

PART 2 – SECTION 1 INTRODUCTION

2.1.A. CALTRAIN OVERVIEW

Caltrain is the commuter rail service operated by the Peninsula Corridor Joint Powers Board (JPB), a partnership among Santa Clara, San Mateo and San Francisco counties. Once the partnership was formed, Caltrain service was transferred from the state of California to the JPB in 1992. Caltrain operates along 77 miles of right of way between San Francisco and Gilroy through San Jose. Fifty-two miles of right of way from San Francisco to San Jose are owned and dispatched by Caltrain with the remainder of the distance owned and dispatched by the Union Pacific Railroad (UP). Freight operates along Caltrain tracks in accordance with an adopted trackage rights agreement between the JPB and UP. Caltrain hosts not only freight but all of the railroads hosted by the UP, including Capitol Corridor, Altamont Commuter Express and Amtrak Long Distance. All of these services interact on the right of way south of CP Coast in the City of Santa Clara where the UP main track joins the Caltrain right of way. On its right of way, Caltrain is responsible for all maintenance including signal, track and structures, facilities and stations and revenue and non-revenue vehicles.

Caltrain's operator will be responsible for all operational activities of Caltrain service, as well as the maintenance of all of Caltrain's fleet and infrastructure. They also will play a pivotal role in providing planning support for all aspects of service and maintenance. To be successful, the Contractor must provide an experienced team that is motivated with proven leadership skills to lead a workforce that is well-trained, professional, motivated and retained under applicable Federal mandates for labor protection and collective bargaining.

The JPB is looking for a Contractor to continue Caltrain's success in delivering safe, reliable and high-quality service, improving its product, and attracting additional riders. The JPB also is looking for a Contractor to bring rail expertise in a dynamic and changing environment. Caltrain's future service plans include shared-use service with Caltrain operating a fully electrified system of European standard Electric Multiple Unit (EMU) vehicles, full Positive Train Control and integrated with California High Speed Rail. The JPB is committed to minimizing the impact of its operations on the environment and helping ensure a more sustainable future for the Bay Area. The JPB plans to achieve these goals through compliance with applicable local, state and federal laws and through conservation of energy, water and other natural resources to reduce greenhouse gas (GHG) emissions and realize long-term cost savings. Achieving these goals will require a process of continuous improvement, and the JPB and Contractor shall be committed to finding new and better ways to reduce impacts and conserve resources to promote sustainability.

2.1.B. CURRENT OPERATING ENVIRONMENT

Caltrain provides daily commuter rail service to 29 stations on weekdays and 24 stations on the weekend, with an average weekday ridership of 39,000 passengers. Service is provided hourly at a minimum with 90 weekday, 32 Saturday and 28 Sunday trains. Weekday service operates between 4:30 a.m. and 1:30 a.m. with maximum frequencies

of five trains per peak hour per direction. Caltrain also operates additional service for special events along the corridor throughout the year. All trains are diesel-electric locomotive powered, operating in a push-pull mode, using a revenue fleet of 29 locomotives and 118 passenger cars. The fleet is maintained and stored at satellite light maintenance facilities in San Francisco and Gilroy, as well as at the Centralized Equipment Maintenance and Operations Facility (CEMOF) north of the San Jose depot. In addition to the revenue fleet, there is a non-revenue fleet that is used for construction and maintenance work comprised of four work locomotives and 43 other maintenance of way cars.

A Proof-of-Payment (POP) fare enforcement system is utilized with all purchases of tickets and passes from ticket vending machines (TVMs) located at all stations or the Clipper universal transit card.

All stations, support facilities, signal and communication infrastructure and JPB-owned tracks are maintained by Caltrain. The corridor is primarily two tracks with passing tracks in three segments for express trains and single track between San Jose and Gilroy. Maximum speed is 79 mph. There are 45 at-grade crossings for vehicular traffic from San Francisco to San Jose (CP Lick) but portions of the right of way are grade-separated.

Caltrain owns its facility for equipment maintenance, CEMOF in San Jose. Trains are stored and fueled at CEMOF, San Francisco and Gilroy. Trains are dispatched at the Central Control Facility (CCF), located in San Jose next to CEMOF and the BCCF (as needed), located in Menlo Park.

2.1.C. FUTURE IMPROVEMENTS

Caltrain's history under the JPB has been one of growth and dynamic innovation and its future will be no different. The future of the Caltrain corridor will be guided by the planning of the Peninsula Rail Program (PRP). Under the PRP, Caltrain will see the implementation of the Communications-Based Overlay Signal System (CBOSS), Caltrain's Positive Train Control (PTC) solution, and the installation of an overhead catenary system to support the transition of the service to a new electrified non-compliant Electrical Multiple Unit fleet that is currently the subject of a Federal Railroad Administration waiver to allow simultaneous operation of compliant and non-compliant passenger fleets. It is anticipated that Caltrain will grow to operate 10 trains per peak hour by 2030 in order to meet passenger demand on the Peninsula.

