210
Section Manager II	220
Section Manager III	235
Section Manager, Senior	245
Section Supervisor I	185
Section Supervisor II	195
Section Supervisor, Senior	205
Security Systems Administrator	195
Security Systems Administrator, Associate	185
Security Systems Administrator, Senior	205
Senior Real Property Manager	280
Senior Strategic Communications Manager	280
Service Planning Analyst	195
Service Planning Analyst, Principal	215
Service Planning Analyst, Senior	205
SharePoint System Architect	210

SMS (Safety Management System) Program Manager	220
Stops and Zones Analyst	185
Stops and Zones Analyst, Associate	175
Stops and Zones Analyst, Principal	205
Stops and Zones Analyst, Senior	195
Stops and Zones Planner	185
Stops and Zones Planner, Associate	175
Stops and Zones Planner, Senior	195
Store Services Specialist	145
Store Services Specialist, Assistant	135
Store Services Specialist, Senior	155
Strategic Plan Administrator	245
Systems Engineer	205
Systems Engineer, Associate	195
Systems Engineer, Senior	215
Systems Engineer, Principal	225
Talent Acquisition Specialist	185
Talent Acquisition Specialist, Associate	175
Talent Acquisition Specialist, Principal	205
Talent Acquisition Specialist, Senior	195
Telecommunications Administrator	180
Telecommunications Technician	180
Transit Project Manager I	210
Transit Project Manager II	220
Transit Project Manager III	230
Transit Technical Services Supervisor	210
Transportation Analyst	195
Transportation Analyst, Associate	185
Transportation Analyst, Principal	215
Transportation Analyst, Senior	205
Transportation Funding Analyst	195
Transportation Funding Analyst, Associate	185
Transportation Funding Analyst, Principal	215
Transportation Funding Analyst, Senior	205
Transportation Funding Specialist	165
Transportation Modeling Analyst	195
Transportation Modeling Analyst, Associate	185
Transportation Modeling Analyst, Principal	215
Transportation Modeling Analyst, Senior	205
Warranty Coordinator	170
Warranty Coordinator, Associate	160
Warranty Coordinator, Senior	180
Web Data Analyst	175
Web Data Analyst, Associate	165
Web Data Analyst, Senior	185
Web Developer	190
Web Developer, Principal	210

Formatted Table

Formatted Table

Web Developer, Senior	200
Wellness Coordinator	190
Window Coordinator	190
Worker VCompensation Program Specialist	185
Worker VCompensation Program Specialist, Associate	175
Worker VCompensation Program Specialist, Senior	195

~~SALARY STRUCTURE~~

Formatted Table

	~~Annual~~			~~Hourly~~		
~~OCTA Salary Grade~~	~~Min~~	~~Mid~~	~~Max~~	~~Min~~	~~Mid~~	~~Max~~
~~100~~	~~35,110.40~~	~~41,953.60~~	~~48,776.00~~	~~16.88~~	~~20.17~~	~~23.45~~
~~105~~	~~36,899.20~~	~~44,075.20~~	~~51,251.20~~	~~17.74~~	~~21.19~~	~~24.64~~
~~110~~	~~38,729.60~~	~~46,259.20~~	~~53,788.80~~	~~18.62~~	~~22.24~~	~~25.86~~
~~115~~	~~40,664.00~~	~~48,588.80~~	~~56,492.80~~	~~19.55~~	~~23.36~~	~~27.16~~
~~120~~	~~42,681.60~~	~~51,001.60~~	~~59,300.80~~	~~20.52~~	~~24.52~~	~~28.51~~
~~125~~	~~44,824.00~~	~~53,560.00~~	~~62,275.20~~	~~21.55~~	~~25.75~~	~~29.94~~
~~130~~	~~47,070.40~~	~~56,222.40~~	~~65,374.40~~	~~22.63~~	~~27.03~~	~~31.43~~
~~135~~	~~49,420.80~~	~~59,051.20~~	~~68,660.80~~	~~23.76~~	~~28.39~~	~~33.01~~
~~140~~	~~51,896.00~~	~~61,984.00~~	~~72,072.00~~	~~24.95~~	~~29.80~~	~~34.65~~
~~145~~	~~54,496.00~~	~~65,104.00~~	~~75,691.20~~	~~26.20~~	~~31.30~~	~~36.39~~
~~150~~	~~57,200.00~~	~~68,348.80~~	~~79,476.80~~	~~27.50~~	~~32.86~~	~~38.21~~
~~155~~	~~60,070.40~~	~~71,760.00~~	~~83,449.60~~	~~28.88~~	~~34.50~~	~~40.12~~
~~160~~	~~63,086.40~~	~~75,358.40~~	~~87,609.60~~	~~30.33~~	~~36.23~~	~~42.12~~
~~165~~	~~66,227.20~~	~~79,123.20~~	~~91,998.40~~	~~31.84~~	~~38.04~~	~~44.23~~
~~170~~	~~69,555.20~~	~~83,096.00~~	~~96,616.00~~	~~33.44~~	~~39.95~~	~~46.45~~
~~175~~	~~73,028.80~~	~~87,235.20~~	~~101,420.80~~	~~35.11~~	~~41.94~~	~~48.76~~
~~180~~	~~76,668.80~~	~~91,582.40~~	~~106,496.00~~	~~36.86~~	~~44.03~~	~~51.20~~
~~185~~	~~80,516.80~~	~~96,179.20~~	~~111,820.80~~	~~38.71~~	~~46.24~~	~~53.76~~
~~190~~	~~84,531.20~~	~~100,984.00~~	~~117,416.00~~	~~40.64~~	~~48.55~~	~~56.45~~
~~195~~	~~88,753.60~~	~~106,038.40~~	~~123,302.40~~	~~42.67~~	~~50.98~~	~~59.28~~
~~200~~	~~93,204.80~~	~~111,342.40~~	~~129,459.20~~	~~44.81~~	~~53.53~~	~~62.24~~
~~205~~	~~97,864.00~~	~~116,896.00~~	~~135,928.00~~	~~47.05~~	~~56.20~~	~~65.35~~
~~210~~	~~102,752.00~~	~~122,740.80~~	~~142,708.80~~	~~49.40~~	~~59.01~~	~~68.61~~
~~215~~	~~107,889.60~~	~~128,876.80~~	~~149,864.00~~	~~51.87~~	~~61.96~~	~~72.05~~
~~220~~	~~113,276.80~~	~~135,324.80~~	~~157,352.00~~	~~54.46~~	~~65.06~~	~~75.65~~
~~225~~	~~118,934.40~~	~~142,084.80~~	~~165,214.40~~	~~57.18~~	~~68.31~~	~~79.43~~
~~230~~	~~124,883.20~~	~~149,177.60~~	~~173,472.00~~	~~60.04~~	~~71.72~~	~~83.40~~
~~235~~	~~131,123.20~~	~~156,644.80~~	~~182,145.60~~	~~63.04~~	~~75.31~~	~~87.57~~
~~240~~	~~137,696.00~~	~~164,486.40~~	~~191,256.00~~	~~66.20~~	~~79.08~~	~~91.95~~
~~245~~	~~144,580.80~~	~~172,702.40~~	~~200,824.00~~	~~69.51~~	~~83.03~~	~~96.55~~
~~250~~	~~151,798.40~~	~~181,334.40~~	~~210,849.60~~	~~72.98~~	~~87.18~~	~~101.37~~
~~255~~	~~159,390.40~~	~~190,403.20~~	~~221,395.20~~	~~76.63~~	~~91.54~~	~~106.44~~
~~260~~	~~167,356.80~~	~~199,929.60~~	~~232,481.60~~	~~80.46~~	~~96.12~~	~~111.77~~

~~265~~	~~175,718.40~~	~~209,913.60~~	~~244,088.00~~	~~84.48~~	~~100.92~~	~~117.35~~
~~270~~	~~184,496.00~~	~~220,396.80~~	~~256,297.60~~	~~88.70~~	~~105.96~~	~~123.22~~
~~275~~	~~193,731.20~~	~~231,420.80~~	~~269,110.40~~	~~93.14~~	~~111.26~~	~~129.38~~
~~280~~	~~203,424.00~~	~~243,006.40~~	~~282,568.00~~	~~97.80~~	~~116.83~~	~~135.85~~
~~285~~	~~213,595.20~~	~~255,153.60~~	~~296,691.20~~	~~102.69~~	~~122.67~~	~~142.64~~
~~290~~	~~224,265.60~~	~~267,904.00~~	~~311,521.60~~	~~107.82~~	~~128.80~~	~~149.77~~
~~295~~	~~235,476.80~~	~~281,299.20~~	~~327,100.80~~	~~113.21~~	~~135.24~~	~~157.26~~

SALARY STRUCTURE

	Annual				Hourly		
OCTA Salary Grade	Min	Mid	Max		Min	Mid	Max
125	46,384.00	55,120.00	63,835.20		22.30	26.50	30.69
130	48,713.60	57,865.60	67,017.60		23.42	27.82	32.22
135	51,147.20	60,777.60	70,387.20		24.59	29.22	33.84
140	53,705.60	63,793.60	73,881.60		25.82	30.67	35.52
145	56,388.80	66,996.80	77,584.00		27.11	32.21	37.30
150	59,196.80	70,345.60	81,473.60		28.46	33.82	39.17
155	62,171.20	73,860.80	85,550.40		29.89	35.51	41.13
160	65,291.20	77,563.20	89,814.40		31.39	37.29	43.18
165	68,536.00	81,432.00	94,307.20		32.95	39.15	45.34
170	71,988.80	85,529.60	99,049.60		34.61	41.12	47.62
175	75,566.40	89,772.80	103,958.40		36.33	43.16	49.98
180	79,331.20	94,244.80	109,158.40		38.14	45.31	52.48
185	83,324.80	98,987.20	114,628.80		40.06	47.59	55.11
190	87,484.80	103,937.60	120,369.60		42.06	49.97	57.87
195	91,852.80	109,137.60	126,401.60		44.16	52.47	60.77
200	96,449.60	114,587.20	132,704.00		46.37	55.09	63.80
205	101,275.20	120,307.20	139,339.20		48.69	57.84	66.99
210	106,329.60	126,318.40	146,286.40		51.12	60.73	70.33
215	111,654.40	132,641.60	153,628.80		53.68	63.77	73.86
220	117,228.80	139,276.80	161,304.00		56.36	66.96	77.55
225	123,073.60	146,224.00	169,353.60		59.17	70.30	81.42
230	129,230.40	153,524.80	177,819.20		62.13	73.81	85.49
235	135,678.40	161,200.00	186,700.80		65.23	77.50	89.76
240	142,480.00	169,270.40	196,040.00		68.50	81.38	94.25
242	145,308.80	172,619.20	199,908.80		69.86	82.99	96.11

245	149,614.40	177,736.00	205,857.60		71.93	85.45	98.97
250	157,081.60	186,617.60	216,132.80		75.52	89.72	103.91
255	164,944.00	195,956.80	226,948.80		79.30	94.21	109.11
260	173,180.80	205,753.60	238,305.60		83.26	98.92	114.57
265	181,833.60	216,028.80	250,203.20		87.42	103.86	120.29
270	190,923.20	226,824.00	262,724.80		91.79	109.05	126.31
275	200,470.40	238,160.00	275,849.60		96.38	114.50	132.62
280	210,496.00	250,078.40	289,640.00		101.20	120.23	139.25
285	221,020.80	262,579.20	304,116.80		106.26	126.24	146.21

APPENDIX A – GLOSSARY OF TERMS

ADMINISTRATIVE EMPLOYEE	Any employee of OCTA not covered by a collective bargaining agreement.
APPOINTING AUTHORITY	The CEO; he/she may delegate this responsibility.
AT-WILL EMPLOYMENT	An employee's employment status may be changed, including, but not limited to, separation of employment, by OCTA or the employee, at any time for any reason.
BOARD	The Board of Directors of OCTA.

CATASTROPHIC LEAVE	An extended leave due to an employee's own serious illness or medical condition, or that of an immediate family member where the employee is the primary caregiver, that incapacitates the employee, and where the employee is expected to use up his/her entire accrued leave.	**Formatted:** Font: (Default) Arial
CLASSIFICATION OR CLASSIFICATION TITLE	The title that identifies the type of work being performed by one or more incumbents in a position.	**Formatted:** Font: (Default) Arial
DOMESTIC PARTNER	A domestic partnership is established in California when both persons file a Declaration of Domestic Partnership with the Secretary of State. A domestic partner is further defined by California's Family Code, Section 297-297.5.	**Formatted:** Font: (Default) Arial
ELIGIBLE DEPENDENT	Spouse, registered domestic partner, and dependent children up to the age 26.	**Formatted:** Font: (Default) Arial
EQUITY INCREASE	An adjustment to an employee's base salary to resolve a significant salary disparity manifested by internal salary compression, external market pressure(s), or both, whereby the individual is no longer appropriately compensated, and a base salary adjustment is appropriate.	**Formatted:** Font: (Default) Arial
EXECUTIVE EMPLOYEE	An employee classified as CEO, Deputy CEO, COO, CFO, Executive Director, Director, General Manager, LOSSAN Managing Director, and LOSSAN Deputy Managing Director.	**Formatted:** Font: (Default) Arial
EXEMPT EMPLOYEE	An employee in a position that is not covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and recordkeeping.	**Formatted:** Font: (Default) Arial
EXTRA-HELP EMPLOYEE	An employee hired to serve as part-time augmentation of staff in which the duty or task defined generally requires less than 20 hours of work per week and no more than 1,000 work hours within a continuous 12-month period. An extra-help employee is not eligible for employee benefits.	**Formatted:** Font: (Default) Arial
FULL-TIME EMPLOYEE	An administrative employee in a position with a normal workweek that totals at least 40 hours.	**Formatted:** Font: (Default) Arial
INTERN	An employee enrolled as a full-time student at a two- or four-year college or university pursuing a course of study that will lead to an undergraduate or graduate degree, or a recent graduate, in a field of study applicable to the hiring department's specialty. The intern provides assistance to departments by performing a variety of duties related to the intern's career field. Guidelines for extra-help employees also apply to interns.	**Formatted:** Font: (Default) Arial
NON-EXEMPT EMPLOYEE	An employee in a position that is covered under the provisions of the FLSA regarding minimum wage, overtime, maximum hours, and record keeping.	**Formatted:** Font: (Default) Arial
PART-TIME EMPLOYEE	An administrative employee in a position with a normal workweek that totals at least 20 hours but not more than 39 hours, and not more than 1040 hours annually.	**Formatted:** Font: (Default) Arial

POSITION	Full-time and part-time positions in the Board-approved fiscal year budget.
PROMOTION	Movement of an employee from one position to a different position in a higher salary grade through the recruitment process.
PROMOTION – "IN-FAMILY"	Movement of an employee through recruitment to a similar position within the same specialty or "family" series. The duties performed are similar in nature and they continue to be reviewed during the Annual Performance Review Cycle.
RECLASSIFICATION	When a position is changed to a different classification in a higher, lower, or the same salary grade, as a result of an evaluation process.
REHIRE	To employ someone who previously separated his/her employment with OCTA (normally following a voluntary resignation) without restoring prior service.
REINSTATE	To return, within six months, an employee, previously separated due to layoff, to active employment with OCTA and to restore prior service and benefit eligibility, with no formal break in service. Vacation, sick, and holiday hours for which the employee was paid at the time of separation are not restored. (This action is unrelated to retirement service credit).
SALARY RANGE	The minimum and maximum of the salary grade for a position. It is based upon the scope and responsibility of work performed in comparison with other work performed within OCTA and in comparison, with the competitive labor market. The salary structure is designed and numbered in 1% grade increments. The grades displayed in this document reflect those that are actively in use (e.g., 125, 130, 135, 140). Intermediate grades (e.g., 126–129) exist within the structure and those that are not currently utilized are not shown due to space considerations.
TEMPORARY HELP	A person acquired through a temporary help agency to perform work on a limited term basis, not an OCTA employee.
TRANSFER	When an employee retains the same job title and work responsibilities but is moved from one location or section/department to a different location or section/department.

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Left

Formatted Table

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

APPENDIX B – ALPHABETICAL INDEX

Commented [HB11]: Should this be Arial?

PARAGRAPH	TOPIC	PAGE
5.5C	ADDITIONAL RETIREE BENEFIT ACCOUNT PLAN	19
6.2	ADMINISTRATION OF COMPENSATION	25
APPENDIX B	ALPHABETICAL INDEX	41
3.4	ALTERNATIVE WORK SCHEDULES	11
2.2	APPROVAL AUTHORITY FOR EMPLOYEE ACTIONS	7

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

Formatted: Font: (Default) Arial

2.1	AT-WILL EMPLOYMENT	7
5.4A	AUTOMOBILE ALLOWANCE AND ASSIGNMENT OF AUTOMOBILES	17
4.1A	BENEFITS ELIGIBILITY (*BOARD MEMBERS*)	13
5.6B	BEREAVEMENT LEAVE	20
4.1	BOARD MEMBER BENEFITS	13
4	BOARD MEMBER BENEFITS AND COMPENSATION	13
5.6C	CATASTROPHIC LEAVE DONATIONS	20
6.6	CLASSIFICATION TITLES	27
5.1E	COBRA AND CONTINUED COVERAGE	16
2.3	COMPENSATION (*EMPLOYMENT*)	7
4.1F	COMPENSATION (*BOARD MEMBERS*)	14
6	COMPENSATION	25
6.1	COMPENSATION PHILOSOPHY	25
5.1F	CONTINUATION OF HEALTH BENEFITS FOR RETIREES	16
4.1B	DEFERRED COMPENSATION (*BOARD MEMBERS*)	13
5.5A	DEFERRED COMPENSATION (*EMPLOYEE BENEFITS*)	18
5.1C	DISABILITY INSURANCE	15
5.4B	EDUCATIONAL REIMBURSEMENT PROGRAM	18
2.8	ELIMINATION OF POSITIONS AND WORKFORCE REDUCTIONS	8
5	EMPLOYEE BENEFITS	15
5.2A	EMPLOYEE RECREATION ASSOCIATION	16
5.2B	EMPLOYEE USE OF TRANSPORTATION SYSTEM	16
2	EMPLOYMENT	7
6.10	EQUITY ADJUSTMENTS	28
6.3	EXECUTIVE COMPENSATION	26
3	EXEMPT AND NON-EXEMPT EMPLOYEE, WORKWEEK, SCHEDULES, OVERTIME AND MAKE-UP TIME	10
3.1	EXEMPT EMPLOYEES	10
APPENDIX A	GLOSSARY OF TERMS	39
5.1A	HEALTH INSURANCE	15
5.1	HEALTH, LIFE, AND DISABILITY INSURANCE BENEFITS	15
5.6D	HOLIDAYS AND PERSONAL PAID HOLIDAYS	21
1.2	HUMAN RESOURCES POLICIES AND PROCEDURES	6
2.4	INTERNSHIPS	7
5.6E	JURY DUTY	21
2.8A	LAYOFF BENEFITS	8
2.8B	LAYOFF SEVERANCE PAY	9
5.3	LEAVES OF ABSENCE	17

PARAGRAPH	**TOPIC**	**PAGE**
4.1D	LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE (*BOARD MEMBERS*)	13
5.1B	LIFE INSURANCE AND SUPPLEMENTAL LIFE INSURANCE (*EMPLOYEE BENEFITS*)	15
3.6	MAKE-UP TIME	12

Formatted: Font: (Default) Arial

6.7	MERIT ADJUSTMENTS	27
5.2C	MILEAGE REIMBURSEMENT	16
5.2	MISCELLANEOUS BENEFITS	16
6.4	NEWLY HIRED/PROMOTED EMPLOYEES	26
3.2	NON-EXEMPT EMPLOYEES	10
5.2D	OUT-OF-POCKET EXPENSES	17
2.5	OUTSIDE EMPLOYMENT ACTIVITIES	7
3.5	OVERTIME	11
2.6	PERFORMANCE PLANNING AND REVIEW PROGRAM	8
5.3A	PERSONAL LEAVE	17
5.2E	PROFESSIONAL LICENSES AND CERTIFICATES	17
1	PURPOSE AND PROCEDURES	6
1.1	PURPOSE OF PERSONNEL AND SALARY RESOLUTION	6
6.5	RECLASSIFICATIONS	27
5.2F	RECOGNITION AND AWARD PROGRAMS	17
4.1E	REIMBURSEMENT OF EXPENSES (*BOARD MEMBERS*)	14
5.4	REIMBURSEMENTS AND ALLOWANCES	17
2.7	RELOCATION EXPENSES	8
5.5B	RETIREMENT	19
5.5	RETIREMENT AND DEFERRED COMPENSATION	18
4.1C	RETIREMENT PLAN (*BOARD MEMBERS*)	13
5.4D	SAFETY SHOES	18
6.1A	SALARY RESOLUTION	25
	SALARY STRUCTURE	38
6.1B	SALARY STRUCTURE	25
4.1G	SICK LEAVE (*BOARD MEMBERS*)	14
5.6F	SICK LEAVE – FULL-TIME AND PART-TIME EMPLOYEES	22
5.6G	SICK LEAVE SELLBACK	23
6.8	SPECIAL PERFORMANCE AWARDS	27
1.3	STATEMENT OF EQUAL EMPLOYMENT OPPORTUNITY	6
APPENDIX C	STATEMENT OF EQUAL EMPLOYMENT OPPORTUNITY	43
5.1D	SURVIVOR BENEFIT	15
6.9	TEMPORARY ASSIGNMENTS	28
5.6A	TIME OFF ACCRUALS	20
5.6	TIME OFF BENEFITS	20
	TITLES AND SALARY GRADE ASSIGNMENTS	30
5.4C	UNIFORMS	18
5.6H	VACATION	23
5.6I	VACATION SELLBACK	24
3.3	WORKWEEK	10

APPENDIX C – STATEMENT OF EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Commented [HB12]: Maybe list this as a table.
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Commented [HB13]: Not listed on Table of Contents
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Formatted: Font: (Default) Arial
Commented [HB14]: Change to Arial

(New one being signed) ~~Orange County Transportation Authority Statement of Equal Employment Opportunity Policy~~

~~The Orange County Transportation Authority (OCTA) practices equal employment opportunity and non-discrimination in all personnel actions. As part of the commitment to equal employment opportunity and affirmative action, OCTA has developed and periodically updates this written nondiscrimination program and makes the Equal Employment Opportunity Program and Affirmative Action Plan (EEO/AAP) available for inspection. All new hires receive copies of the OCTA EEO and Workplace Harassment Prevention Policies, and the policies are posted at each work location.~~

~~As OCTA's Chief Executive Officer, I maintain overall responsibility and accountability for OCTA's compliance with its EEO/AAP. To ensure day-to-day management, including program preparation, monitoring, and complaint investigation, I have appointed Maggie McJilton, Executive Director of People and Community Engagement (PACE) as EEO Officer under the title of Federal Compliance Officer. Ms. McJilton reports directly to me and acts with my authority with all levels of management, labor unions, and employees.~~

~~All employees are informed that the EEO Officer is Maggie McJilton, Executive Director of PACE, under the title of Federal Compliance Officer. Employees with concerns or questions about the OCTA EEO/AAP, EEO Policy, and/or Workplace Harassment & Discrimination Prevention Policy are encouraged to contact the Federal Compliance Officer or an Employee Relations Representative in the Labor and Employee Relations/Human Resources Department.~~

~~The Federal Compliance Officer meets periodically with appropriate management to discuss EEO responsibilities, review the EEO/AAP progress, and to develop personnel action alternatives, if required. The Federal Compliance Officer and her staff also have the responsibility of the EEO/AAP annual and semiannual updates. All OCTA executives, management, and supervisory personnel share the responsibility of implementing and monitoring OCTA's EEO Policy and Program within their respective areas and will be assigned specific tasks to ensure compliance is achieved. OCTA will evaluate its managers' and supervisors' performance on their successful implementation of OCTA's policies and procedures, in the same way OCTA assesses their performance regarding other agency's goals. All of these actions support the OCTA practice of equal opportunity in employment. The OCTA EEO Policy includes, without limitation, the following commitments:~~

I. To continue to provide equal employment opportunity to all qualified persons and to continue to recruit, hire, train, promote, and compensate qualified persons in all jobs without regard to race, color, religion, creed, ancestry, national origin, age, sex, pregnancy, gender, gender identity and/or expression, sexual orientation, marital status, medical condition, disability, genetic information, military and veteran status, or other legally protected status as established by federal or state law.