With regard to fleet maintenance and said future improvements, Contractor will retain maintenance of the diesel fleet and will assume maintenance of the Electrical Multiple Units once delivered, assuming the Contractor works with JPB staff to satisfactorily develop the Electrical Multiple Unit maintenance plan and appropriate staff is hired and trained to complete the work successfully.

A number of improvements and changes are expected to occur that will impact the operations and functions of Caltrain. The Contractor will be required to cooperate and coordinate with the JPB and other parties as necessary for any improvements or changes. In addition, the Contractor responsible for Caltrain operations and maintenance will be expected to provide Construction Support as necessary for these projects. Future systems anticipated include:

1. Control System and Future Operations

A new Rail Operations Control System (ROCS) and a new Public Information Display System are planned for installation with completion anticipated by March 1, 2011. The System will replace the existing system and be capable of being extended and expanded to handle future service changes, including a Supervisory Control and Data Acquisition (SCADA) system for electrification, extension to the Transbay Terminal and the Dumbarton extension. Coincident with electrification, service is expected to expand to 114 trains per day, with six trains per peak hour per day. Trains at this time will be a mix of diesel-electric, electric locomotive-hauled and EMU cars built to European standards. Eventually, service may expand to 172 trains per day with 10 trains per hour.

2. Electrification

Plans are in place to electrify the railroad from San Francisco to San Jose (CP Lick), which will include approximately 150 single-track miles of Overhead Catenary System (OCS) that will distribute power to electrically powered locomotives or EMU trainsets. Plans also include construction of two traction power substations and eight autotransformer stations to deliver 25kV, 60Hz, single-phase alternating current to the OCS and enhancements to the signaling and grade crossing systems to make them compatible with electrification.

The Contractor will provide maintenance work for systems and infrastructure completed as part of the Peninsula Corridor Electrification Project (PCEP) pursuant to Section 2.2.A.3.

3. CBOSS

CBOSS will provide Positive Train Control and other capacity improvements. While the specifications for CBOSS are still in development, CBOSS will satisfy all of the requirements of the Rail Safety Improvement Act of 2009.

4. Dumbarton Line

The Dumbarton Line is planned within the next 15 years. This line will be an extension of Caltrain from Redwood City across the San Francisco Bay to Union City located in the East Bay. This would require additional or revised Control Points in the Redwood City area, as well as incorporating additional track miles and a small terminal in the East Bay.

5. San Francisco Downtown Extension

An underground extension from Caltrain's north terminal in San Francisco to a station in downtown San Francisco via a tunnel to a new Transbay Terminal is planned within

the next 10 years. The operation and maintenance of the extension and its new terminal will be under Caltrain control.

6. High-Speed Rail

Plans for the Caltrain corridor also include high-speed rail which may utilize the Caltrain right of way and tracks between San Jose and San Francisco. The Peninsula Rail Program will be guiding the planning for future integration of Caltrain and high-speed rail service on the Peninsula.

2.1.D. DEFINITIONS

APPROVED BUDGET – The annual budget for Services developed pursuant to the process described in the Scope of Services and approved by the JPB.

BASIC SERVICE PLAN (BSP) – The level and type of train service initially in operation, and the level of maintenance and services needed to support that operation, as of the Service Date, and modified from time to time by agreement between the parties.

BOARDING ASSISTANCE AREA – The location indicated on each station platform where Passengers Needing Assistance and Passengers With Disabilities are encouraged to wait for assistance boarding a train. Boarding Assistance Areas are located near the north end of platforms and are indicated by signs and stenciling on the platform surface.

CALTRAIN – Commuter rail service to be provided for the JPB by the Contractor between San Francisco, San Jose (Tamien), and Gilroy under terms of this Agreement.

CALTRAIN OPERATING TIMETABLE – A compilation of rules, regulations, and Special Instructions that apply to the Caltrain operation in addition to the General Code of Operating Rules (GCOR).

CALTRAIN PUBLIC TIMETABLE – The departure times for trains at stations and arrival times at final terminals along the Caltrain corridor. The schedule can be found at www.caltrain.com.

CENTRAL CONTROL FACILITY (CCF) – Location of dispatching services responsible for the safe, efficient movement of trains and authorization of maintenance tasks across the Caltrain system. Servers for the System and customer service information distribution are located here. It also is the location of the Caltrain Emergency Operations Center.

CLIPPER – The universal transit card for the San Francisco Bay Area. The Clipper card is a stored-value card that can be used to pay for a variety of Caltrain tickets and passes. Clipper is the new name of TransLink effective June 16, 2010.

COMMUNICATION-BASED OVERLAY SIGNAL SYSTEM (CBOSS) – The vital overlay Positive Train Control system that will meet the Federal mandate for PTC implementation by 2015.

CONTRACTOR AGREEMENT – The Agreement for Rail Operations, Maintenance and Support Services for Caltrain between the JPB and Contractor, consisting of all of the Contract Documents.

CONTRACT DOCUMENTS – Those documents consisting of the Agreement together with all attachments and exhibits referenced therein and attached thereto.