II. To periodically audit and evaluate all areas of its employment practices under the principles of equal employment opportunity, as well as identify and analyze possible problem areas. Examples of employment practices that are reviewed include the following:

A. Recruitment and Selection – The recruitment, testing and hiring of all personnel will be non-discriminatory with regard to race, color, religion, creed, ancestry, national origin, age, sex, pregnancy, gender, gender identity and/or expression, sexual orientation, marital status, medical condition, disability, genetic information, military and veteran status, or other protected status as established by federal or state law. Selections of hiring candidates are based on knowledge, skills, abilities, and qualifications for the job.

B. To provide reasonable accommodations to applicants and employees who need them because of a disability or to practice or observe their religion, absent undue hardship.

C. Promotions – Individuals will continue to be upgraded and promoted on the basis of their abilities, skills, knowledge, experience, and performance. OCTA will continue to ensure that qualified minority and women employees, as well as those who can qualify through training, are considered for promotion. In making promotion decisions, the supervisors directly involved will ensure that promotions are based on valid occupational qualifications.

D. Transfers – The OCTA transfer application procedures are administered by the Human Resources Department. The transfer application procedure assures that qualified transfer applicants will be considered with other candidates for vacant positions, thus increasing greater job opportunities for qualified employees.

E. Layoffs – Should reductions in the OCTA workforce become necessary, layoffs will be based on nondiscriminatory factors. OCTA will consider each individual scheduled to be affected by a layoff to assure compliance with this policy and each applicable collective bargaining agreement and will make every good faith effort to ensure that minorities and women are treated in a nondiscriminatory manner.

III. To continue to administer personnel programs in areas such as compensation, company-sponsored training, education tuition reimbursement, and social and recreational programs without regard to race, color, religion, creed, ancestry, national origin, age, sex, pregnancy, gender, gender identity and/or expression, sexual orientation, marital status, medical condition, disability, genetic information, military and veteran status, or other protected status as established by federal or state law.

IV. To promulgate and administer the OCTA employee benefit plans, including retirement, pension, disability, and insurance benefits, in conformity with applicable regulations of appropriate regulatory agencies and consistent with federal and state laws.

V. To review and update the EEO/AAP annually. EEO/AAP updates will be reviewed with appropriate management personnel, and a mid-year Interim Report will be provided to management to assist in measuring the status of the EEO/AAP target goals. OCTA periodically reviews personnel actions and publishes the results in the EEO/AAP.

VI. All employment actions include but are not limited to recruitment or recruitment advertising, hiring, selection for training, promotion, transfer, demotion, layoff, termination, rates of pay or other forms of compensation, and any treatment of employees will be administered without regard to race, color, religion, creed, ancestry, national origin, age, sex, pregnancy, gender, gender identity and/or expression, sexual orientation, marital status, medical condition, disability, genetic information, military and veteran status, or other protected status as established by federal or state law.

All applicants and employees have the right to file complaints alleging discrimination. Retaliation against an individual who files a charge or complaint of discrimination, participates in an employment discrimination proceeding (such as an investigation or lawsuit), or otherwise engages in protected activity is strictly prohibited and will not be tolerated.

As previously stated, OCTA prohibits workplace harassment, including sexual harassment, which is a form of gender discrimination. OCTA prohibits discrimination on the basis of gender and race (among other protected categories under the California Fair Employment and Housing Act and Title VII) and management has been made aware of this requirement. Among other forms of discrimination that undermine equal opportunity are religious and national origin discrimination. Religious and national origin discrimination are not tolerated at OCTA. Also included are OCTA's EEO/AAP and Workplace Harassment & Discrimination Prevention Policy with accompanying respective memos notifying all personnel of said OCTA policies.

The contact information for the Federal Compliance Officer (EEO Officer) is as follows:

Maggie McJilton, Executive Director, People and Community Engagement

Address: 550 South Main Street
PO Box 14184
Orange, CA 92863-1584
Telephone: (714) 560-5824
Email: mmcjilton@octa.net

I am personally committed to a workplace that acts upon its daily responsibility to treat all applicants and employees with dignity and respect, as well as equitably under the guidelines of our EEO Policy and Program.



2/26/2024

Darrell E. Johnson — Date
Chief Executive Officer
Orange County Transportation Authority

2 U D Q J H & R X Q W \ 7 U D Q V S R U W D W L R Q $ X W k
6 W D W H P H Q W R I (T X D O (P S O R \ P H Q W 2 S S R U W

The Orange Co nt Transportation A thorit (OCTA) practices e al emplo ment opport nit and non-discrimination in all personnel actions. As part of the commitment to e al emplo ment opport nit and affirmati e action, OCTA has de eloped and periodicall pdates this written nondiscrimination program and ma es the E al Emplo ment Opport nit Program and Affirmati e Action Plan (EEO AAP) a aila le for inspection. All new hires recei e copies of the OCTA EEO and or place arassment and iscrimination Pre ention Policies, and the policies are posted at each wor location.

As OCTA s Chief Exec ti e Officer, maintain o erall responsi ilit and acco nta ilit for OCTA s compliance with its EEO AAP. To ens re da -to-da management, incl ding program preparation, monitoring, and complaint in estigation ha e appointed aggie c ilton, Exec ti e irector of People and Comm nit Engagement (PACE) as the EEO Officer nder the title of Federal Compliance Officer. s. c ilton reports directl to me and acts with m a thorit with all le els of management, la or nions, and emplo ees.

All emplo ees are informed that the EEO Officer is aggie c ilton, Exec ti e irector of PACE, nder the title of Federal Compliance Officer. Emplo ees with concerns or estions a o t the OCTA EEO AAP, EEO Polic , and or or place arassment iscrimination Pre ention Polic are enco raged to contact the Federal Compliance Officer or a man eso rces staff mem er in the man eso rces epartment.

The Federal Compliance Officer meets periodicall with appropriate management to disc ss EEO responsi ilities, re iew the EEO AAP progress, and to de elop personnel action alternati es, if re ired. The Federal Compliance Officer and her staff also ha e the responsi ilit of the EEO AAP ann al and semiann al pdates. All OCTA exec ti es, management, and s per isor personnel share the responsi ilit of implementing and monitoring OCTA s EEO Polic and Program within their respecti e areas and will e assigned specific tas s to ens re compliance is achie ed. OCTA will e al ate its managers and s per isors performance on their s ccessf l implementation of OCTA s policies and proced res, in the same wa OCTA assesses their performance regarding other agenc s goals. All of these actions s pport the OCTA practice of e al opport nit in emplo ment. The OCTA EEO Polic incl des, witho t limitation, the following commitments:

. To contin e to pro ide e al emplo ment opport nit to all alified persons and to contin e to recr it, hire, train, promote, and compensate alified persons in all jo s witho t regard to race, color, religion, creed, ancestr , national origin, age, sex, pregnanc , gender, gender identit and or expression, sex al orientation, marital stat s, medical condition, disa ilit , genetic information, militar and eteran stat s, or other legall protected stat s as esta lished federal or state law.

. To periodicall a dit and e al ate all areas of its emplo ment practices nder the principles of e al emplo ment opport nit , as well as identif and anal e possi le pro lem areas. Examples of emplo ment practices that are re iewed incl de the following:

A. ecr itment and election The recr itment, testing and hiring of all personnel will e non-discriminator with regard to race, color, religion, creed, ancestr , national origin, age, sex, pregnanc , gender, gender identit and or expression, sex al orientation, marital stat s, medical condition, disa ilit , genetic information, militar and eteran stat s, or other protected stat s as esta lished federal or state law. elections of hiring candidates are ased on nowledge, s ills, a ilities, and alifications for the jo .

B. To pro ide reasona le accommodations to applicants and emplo ees who need them eca se of a disa ilit or to practice or o ser e their religion, a sent nd e hardship.

C. Promotions ndi id als will contin e to e pgraded and promoted on the asis of their a ilities, s ills, nowledge, experience, and performance. OCTA will contin e to ens re that alified minorit and women emplo ees, as well as those who can alif thro gh training, are considered for promotion. n ma ing promotion decisions, the s per isors directl in ol ed will ens re that promotions are ased on alid occ pational alifications.

. Transfers The OCTA transfer application proced res are administered the man eso rces epartment. The transfer application proced re ass res that alified transfer applicants will e considered with other candidates for acant positions, th s increasing greater jo opport nities for alified emplo ees.

E. a offs ho ld red ctions in the OCTA wor force ecome necessar , la offs will e ased on nondiscriminator factors. OCTA will consider each indi id al sched led to e affected a la off to ass re compliance with this polic and each applica le collecti e argaining agreement and will ma e e er good faith effort to ens re that minorities and women are treated in a nondiscriminator manner.

. To contin e to administer personnel programs in areas s ch as compensation, OCTA-sponsored training, ed cation t ition reim rsement, and social and recreational programs witho t regard to race, color, religion, creed, ancestr , national origin, age, sex, pregnanc , gender, gender identit and or expression, sex al orientation, marital stat s, medical condition, disa ilit , genetic information, militar and eteran stat s, or other protected stat s as esta lished federal or state law.

. To prom lgate and administer the OCTA emplo ee enefit plans, incl ding retirement, pension, disa ilit , and ins rance enefits, in conformit with applica le reg lations of appropriate reg lator agencies and consistent with federal and state laws.

. To re iew and pdate the EEO AAP ann all . EEO AAP pdates will e re iewed with appropriate management personnel, and a mid- ear nterim eport will e pro ided to management to assist in meas ring the stat s of the EEO AAP target goals. OCTA periodicall re iews personnel actions and p lishes the res lts in the EEO AAP.

. All emplo ment actions incl de t are not limited to recr itment or recr itment ad ertising, hiring, selection for training, promotion, transfer, demotion, la off, termination, rates of pa or other forms of compensation, and an treatment of emplo ees will e administered witho t regard to race, color, religion, creed, ancestr , national origin, age, sex, pregnanc , gender, gender identit and or expression, sex al orientation, marital stat s, medical condition, disa ilit , genetic information, militar and eteran stat s, or other protected stat s as esta lished federal or state law.

All applicants and emplo ees ha e the right to file complaints alleging discrimination. etaliation against an indi id al who files a charge or complaint of discrimination, participates in an emplo ment discrimination proceeding (s ch as an in estigation or laws it), or otherwise engages in protected acti it is strictl prohi ited and will not e tolerated.

As pre io sl stated, OCTA prohi its wor place harassment, incl ding sex al harassment, which is a form of gender discrimination. OCTA prohi its discrimination on the asis of gender and race (among other protected categories nder the California Fair Emplo ment and o sing Act and Title) and management has een made aware of this re irement. Among other forms of discrimination that ndermine e al opport nit are religio s and national origin discrimination. eligio s and national origin discrimination are not tolerated at OCTA. Also incl ded are OCTA s EEO AAP and or place arassment iscrimination Pre ention Polic with accompan ing respecti e memos notif ing all personnel of said OCTA policies.

t

t t 9 b 5 L

7 K H F R Q W D F W L Q I R U P D W L R Q I R U W K H) H G H U D O & R P S O L D Q F
aggie c ilton, Exec ti e irector, People and Comm nit Engagement

$ddress: 55 o th ain tre Ht
3 2 % R [
2 U D Q J H & $
Telephone: (14)56 -5824 Email: P P F M L O W R Q # R F W D Q H W

am personall committed to a wor place that acts pon its dail responsi ilit to treat all applicants and emplo ees with dignit and respect, as well as e ita l nder the g idelines of o r EEO Polic and Program.



ate
03/19/2026

arrell E. ohnson
Chief Exec ti e Officer
Orange Co nt Transportation A thorit

Executive Office

Chief Executive Officer

POLICY FOR COMPENSATION, BENEFITS, REIMBURSEMENT OF EXPENSES, AND MANDADATORY TRAINING FOR MEMBERS OF THE BOARD OF DIRECTORS

Policy#: EO-COB-320.04BODCOMP **Origination n ~~n~~** 01/30/2006 **Revised Date:** ~~07~~06/~~03~~08/~~2~~

I. PURPOSE

The purpose of this policy (also known as "Travel and Conference Expense Policy" in the Orange County Transportation Authority ({~~[~~OCTA~~)]~~} Administrative Code, Ordinance No. 1) is to (1) define and clarify OCTA business activities for which a member of the Board of Directors (Board) and former member of the Board serving on regional boards at the direction and request of the Board, is authorized to receive compensation and reimbursement of expenses in accordance with Public Utilities Code Section 130108.5 and Government Code Sections 53232, et seq., (2) establish procedures for compensating and reimbursing such expenses, and (3) define and clarify requirements for ethics training, ~~and~~ sexual harassment prevention training and education, and fiscal and financial training for members and former members of the Board in accordance with Government Code Sections 53234 through 5323~~87.5~~.

II. ORGANIZATIONAL UNITS AFFECTED

This policy is applicable to Board Members and former Board Members serving on regional boards at the direction and request of the Board.

III. POLICY

A Board Member and former Board Member is authorized to receive compensation in the amount of $100 per day, not to exceed $500 in any calendar month, for attending any of the following OCTA business activities:

A. A meeting of the Board.

B. A meeting of Board-established committees.

C. A meeting of any committee or organization that the Board Member or former Board Member is serving as a representative of OCTA.

D. A meeting of an OCTA advisory body.

E. A conference or organized educational activity, including ethics and sexual harassment prevention training, when the Board Member or former Board Member is participating as a member of the Board.

F. A meeting, including a meeting with an OCTA employee, hearing, or event in which the Board Member or former Board Member is participating as a member of the Board and for an OCTA business purpose.

IV. BENEFITS

A. Health Benefits Eligibility

For Public Board Members and for Board Members who do not receive health benefits from the public entity they are elected to serve: t~~T~~he Board Members will have the same premium cost and the same health benefits as full-time employees paid by OCTA, which may change to reflect the current programs offered.

For Board Members who receive health benefits and/or a cash waiver from the public entity they are elected to serve: t~~T~~he Board Members may choose to receive the same health benefits as full-time employees, provided the Board Member pays 100 percent of the OCTA premium, which may change to reflect the current programs offered.

B. Life Insurance and Supplemental Life Insurance

Life Insurance will be provided by OCTA in the amount of $50,000 coverage for each Board Member. (Benefit amount reduces at age 75. See Benefits Guide)

Voluntary Board Member-paid supplemental life insurance may be offered by OCTA for Board Members and/or their dependents. (Benefit amounts are reduced at ages 70, 75 and 80. See Benefits Guide.)

C. Sick Leave

Board Members are eligible for up to five days of paid sick leave in a calendar year.

Unused sick leave is not paid out at time of leaving office with OCTA. Board Members who wish to use paid sick leave must notify the Clerk of the Board in advance of not being able to attend a meeting. Sick leave will be paid in the amount of $100 per day of absence. For Board Members who have reached their maximum payment in a calendar month, no sick leave will be paid.

D. Payment of Benefits

Health benefit and supplemental life insurance premiums may be deducted on a monthly basis from any compensation earned, at the direction of the Board Member. In the event there are insufficient earnings to cover the premiums, the outstanding amounts are due and payable to OCTA as soon as possible, but no later than December 15 of each calendar year. Notification will be sent on a quarterly basis for outstanding premium amounts. Failure to pay outstanding premiums may result in loss of coverage.

~~The Board Member may elect to defer mileage reimbursements to December of each year in order to offset any outstanding health benefit and supplemental life insurance premiums. Human Resources, Benefits section should be contacted to make these arrangements.~~

V. AUTHORIZATION AND REIMBURSEMENT OF BUSINESS EXPENSES

A. General

OCTA shall allow actual and necessary expenses incurred by members and former members of the Board in the performance of their duties. Board Members and former Board Members shall be expected to exercise good judgment and show proper regard for economy when incurring expenses in connection with official OCTA business. The principle of "reasonable and necessary" should be used when deciding to expend taxpayer money. All expenditures and requests for reimbursement shall logically relate to the conduct of OCTA business and shall be "necessary" to accomplish the purposes of such business and shall be "reasonable" in amount. Allowable expenditures may be paid directly by OCTA, charged to an OCTA corporate credit card, or reimbursed to Board Members and former Board Members upon presentation of a completed expense report and receipts.

Out-of-state travel requests must be pre-approved by the OCTA Board.

B. Specific Occurrences

The following occurrences, also referred to as activities in this policy, are approved as qualifying for payment of actual and necessary expenses incurred by a Board Member or former Board Member: all activities in Section III above. Any occurrence which does not fall within the specified activities in Section III above must be approved by the Board in a public meeting before the expense is incurred in order for the Board Member or former Board Member to be reimbursed for any expenses related to the occurrence.

C. Transportation

The following transportation modes may be employed for the purpose of travelling on OCTA business:

1. Air Travel

a. In-State Travel – All Board Members and former Board Members shall utilize coach or economy accommodations when travelling within the state of California by commercial airline. Reservations, when possible, should be made at least 14 days in advance to take advantage of all available discounts. Increased costs related to late booking may be disallowed without a sound business reason. Travel can be made through an OCTA-approved travel agent or on a personal credit card. Credit card purchases will be reimbursed only for the actual round-trip fare and only after the trip. Board Members and former Board Members may, at their own expense, pay to upgrade their airline accommodations.

b. Out-of-State Travel – All Board Members and former Board Members shall use reasonable judgment in booking out-of-state commercial airline reservations. For flights over four hours (excluding connection time), premium economy class accommodations may be acceptable. Business class and first-class accommodations are prohibited. Board Members and former Board Members may, at their own expense, pay to upgrade their airline reservations from premium economy to business class or first class.

c. Airline Surcharges – OCTA will reimburse Board Members and former Board Members for airline surcharges such as: checked baggage fees, seat selection fees, priority boarding fees, preferred seats, and choice seats when the expense is reasonable and necessary to accommodate passenger physical needs or comfort.

2. Private Automobile – Board Members and former Board Members will be reimbursed actual mileage (not to exceed coach or economy class airfare where commercial air travel is a reasonable available alternative) for the use of their private cars in travel to and from designated places on OCTA business. The reimbursement rate will be at the rate established by the Internal Revenue Service (IRS). Board Members and former Board Members shall be reimbursed for total round-trip miles. However, Board Members and former Board Members who receive a vehicle allowance or stipend from ~~a~~another public entity are ineligible for mileage reimbursement from OCTA.

3. Garage, Parking, Bridge, and Highway Tolls – Expenses for necessary parking and storage of private vehicles are authorized. Expenses for necessary bridge and highway tolls are authorized. Receipts or other reasonable verification should be provided to obtain reimbursement.

4. Vehicle Rentals, Taxi, Ridesharing Services, and Transit Fare – Expenses for such transportation may be authorized where reasonable and necessary to conduct OCTA business. Receipts must be provided to obtain reimbursement. When vehicle rental is chosen over taxi or shuttle service, there should be a business reason or economic benefit to support the rental decision. If rental vehicle is subsequently denied, the related parking fees will also be denied, and the Board Member or former Board Member will be reimbursed the round-trip shuttle and taxi charges.

5. Train Travel – Expenses for train travel may be authorized where reasonable and necessary to conduct OCTA business. Board Members and former Board Members shall utilize coach accommodations when travelling by train. Board Members and former Board Members may travel in business class if the trip is longer than 60 minutes in length. Business Class is not reimbursable for trips between Orange County and Los Angeles.

D. Lodging

Expenses will be allowed for adequate lodging. Price is an issue in selecting adequate lodging. Prudence and good stewardship should be used when selecting a hotel. Comparison shopping is encouraged; booking through online travel websites, as opposed to directly with the lodging facility, might provide opportunities for reduced cost lodging. Itemized receipts for lodging must be provided to obtain reimbursement or to document OCTA payments. The cost of lodging (excluding taxes and fees) should never exceed the IRS lodging per diem rate for the particular location. If the lodging costs exceed the IRS lodging per diem rate for the location, the Board Member or former Board Member should have a business reason or economic benefit to justify the higher cost for lodging. A schedule of lodging per diem rates is available on the United States General Services Administration (GSA) website, www.gsa.gov.

E. Meals and Incidentals

Reasonable and customary expenses for meals are authorized for Board Members and former Board Members as required to conduct official OCTA duties. Meals and incidentals shall be reimbursed using the IRS Meals and Incidental Expense (M&IE) per diem rate applicable to the specific locality.

For in-state travel, on the first and last day of the trip (travel days), the reimbursement is 75 percent of the M&IE per diem rate. For out-of-state travel, on the first and last day of the trip (travel days), the reimbursement is 100 percent of the M&IE per diem rate when travel time is more than four hours; if less than four hours, the reimbursement is 75 percent. The per diem includes reimbursement of tips on meals and $5 for incidental expenses. The reimbursement amount shall be reduced by any direct charges that were made to the Board Member's or former Board Member's corporate credit card for meal and incidental expenses. Receipts are not needed to document M&IE~~meal and incidental expenses~~ to be reimbursed on an expense report. However, receipts are required to document corporate credit card charges for meals and incidental expenses. A schedule of M&IE per diem rates is available on the GSA website, www.gsa.gov.

Board Members and former Board Members who during the normal course of performing their duties must provide meals for representatives of other governmental agencies or other persons doing business with OCTA in order to effectively execute their responsibilities are authorized to be reimbursed for the full amount of the meal expenditure that was made for the hosted parties or individual. The Board Member's or former Board Member's portion, however, will be applied to the per diem reimbursement schedule. Board Members and former Board Members must use prudent judgment. Excessive amounts are subject to disallowance. Receipts are required. In such cases, the meal must be documented with a description of the purpose of the meal(s), including an explanation of its necessity

to OCTA, and a list of all persons, including other Board Members or former Board Members, who were in attendance specifying their organization and/or title.

F. Transportation Security Administration (TSA) Pre-Check Program

TSA pPre-cCheck enrollment program fees are a reimbursable expense for OCTA Board Members and former Board Members who take or anticipate taking four or more OCTA business trips per year.

G. Tips and Gratuities

Reasonable expenses for tips are allowable for hotel and transportation purposes.

H. Registration Fees

Convention or meeting registration fees qualify for reimbursement. OCTA will directly pre-pay conference registration and other event fees prior to the date of the event. In cases where early registration is not possible, a receipt or registration form illustrating the fee amount must be provided with the reimbursement request.

I. Telephone and Computer

Telephone and computer expenses may be incurred only for the conduct of OCTA business. Board Members and former Board Members are encouraged to use cellular phones when available.

J. Miscellaneous

Expenses for duplication and publications of value to OCTA are authorized for reimbursement. Expenses not specified in this policy, but which are reasonable and necessary for the performance of a Board Member's and former Board Member's duties are authorized for reimbursement.

K. Reimbursement/Reporting of Travel Expenses

In accordance with Government Code Section 53232.3, Board Members and former Board Members shall submit eExpense rReports within 90 days after incurring the expense, and the reports shall be accompanied by the receipts documenting each expense. Such documentation includes, but is not limited to:

1. Credit card slips or meal receipt
2. Hotel receipt
3. Conference brochure
4. Meeting agenda
5. Trip or meeting purpose
6. Other attendees at a meal or meeting

~~The~~ Board Members and former Board Members shall submit reimbursement for any and all personal expenses that were charged to the OCTA corporate credit card or directly paid by OCTA to the vendor. The reimbursement for personal expenses shall accompany the expense reports. Expense reports and/or reimbursements not received within 90 days after incurring the expense shall be reported to the Chairman of the Finance and Administration Committee. The reason for the expenses should be clearly documented i~~o~~n the expense report or in the attached documents.

A Board Member or former Board Member shall not be required to submit an expense report for any expense paid directly by another Board Member, former Board Member, or OCTA employee. A Board Member, former Board Member, or OCTA employee who pays an OCTA expense on behalf of a Board Member or former Board Member, either by use of an OCTA-issued credit card or by any other means for which reimbursement is sought, shall submit an expense report indicating the name of the recipient Board Member or former Board Member and the nature, the amount, and the business purpose of the expenditure. A copy of said expense report shall be provided to the recipient Board Member or former Board Member within 30 days following the date such expense is incurred.

In accordance with Government Code Section 53232.3 (e), all documentation relating to reimbursable OCTA expenditures shall be subject to disclosure under the California Public Records Act, Government Code Section 79206~~6250~~, et seq.

L. Public Report of Meetings

In accordance with Government Code Section 53232.3(d), a Board Member or former Board Member requesting reimbursement shall provide a brief report on meetings attended at the expense of OCTA at the next regular meeting of the Board. Such reports may be made orally or may be submitted in writing.

VI. ETHICS TRAINING

A. General

~~Every two years or wit~~Within ~~one year~~six months of being appointed, ~~each member of the Board, and~~and every two years thereafter, each member and former ~~former~~ member of the Board~~, appointed to an external board~~, who receives any type of compensation and expense reimbursement from OCTA, shall receive at least two hours of training in general ethics principles and ethics laws as mandated.

If out of compliance, compensation will be withheld until training is complete and the member is back in compliance. (Government Code Section 53234 et seq.)

B. Ethics Training Courses

Courses in ethics training may be provided by a local public agency, an association of local agencies, OCTA's General Counsel, or by private vendors. The courses or sets of self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants with proof of participation. OCTA shall provide information on training available to members and former members of the Board at least once annually.

C. Concurrent Public Offices

A Board Member or former Board Members who serves more than one local agency shall satisfy the ethics training requirements without regard to the number of local public agencies with which the Board Member or former Board Member serves.

D. Records

The Clerk of the Board's oOffice ~~Government Relations Representative~~ shall maintain records indicating both of the following: (1) the dates that each compensated Board Member and former Board Member satisfied the ethics training requirement, and (2) the entity that provided the training. The records shall be maintained for at least five years after the Board Members and former Board Members received the training, and the records are public records subject to disclosure under the California Public Records Act, commencing with Government Code Section 7920~~.0006250~~. OCTA shall post on its website information about how the public may request ethics training records.

VII. SEXUAL HARASSMENT PREVENTION TRAINING AND EDUCATION

A. General

~~EWithin six months of being appointed, and every two years thereafter, e~~Each member of the Board, and any~~every~~ former member of the Board appointed to an external Board, ~~, who receives any type of compensation and expense reimbursement from OCTA,~~ shall receive at least two hours of sexual harassment prevention training and education within the first six months of taking office and every two years thereafter.~~: within the first six months of taking office and every two years thereafter.~~

The training and education shall include information and practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims of sexual harassment in employment. The training and education shall also include practical examples aimed at instructing local agency officials in the prevention of sexual harassment, discrimination, and retaliation,~~;~~ and shall be presented by trainers or educators with knowledge and expertise in the prevention of sexual

harassment, discrimination, and retaliation.

If out of compliance, compensation will be withheld for compensated members until training is complete and the member is back in compliance. (Government Code Section 53237 et seq.).

B. Sexual Harassment Prevention Training and Education Course

Courses in sexual harassment prevention and education may be provided by a local public agency, an association of local agencies, OCTA's General Counsel, or by private vendors. The courses or sets of self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants with proof of participation.

OCTA shall provide information on available training to the members and former members of the Board at least once, in writing, prior to assuming office and every two years thereafter.

C. Concurrent Public Office

A Board Member or former Board Members who serves more than one local agency shall satisfy the sexual harassment prevention training and education requirements without regard to the number of local agencies with which the Board Member or former Board Member serves.

D. Records

The Clerk of the Board's office ~~Government Relations Representative~~ shall maintain records indicating both of the following: (1) the dates that each Board Member and former Board Member satisfied the sexual harassment prevention training and education requirement, and (2) the entity that provided the training. The records shall be maintained for at least five years after the Board Members and former Board Members received the training and the records are public records subject to disclosure under the California Public Records Act, commencing with Government Code Section 7920.

VIII. FISCAL AND FINANCIAL TRAINING

A. General

Each member of the Board, and every former member of the Board who is appointed to an external board, shall receive at least two hours of fiscal and financial training within the first six months of taking office and every two years thereafter~~. Fiscal and financial training courses and materials shall be developed in consultation with widely recognized experts in local government finance, including local government associations~~. For Board Members who have served on OCTA's Board prior to January 1, 2026, training is not required to be completed until January 1, 2028, unless their term of office ends prior to January 9, 2028, in which event training is not required.

B. Fiscal and Financial Management Training

Courses in fiscal and financial management may be provided by a local public agency, an association of local agencies, or by private vendors. The courses or sets of self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants with proof of participation.

OCTA shall provide information on available training to the members and former members of the Board at least once, in writing, annually.

C. Concurrent Public Office

A Board Member or f~~F~~ormer Board Member who serves more than one local agency shall satisfy the fiscal and financial training requirements without regard to the number of local public agencies with which the Board Member or f~~F~~ormer Board Member serves.

D. Records

The ~~G~~government ~~R~~relations ~~R~~representative shall maintain records indicating both of the following: (1) the dates that each Board Member and former Board Member satisfied the fiscal and financial training requirement, and (2) the entity that provided the training. The records shall be maintained for at least five years after the Board

Members and former Board Members received the training and the records are public records subject to disclosure under the California Public Records Act, commencing with Government Code Section 7920. OCTA shall post on its website information about how the public may request fiscal and financial training records.

~~VIII.~~IX. EXCEPTIONS

OCTA reserves the right to change this policy at any time without prior notice. OCTA has the authority to make exceptions to this policy as required by business needs. Any exceptions must be authorized by the Chief Executive Officer. In the event that any changes are made, the revised policy will be posted on OCTA Today.

~~IX.~~X. PROVISIONS AND CONDITIONS

Not applicable.

XI. RELATED DOCUMENTS

A. Public Utilities Code Section 130108.5

B. Government Code Sections 53232 through 5323~~8.47.5~~

C. IRS Regulations for ~~Meals and Incidental Expense (~~M&IE~~)~~

D. California Public Records Act, Government Code Section 7920~~.0006250~~, et seq.

E. ~~U.S. Transportation Security Administration~~ TSA ~~(TSA)~~ Pre-Check Application Program website: www.tsa.gov/

F. Assembly Bill No. 1234, Section 1, Article 2.4 – Ethics Training, 53234

G. Assembly Bill No. 1661, Section 1, Article 2.4.5 ~~, Assembly Bill No. 1661, Section 1, Article 2.3.5 -Government Code Section 53237 et seq. –~~ Sexual Harassment Training, 53237

~~**G.**~~ Senate Bill 827, Section IV, Article 2.4.6 – Fiscal and Financial Training, 53238

H.

END OF POLICY

Preview to the Public Hearing on Orange County Transportation Authority's Fiscal Year 2026-27 Budget and Personnel and Salary Resolution

Budget Themes

Strengthening OCTA's long-term financial sustainability

- Budget is balanced with no unplanned use of reserves
- Growing sales tax revenues to support core programs
- Delivering Measure M2 (M2) as promised
- Maintaining safe, reliable OC Bus service for riders
- Aligning Metrolink service with demand to ensure long-term viability
- Continuing to meet express lanes commitments
- Prioritizing coastal rail resiliency and reliability

Pathway to Financial Sustainability

Cost Control & Operational Discipline

- Reduced bus service levels during pandemic; restored service as ridership returned
- Shifted to employee-paid OCERS contributions
- Paused administrative merit increases during early pandemic period

Revenue Protection & Investment Strategy

- Established a dedicated long-term operating fund for OC Bus
- Leveraged 91 Express Lanes to advance key capital projects
- Secured TIFIA financing for I-405, preserving M2 for other priorities

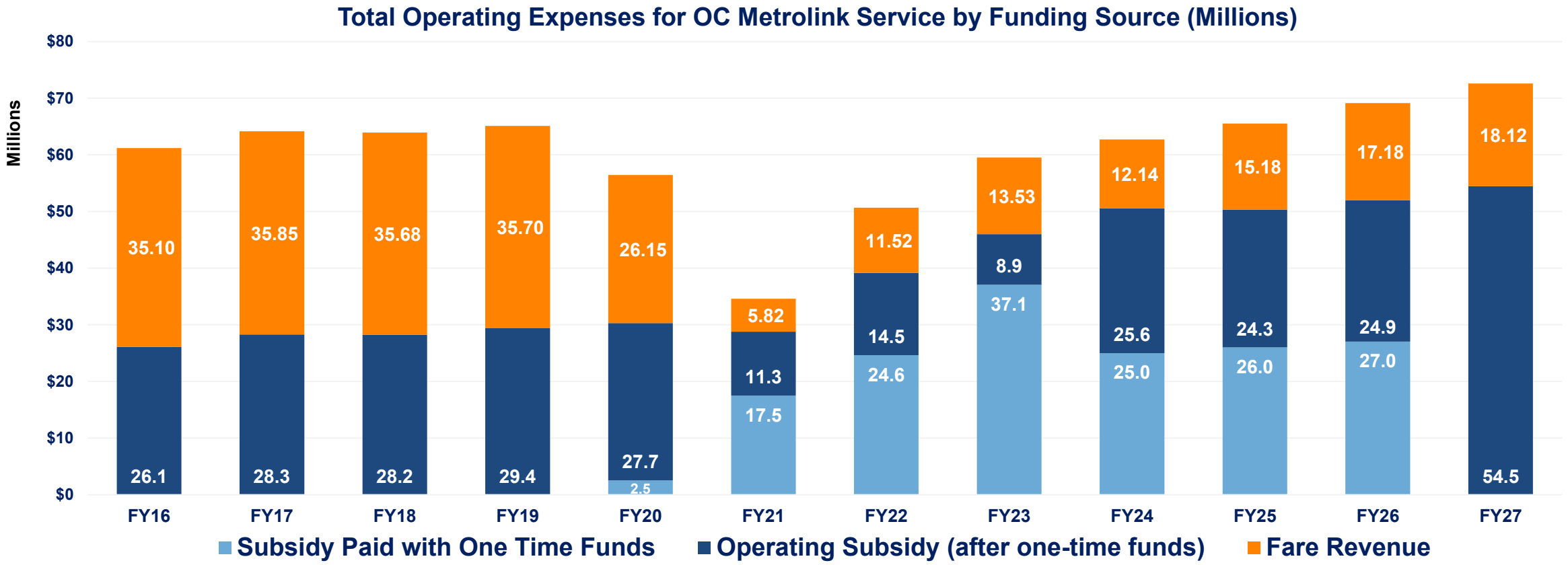
Financial Strength & Long-Term Positioning

- Restructured outstanding debt to lower ongoing debt service costs
- Acquired headquarters to reduce long-term operating costs
- Utilized Comprehensive Business Plan to ensure 20-year fiscal sustainability

OCERS – Orange County Employees Retirement System
TIFIA – Transportation Infrastructure Finance and Innovation Act
I-405 – Interstate 405

OCTA Operating Expenses

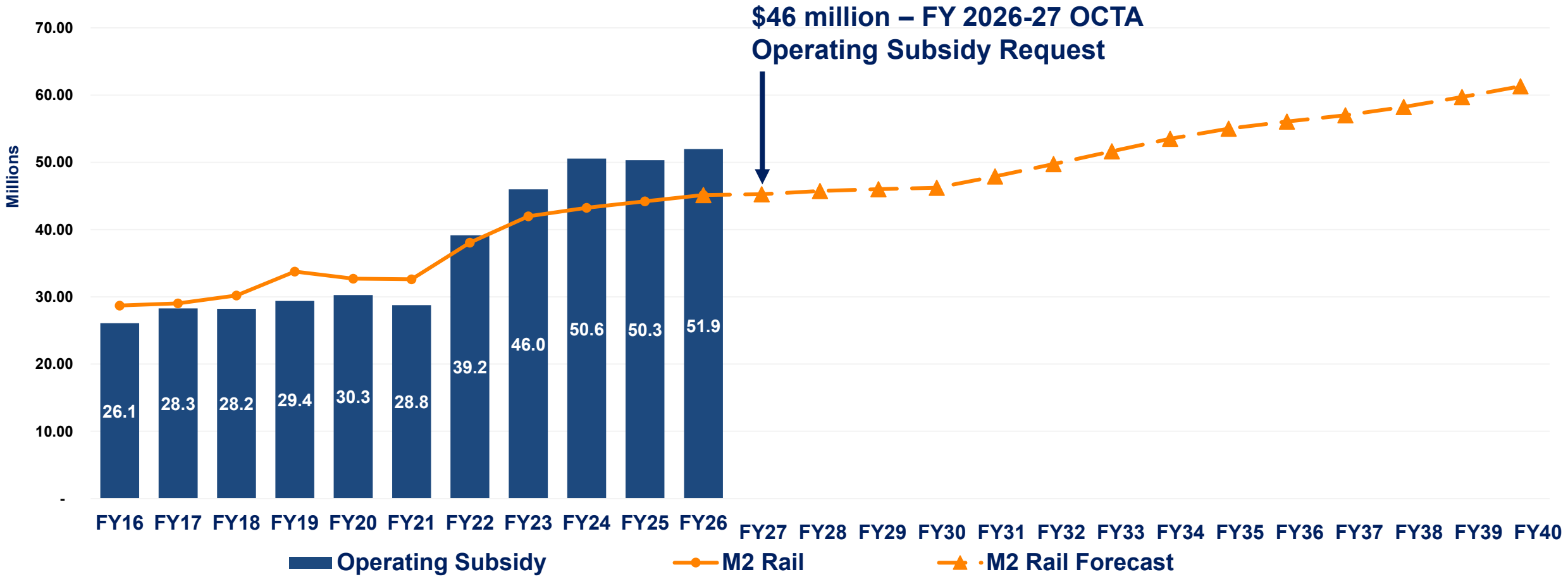
Increasing operating expenses and declining ridership has increased member agency subsidies. OCTA utilized one time COVID-19 relief funds to sustain elevated subsidy support.



Note – FY25, FY26, and FY27 values are from the Metrolink budget. All others are actuals.

FY – Fiscal Year
COVID-19 – Coronavirus

Looking Forward – OCTA Subsidy and M2 Funding

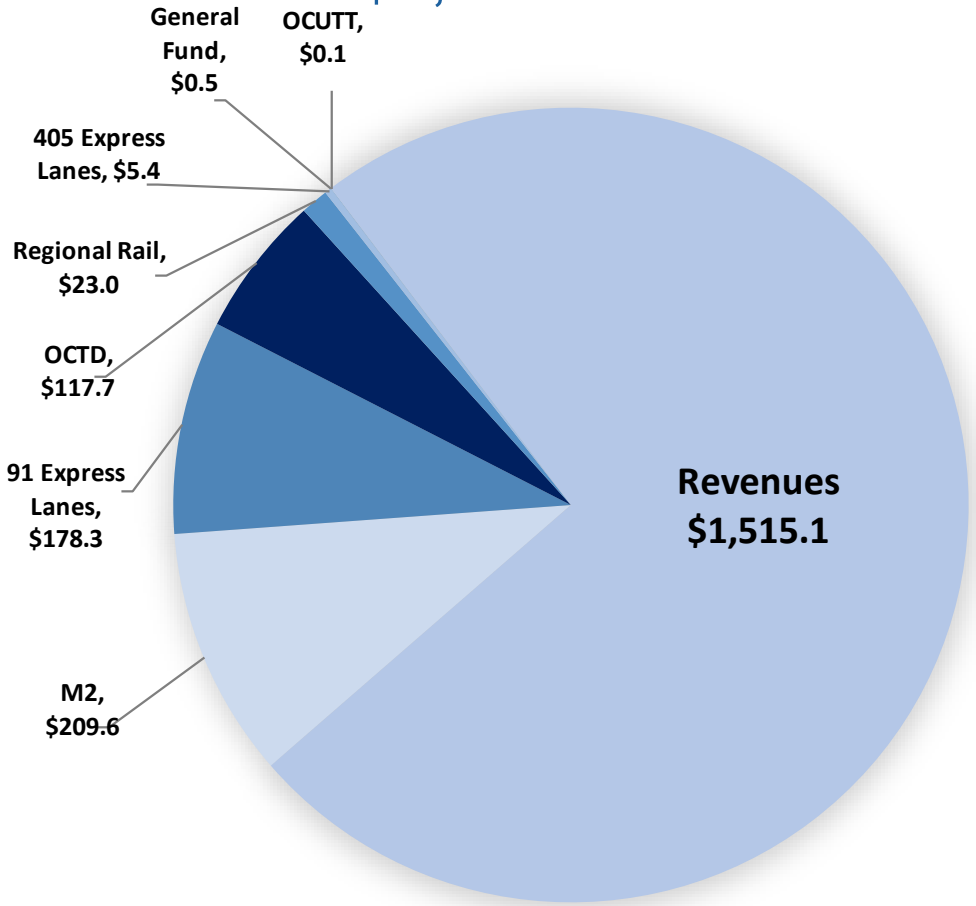


Note – FY 25 and FY 26 values are from the Metrolink budget. All others are actuals.

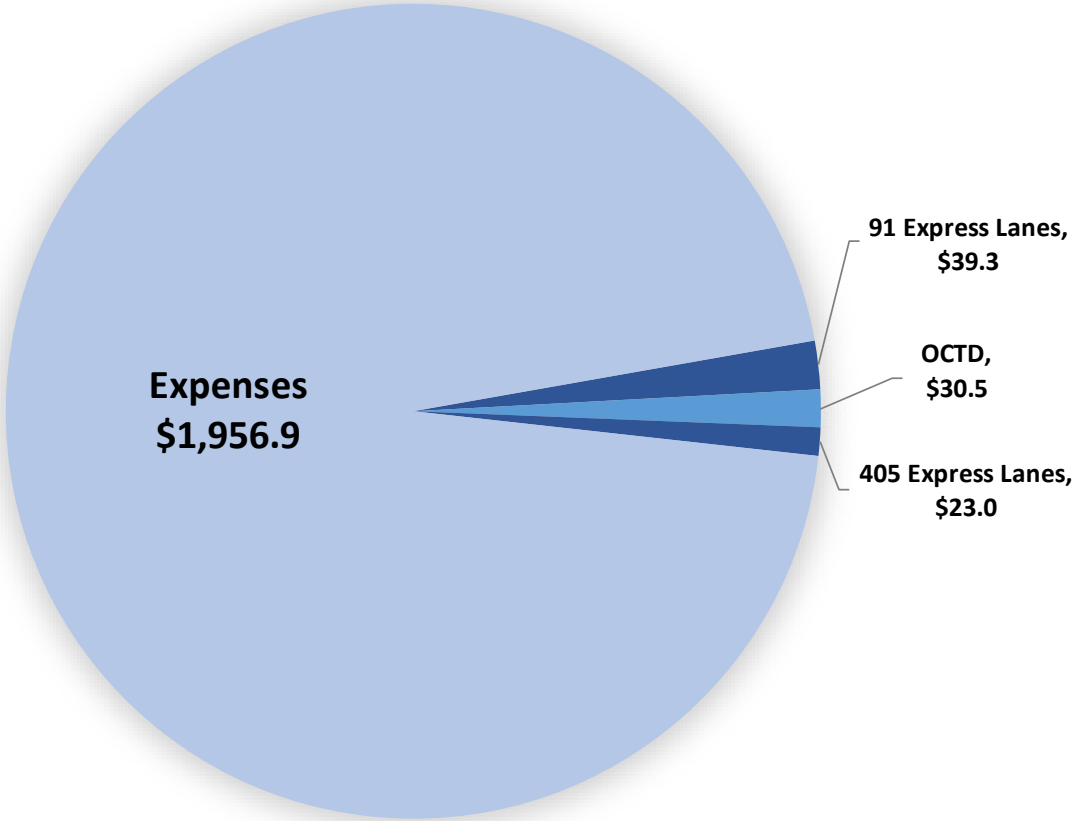
Budget Overview

Use of Prior Year Designations $534.6 million

Source of Funds $2,049.7 million



Use of Funds $2,049.7 million



Designations $92.8 million

OCTD – Orange County Transit District
OCUTT - Orange County Unified Transportation Trust

Budget Sources & Uses

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change $
Sources			
Revenues	$ 1,285.7	$ 1,515.1	$ 229.4
Use of Prior Year Designations	453.5	534.6	81.1
Total Revenue / Use of Designations	**$ 1,739.2**	**$ 2,049.7**	**$ 310.5**
Uses			
Salaries and Benefits	$ 221.2	$ 235.7	$ 14.5
LOSSAN Funded Salaries and Benefits	4.7	4.8	0.1
Services and Supplies	475.8	507.8	32.0
Contributions to Other Agencies	227.9	269.0	41.1
Interest/Debt Service	65.9	69.7	3.8
Capital	650.2	869.9	219.7
Designations	93.5	92.8	(0.7)
Total Expenditures / Designations	**$ 1,739.2**	**$ 2,049.7**	**$ 310.5**

LOSSAN - Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency

Staffing Levels

OCTA Staffing	FY 2025-26 Full-time Equivalent	FY 2026-27 Full-time Equivalent	FY 2026-27 New Hires	FY 2026-27 Reductions	Difference
Administrative	**536.5**	**549.0**	**13.0**	**(0.5)**	**12.5**
Union	**825.0**	**840.0**	**15.0**	**-**	**15.0**
Coach Operators	626.0	641.0	15.0	-	15.0
Maintenance	158.0	158.0	-	-	-
Facility Technicians and Parts Clerks	41.0	41.0	-	-	-
OCTA Positions	**1,361.5**	**1,389.0**	**28.0**	**(0.5)**	**27.5**
LOSSAN Funded OCTA Positions	**18.0**	**18.0**	**-**	**-**	**-**
Total Authority Positions	**1,379.5**	**1,407.0**	**28.0**	**(0.5)**	**27.5**

Employee Compensation Assumptions

- Employees Subject to Collective Bargaining Agreement
  - Coach Operators (641 employees)
    - Collective bargaining agreement effective through April 30, 2027
  - Maintenance (158 employees)
    - Collective bargaining agreement effective through June 30, 2029
  - Facilities technicians and parts clerks (41 employees)
    - Collective bargaining agreement effective through March 31, 2027
- Administrative Employees (549 + 18 LOSSAN employees)
  - Employees are not represented by a union
  - Compensation governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
  - Salary grade ranges are developed based upon scope, level of work performed, and external market data

Personnel and Salary Resolution

- Pertaining to Administrative Employees
  - Employees are at-will and not represented by a union
  - Administrative employees do not receive cost-of-living adjustments, step increases, or automatic increases of any type
- Merit Pool of 4 Percent
  - Salary increases are based on a pay-for-performance program
  - Every employee has a performance plan and receives an annual performance review
  - Base-building adjustment to annual salary
- Bonus Pool of 4 Percent
  - Non-base building – does not increase annual salary
  - Bonuses are given throughout the year for specific, exceptional performance in a defined goal area
  - Part of employee rewards and recognition strategy
- Defined Contribution Enhancements
  - Increase defined contributions to employees to improve recruitment and retention

Recommendations

- Approve by Resolution the Orange County Transportation Authority FY 2026-27 Budget
- Approve the Personnel and Salary Resolution for FY 2026-27
- Approve the Update to the Policy for Compensation, Benefits, Reimbursement of Expenses and Mandatory Training for Members of the Board of Directors
- Authorize the Chief Executive Officer, or his designee, to negotiate and execute the software and hardware licensing, maintenance, and emergency support purchase orders, and/or agreements
- Approve up to $14.5 million for the FY 2026-27 OCTA contribution to the Southern California Regional Rail Authority operating subsidy to support Metrolink service through the first quarter of the FY. Funding for operations, as well as capital and rehabilitation expenditures for the remainder of the FY, is contingent upon a formal budget request from Metrolink and approval by the OCTA Board, and concurrence from all member agencies
- Approve the Updated Board Compensation Policy to reflect new state requirements and clarify provisions for expense reimbursement, recordkeeping, and mandatory training, ensuring transparency and compliance

Next Steps

Public Hearing – Board (Public Hearing and Approval)	June 8
Back-up Public Hearing – Board (Public Hearing and Approval)	June 22

ATTACHMENT E

ORANGE COUNTY TRANSPORTATION AUTHORITY LICENSING AND MAINTENANCE AGREEMENTS SOLE SOURE LIST - FISCAL YEAR 2026-27

Multi-Year Contracts

Vendor Name	Software/Hardware Product Description	Sole Source Amount	FY 26/27 Budgeted	Owner
3E Company	They are a database that manages our safety data sheets for the company. It is a regulatory requirement to have all of our safety data sheets accessible to every employee, 3E is an online database that all OCTA employees have access to currently	$ 42,539.78	$ 13,560.55	Olivia Salters
ACT! Software	Marketing software used for vanpool outreach and contacts	$ 11,112.00	$ 2,646.00	Eden Wang
Allison Transmission	Universal Allison Doc Diagnostic Software Annual Subscription	$ 72,000.00	$ 16,500.00	Phillip Zirges
ALXTEL Inc	Groupe ShareGate Desktop for Nintex - SharePoint Migration Tool	$ 52,000.00	$ 12,000.00	Katrena Schulze
Anderson Howard	Audio Visual Maintenance and Support	$ 103,500.00	$ 34,500.00	Morgan Levar
Andrews Technology HMS, Inc. / UKG	UKG Workforce Ready; Hardware, software Annual Hosting, Education, Training, test database, Maintenance and Support, Interfaces, Custom Reporting code support. Add features, Configuration, Refresh or update	$ 87,921.00	$ 83,735.00	Mike Henry
Andtech	Provides 24/7 monitoring of the security wireless system for all duress buttons located at 550/600 S. Main St., Orange. 2025- ammount increased to cover increases in goods and services	$ 40,000.00	$ 7,000.00	Matt Ankley
Audimation's CaseWare	Audimation's CaseWare IDEA Software with Annual License	$ 7,984.00	$ 1,901.00	Eden Wang
AvePoint	Cloud Backup for Microsoft 365	$ 538,055.00	$ 155,958.00	Long Leu
Caliper	TransCAD TransModeler	$ 70,018.00	$ 20,295.00	Long Leu
Conduent Transport Solutions, Inc.	Annual Maintenance and Support for Intelligent Transportation System	$ 2,257,659.00	$ 654,394.00	Josh Duke
Cummins Inc.	Cummins Insite Diagnostic Software Annual Subscriptions	$ 60,000.00	$ 14,000.00	Phillip Zirges
Empowered Systems	AutoAudit Software Annual Maintenance	$ 11,668.00	$ 2,778.00	Eden Wang
Equifax aka Talx	Automated Employment Verification for HR Department	$ 10,920.00	$ 2,600.00	Eden Wang
ESRI	Annual Maintenance and Support for ESRI ArcGIS Software	$ 168,671.00	$ 48,890.00	Long Leu
Everbridge	Transit NOTO	$ 80,000.00	$ 60,000.00	Matt Ankley
Exacom	Recording Software and Support	$ 51,750.00	$ 15,000.00	Long Leu
Granicus, aka GovQA	Hosting and Maintenance for Public Records Request (FOIA) and Subpoena Apps. OCTA and LOSSAN Hosting Services for Granicus Board and Committee Agendas and Meeting Webcasts, DisclosureDocs (eforms) Subscription ,Legistar, Send Agenda (Legistar),Performance Accelerator Suite,Open Platform Suite,Government Transparency Suite, Meeting Efficiency Suite, Upgrade to SDI 720p Streaming, Subpoena Duces Tecum Module, govDelivery for Integrations, Granicus Encoding Appliance Software (GT),SMS and Email. Test database and add features, Configuration, Refresh or update. Will be entering into a 2 year agreement in FY	$ 391,299.00	$ 215,250.00	Mike Henry
Hewlett Packard Enterprises	Annual Hardware and Software Maintenance	$ 103,500.00	$ 30,000.00	Long Leu
iconnectiv/telecordia	Lease of the OCTAGO or 628246 phone number for text messaging services	$ 58,212.00	$ 13,230.00	Eden Wang
Levi, Ray, & Shoup, Inc	MFPsecure Software and Support	$ 120,750.00	$ 35,000.00	Morgan Levar
LinkedIn	Recruiting Software 3 year agreement: FY 26/27- FY 28/29	$ 92,610.00	$ 30,870.00	Eden Wang
LinkTek Corporation	LinkFixer Maintenance and Support	$ 34,500.00	$ 10,000.00	Morgan Levar
March Networks Inc.	Onboard Video Surveillance System (OBVSS) On-Premises and/or Cloud Hosted - Evidence Vault (EV) On-Premises and/or Cloud Hosted and Administration and Maintenance of OBVSS and EV	$ 4,591,950.00	$ 1,331,000.00	Josh Duke
McLean (Info-Tech Research Group Inc.)	Employee Engagement, Pulse, and Exit Surveys 3 year agreement: FY 26/27: $38,158 FY 27/28: $36,984 FY 28/29: $38,833	$ 113,975.00	$ 38,158.00	Eden Wang
Meddeco	Annual licensing for Meddeco electronic locking administrative	$ 16,000.00	$ 4,000.00	Isaac Herrera
MHC Software, Inc.; Safeguard (Payroll printing & reporting)	Check Printing Software, W2 and1099 Printing, ACA Reporting, ElectronicW2/Paystubs, Document Express 1099-NEC and MHC DSS mhcKBA Northstar This is a 2 year contract for FY 25/26 and FY 26/27.	$ 22,000.00	$ 20,000.00	Mike Henry
MLM Project Services	Hosting Services for Primavera	$ 72,600.00	$ 16,500.00	Neepa Shah
MuniServices, LLC	Clearview Services, Provides Online Reporting for the Authority's Sales Tax Economic Forecast (5 yr agreement: FY 24/25- FY 28/29)	$ 52,500.00	$ 10,500.00	May Hout
Norex	Information Technology Knowledge Consortium	$ 29,172.00	$ 6,946.00	Mike Henry

FY - Fiscal Year

ORANGE COUNTY TRANSPORTATION AUTHORITY LICENSING AND MAINTENANCE AGREEMENTS
SOLE SOURE LIST - FISCAL YEAR 2026-27

Multi-Year Contracts

Vendor Name	Software/Hardware Product Description	Sole Source Amount	FY 26/27 Budgeted	Owner
NV5 Geospatial, Inc.	GIS Basemap	$ 80,000.00	$ 20,000.00	Steve Hossack
Omnivex	Digital Signage Maintenance and Support	$ 51,750.00	$ 15,000.00	Morgan Levar
OpenGOV	Annual software maintenance and support and professional services support for OpenGov Core Procurement, Contract Document Assembly & eSignatures, Contract Management Add features, Configuration, Refresh or update. This is a 3 year term. Year 1 12/01/2026 - 11/30/27 $177,663.45 Year 2 12/01/2027 - 11/30/28 $186,546.63 Year 3 12/01/2028 - 11/30/29 $195,873.96	$ 560,084.00	$ 177,663.00	Mike Henry
Oracle America, Inc.	Software Update Licenses and Support Services	$ 1,611,750.00	$ 467,174.00	Long Leu
Origami Risk, LLC	Origami Risk Software hosting, maintenance, support, licensing, and additional contracted support hours. Add features,Configuration, Refresh or update. This is a 3 year agreement for Origami Hosting and Support. It will be budgeted for each Fiscal year. Term 7/1/2026 - 6/30/29 Year 1 $318,239 + $9,900 for Implementation fee Year 2 $318,239 Year 3 $318,239	$ 964,617.00	$ 328,139.00	Mike Henry
Productive Solutions; VF Management	Annual support and maintenance renewal for Productive Solution's Automated Fare Management AFM)/Ultrabadge system and printer procurement, support and maintenance. Add features,Configuration, Refresh or update.	$ 74,088.00	$ 17,640.00	Mike Henry
PTV America, Inc. (PTV)	PTV Software	$ 18,792.00	$ 6,563.00	Long Leu
Sprinklr	Social media management system for advertising. Tracking & reporting marketing programs. 2 year agreement: FY26/27: $60,625 FY 27/28: $60,625	$ 121,250.00	$ 60,625.00	Eden Wang
Swiftly	Connect with Passengers: Service Adjustments, Rider Alerts, Real-time Passenger Predictions, additional SMS & Voice Data Charges, and Live Operations Connect with Staff: GPS Playback, On-Time Performance, Operator Reports, Run-times, Speed Map Swiftly Implementation Services. HopThru for planning. NTD Services and Implementation Services for Cleanse Ridership Package. Used by I.S. for GTFS feed and Transit operations. This is a 2-year contract, Year 2 $1,159,794.47 Year 3 $1,212,586.69. Add 8 OC Streetcar Vehicles for Year 2 and Year 3. Add features, Configuration, Refresh or update.	$ 2,372,381.00	$ 1,159,794.00	Mike Henry
TAB Products CO LLC / SmeadSoft	TAB FusionRMS / SmeadSoft (Image Trax Express, Proforma, Smeadlink)	$ 34,000.00	$ 8,000.00	Katrena Schulze
TAPTCO	Coach Operator Training	$ 13,784.00	$ 3,282.00	Eden Wang
Umbracco	Umbracco maintenance and technical services for online marketing content management system website. 3 year agreement: FY 26/27: $13,400 FY 27/28: $13,400 FY 28/29: $13,400	$ 40,200.00	$ 13,400.00	Eden Wang
VitalSmarts LC dba Crucial Learning	Learning provider that provides us the ability to purchase proprietary learner materials for specific soft skills courses - including, Crucial Conversations.	$ 45,000.00	$ 10,000.00	Daniel Montanez
Zones LLC	Bamboo Solutions - Simple List Search	$ 6,100.00	$ 1,200.00	Katrena Schulze
	Subtotal	**$ 15,358,662**	**$ 5,195,692**	

ORANGE COUNTY TRANSPORTATION AUTHORITY LICENSING AND MAINTENANCE AGREEMENTS
SOLE SOURE LIST - FISCAL YEAR 2026-27

The Standard Contracts over $100K

Vendor Name	Software/Hardware Product Description	Sole Source Amount	FY 26/27 Budgeted	Owner
Carahsoft	Salesforce Customer Relations Case Management Software	$ 257,518.00	$ 234,107.00	Eden Wang
CentralSquare Technologies, LLC	OneSolution/Finance Enterprise/IFAS:Core SQL-SQL-IFAS Maintenance; Contract Management module MKS SQL Annual Maintenance Fee TEST: IFAS - MKS Connectivity Suite Maintenance; MicroFocus Server Express Runtime Annual Maintenance Fee OS and TEST: QS - MicroFocus Runtime COBOL NetExpress x.x; Annual maintenance and support for finance suite application; Emergency support on an as-needed basis with no guaranteed usage. Add features, Configuration, Refresh or update	$ 231,525.00	$ 220,500.00	Mike Henry
Computer Aid Inc (CAI)	UiPath Licenses, UiPath Robotic Process Automation (RPA)	$ 175,000.00	$ 160,000.00	Katrena Schulze
Concourse Tech Inc	ChatGPT Enterprise Licenses	$ 262,500.00	$ 250,000.00	Brad Dagger
County of Orange	Countywide Coordinated Communication Systems	$ 150,000.00	$ 150,000.00	Timothy W. Beseau
EcoInteractive	OCfundTracker is a Software as a Service database that manages both the Federal Transportation Improvement Program (FTIP) and the Comprehensive Transportation Funding Program (Measure M2)	$ 220,000.00	$ 220,000.00	Ben Ku
Giro	Annual hosting, maintence, and support for Hastus applications and modules: Map / Vehicle/ Crew/ Crew Opt/ Roster/ Minbus/ ATP/ Interface Program/ Geo Hastus Map/ Hastinfo/ Hastinfo - Web/DailyVehicle/DailyCrew/Bid/BidWeb/ SelfService/EPM/ Hastus-Keolis,Hastus-OC Streetcar. Add features, Configuration, Refresh or update	$ 452,168.00	$ 430,637.00	Mike Henry
Informatica	Informatica Intelligent Data Management Cloud	$ 350,000.00	$ 273,000.00	Brad Dagger
Konica Minolta	Nintex, Tunsten, Square 9 & Gimmal Physical Software	$ 184,000.00	$ 170,000.00	Katrena Schulze
LA SAFE	511 System Web, IVR, and Mobile Application Items	$ 800,000.00	$ 800,000.00	Patrick Sampson
Qlik	Annual Maintenance and Support for Qlik Sense and Qlik Cloud	$ 200,000.00	$ 153,075.00	Brad Dagger
Salesforce (Exact Target)	Proprietary platform for email and text messaging services	$ 257,250.00	$ 245,000.00	Eden Wang
Switch	Data Center Colocation Services	$ 440,000.00	$ 400,000.00	Long Leu
Trapeze Software Group	Trapeze EZ Wallet, TripSpark(RidePro, RidePro App Vanpool), Drivermate, Trapeze Pass, IVR Confirm/Cancel, Real-time Call back & Trip booking, Gateway, Viewpoint, Map Maker, Eligibility Suite (Pass-Cert), Service Infractions(Pass-SUS), MDT-MON/MDC Software & Hardware with Map Maker and, PASS-MON-SPV, Trapeze ODB & DCC Units, SUS -Trip Broker Trip Licensing; PASS-MON Vehicle (MDT); PASS Trapeze User Licenses for Work Stations; Maps & Service Area Polygons; Trapeze Web - Online Booking; Trapeze Viewpoint Dashboard, SMS Email Notifications, and SMS Aggregator solution. Add features, Configuration, Refresh or update	$ 342,300.00	$ 326,000.00	Mike Henry
Xerox	Maintenance software for Xerox	$ 250,000.00	$ 186,111.00	Luis Perez
	Subtotal	**$ 4,572,261.00**	**$ 4,218,430.00**	

ORANGE COUNTY TRANSPORTATION AUTHORITY LICENSING AND MAINTENANCE AGREEMENTS
SOLE SOURE LIST - FISCAL YEAR 2026-27

Contracts with Emergency Support

(The vendors listed below have been detailed to reflect the cost of the emergency support that is required for these vendors. This support is not covered in the basic contract. It will be used for emergency support during after hours, weekends & holidays.)

Vendor Name	Software/Hardware Product Description	Sole Source Amount	FY 26/27 Budgeted	Owner
Computer Aid Inc (CAI)	Computer Aid Inc (CAI)- UiPath Emergency Support	$ 125,000.00	$ 125,000.00	Katrena Schulze
Hewlett Packard Enterprises	Emergency Support	$ 69,000.00	$ 20,000.00	Long Leu
Konica Minolta	Konica Minolta SharePoint Emergency Support	$ 100,000.00	$ 100,000.00	Katrena Schulze
Virtual Consulting	Emergency Support for Tableau, Qlikview/Qliksense/BO for Data Warehouse	$ 92,610.00	$ 88,200.00	Brad Dagger
Xenatech Software Integration Service LLC	Xenatech Software Integration Services LLC. Emergency Support and Development	$ 50,000.00	$ 50,000.00	Patrick Sampson
	Subtotal	**$ 436,610.00**	**$ 383,200.00**	

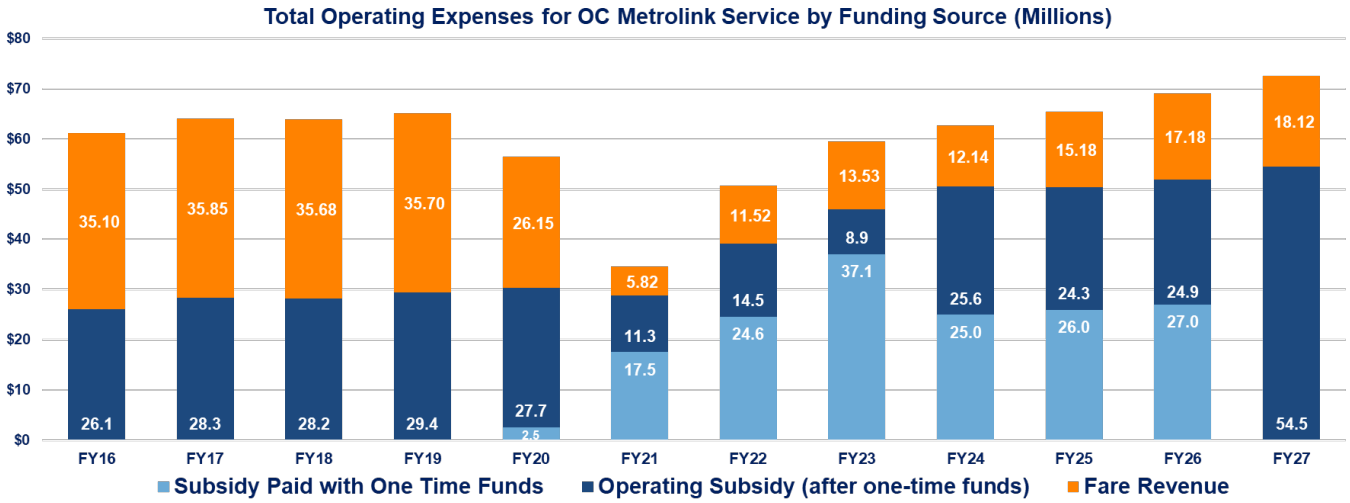
Orange County Transportation Authority

Fiscal Year 2026-27 Budget Workshop Questions & Answers

1. **Question: Why is $46 million being used as the benchmark for Orange County Transportation Authority's (OCTA) contribution to Metrolink in the proposed budget?**

   Answer: The $46 million budget target for OCTA's contribution to Metrolink's operating subsidy is based on projected Measure M2 (M2) sales tax revenue available to support Metrolink operations for fiscal year (FY) 2026-27. This target is a result of OCTA's effort to ensure Metrolink service is sustainable through the balance of the M2 Program.

   The target is necessary due to the increasing cost of Metrolink's operating subsidy. The increase is the result of ridership remaining far below pre-pandemic levels leading to significant reductions in fare revenue, and OCTA exhausting one-time revenues used to backfill for the reduction in fare revenue (see chart below).



Note – FY 25, FY 26, and FY 27 subsidy amounts are from the Metrolink budget. All others are actuals.

2. **Question: The proposed Metrolink operating subsidy contribution of $46 million is sustainable for OCTA;however what level of service does that contribution provide?**

   Answer: OCTA has not been provided with a service plan from Metrolink based on the budget target of $46 million. In addition, OCTA has not received a FY 2026-27 proposed budget submittal from Metrolink and has been informed that a budget submittal is not expected by the start of the new FY.

3. **Question: Why is Metrolink's proposed budget not available as of May 11, 2026, and not anticipated to be available by the start of the new FY?**

   Answer: It is OCTA staff's understanding that Metrolink staff received information requiring them to reassess their proposed FY 2026-27 budget. This information includes receiving budget targets for their operating subsidy from OCTA and LA Metro, as well as an updated ridership forecast that

was less optimistic than the forecast previously relied upon. This information led to a budget deficit for FY 2026-27, which requires Metrolink staff to reassess revenue and expenditure assumptions. Metrolink staff has indicated they need additional time to assess the impacts of this information and do not believe the analysis will be completed by the start of the new FY.

4. **Question: What options does OCTA have to withdraw from the Southern California Regional Rail Authority Joint Powers Authority (JPA)?**

   Answer: There is a formal withdrawal process in the JPA agreement. Section 12.0 of the Southern California Regional Rail Authority JPA provides that a member agency can terminate its membership in the SCRRA JPA's by giving one (1) year's written notice to the SCRRA JPA's concurrent with the beginning of the SCRRA JPA FY. The termination shall become effective at the end of such FY.

5. **Question: Is OCTA required to provide M2 sales tax to Metrolink through the M2 Program?**

   Answer: Yes. The M2 Investment Plan specifically dedicates funding for Metrolink service. This revenue stream serves as the primary funding source for the Metrolink operating subsidy.

6. **Question: What is the impact to Metrolink if OCTA contributes more than the $46 million subsidy target?**

   Answer: Based on current revenue and expense assumptions for the Metrolink Program, utilizing more than $46 million in M2 sales tax for FY 2026-27 would result in the Metrolink Program not being financially sustainable through the end of the M2 Program. See the attached chart which shows forecasted M2 sales tax revenue available to support the Metrolink Program through FY 2039-40.

7. **Question: How well-funded is OCTA's liability reserve?**

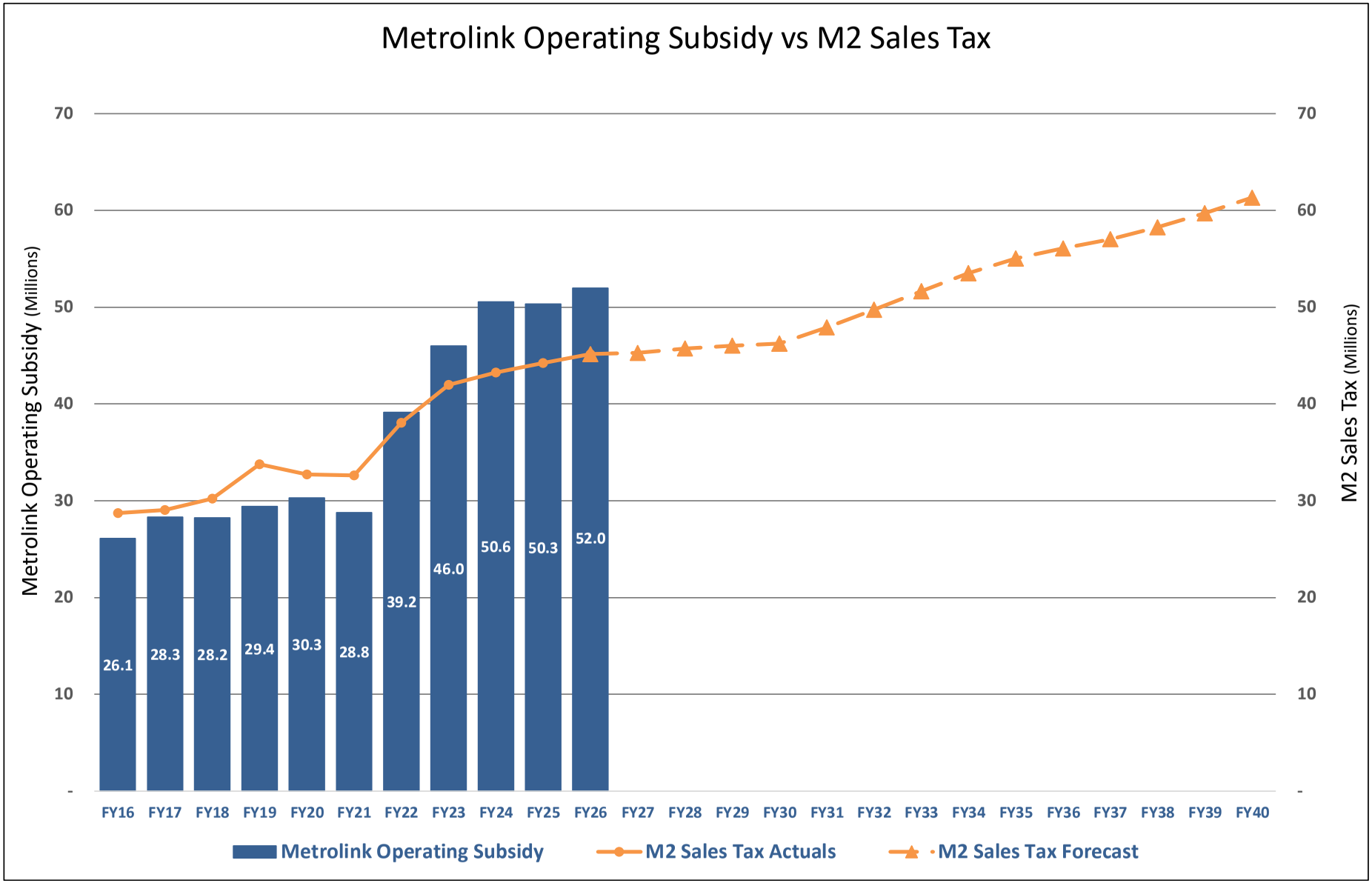
   Answer: OCTA's liability reserve is fully funded based on the Board of Directors-approved Reserve Policy.

8. **Question: How did OCTA determine the administrative merit pool, bonus pool, and defined contribution rates for the proposed FY?**

   Answer: OCTA conducts annual benchmarking to establish proposed rates for administrative merit increases and bonus pools. As part of this year's process, OCTA staff developed a new proposed rate structure for deferred compensation. The new rate structure is based on staff's assessment of a competitive rate structure that supports the goal of improved employee recruitment and retention. The primary issue OCTA staff is trying to address with the new rate structure is that approximately 60 percent of OCTA employees fall under the Public Employees' Pension Reform Act (PEPRA), which took effect in 2013. Since its implementation, OCTA has

shifted responsibility for the employee share of Orange County Employees Retirement System (OCERS) contributions from the employer to employees. In addition, PEPRA employees also receive reduced pension benefits. These combined changes have made it increasingly difficult to recruit and retain employees.

It is also important to contextualize these impacts financially. The shift in OCERS contribution responsibility was originally projected to generate $85 million in savings over a 20-year period. As of the end of FY 2024–25 (year 12 of the plan), actual savings total $48.8 million—approximately $12 million above the forecast for that point in time.


Metrolink Operating Subsidy vs M2 Sales Tax
Metrolink Operating Subsidy (Millions)
M2 Sales Tax (Millions)
70
60
50
40
30
20
10
-
26.1
28.3
28.2
29.4
30.3
28.8
39.2
46.0
50.6
50.3
52.0
FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 FY26 FY27 FY28 FY29 FY30 FY31 FY32 FY33 FY34 FY35 FY36 FY37 FY38 FY39 FY40
Metrolink Operating Subsidy
M2 Sales Tax Actuals
M2 Sales Tax Forecast