CONTRACTOR – The successful proposer to whom a Contract is awarded and enters into the Agreement with the JPB for Rail Operations, Maintenance and Support Services for Caltrain.

CONTROL POINT (CP) – The location of absolute signals controlled by a dispatcher.

CRITICAL SKILL POSITIONS – Those positions to which the Contractor shall place particular emphasis on filling vacancies due to the importance of skill sets to the success of Caltrain. The identified positions are intended to be reflective of responsibilities only and are not to be construed as required job titles.

CROSSING – All of the operable tracks present through the automobile or pedestrian traveled roadway and their transition ties on approaches per the JPB standards drawings.

DAILY OPERATIONS REPORT – A report summarizing the prior day's operations and the status of Service Property and Service Equipment provided each morning as detailed further in Part 2, Section 2.O.6.a.

DIRECT COSTS – Those allowable, allocable and reasonable costs specified in Attachment A to the Agreement.

DISTRICT – The San Mateo County Transit District, the public agency designated as managing agent on behalf of the JPB with the authority to oversee Contractor for operation of Caltrain and oversee this Agreement. As such, the District is simply an agent of the JPB, representing and acting on behalf of the JPB relative to all rights and obligations of the JPB as specified throughout this Agreement.

EFFECTIVE DATE – The date of the Agreement as mutually agreed upon by the JPB and Contractor.

EMPLOYEE IN CHARGE (EIC) – The person in charge of safety for a workgroup. The EIC is authorized, trained and qualified under 49 Code of Federal Regulations (CFR) 214.353 and in charge of on-track safety to be provided.

EQUATION – A point at Milepost 43.4 which becomes Milepost 44.0 to be consistent with mileage on the UP Coast Subdivision south of CP Coast.

FEDERAL AGENCIES – Whenever, in the Contract, reference is made to any Federal Agency or officer thereof, the reference shall be deemed made to any agency or officer succeeding in accordance with law to the powers, duties, jurisdiction, and authority of the agency or officer mentioned.

FISCAL YEAR – The JPB fiscal year, which commences July 1 and ends the following June 30.

FIXED FEE – A specified amount of compensation to cover, among other things, Contractor's profit. A Fixed Fee shall apply to compensation paid for Work Directives for On-call Additional Services, as further prescribed in the Agreement.

FLAGMAN/FLAGGER – Any employee designated by the railroad to direct or restrict the movement of trains past a point on a track to provide on-track safety for roadway workers.

GENERAL AND ADMINISTRATIVE OVERHEAD COSTS (G&A) – Those overhead costs and categories of overhead costs identified in Attachment A to the Agreement for which the Contractor is compensated based on a specified percentage rate as prescribed in the Agreement in addition to compensation for Direct Costs.

GENERAL CODE OF OPERATING RULES (GCOR) – The operating rules governing train movement and safety on JPB property.

GENERAL MANAGER – An individual appointed by the Contractor, and approved by the JPB, who will be in charge of Contractor's provision of the Contract Service and act as a single point of contact and liaison between the Contractor and JPB.

JOINT POWERS BOARD (JPB) – The Peninsula Corridor Joint Powers Board, comprised of the City and County of San Francisco, San Mateo County Transit District, and Santa Clara Valley Transportation Authority, in the State of California. The JPB is the real party in interest under this Agreement.

JPB CONTRACT ADMINISTRATOR – A JPB employee who is authorized by the JPB to manage the day-to-day administration of the Contract. This employee will serve as the JPB liaison with the Contractor's General Manager. The JPB may appoint separate contract administrators to administer the Basic Service Plan and Construction Support provisions of the Contract, respectively. Should Contract issues arise which involve or relate to more than one of these Contract areas, or which are not resolvable between the Contractor and the appointed Contract Administrator(s), the Director, Contracts and Procurement will administer such issues on behalf of the JPB.

JPB EMPLOYEES – Employees of the District and their consultants responsible for the management and administration of Caltrain service.

JPB ENGINEER – The Chief Engineer of the JPB, or designee.

KEY PERSONNEL – Those employment positions of the Contractor assigned to Caltrain who are essential to the successful delivery of Caltrain service and support. The identified positions are intended to be reflective of responsibilities only and are not to be construed as required job titles. However, Contractor's management personnel who perform and are responsible for the descriptive functions shall be considered part of Key Management Personnel.

ON-CALL ADDITIONAL SERVICES OR ADDITIONAL SERVICES – Work requested by the JPB (or proposed by the Contractor) outside of the Basic Service Plan and undertaken as provided in Scope of Services consisting of (1) new or additional train service or increases in the then-existing levels of train service; (2) new, additional, or modified services requiring Contractor's expenditure of unanticipated costs resulting from changes in the performance standards or requirements set forth in this Scope of Services; and (3) projects of limited duration for which the services are not included in the Scope of Services or the Approved Budget. Additional Services shall not include tasks performed by the Contractor at the request of the JPB that do not require the Contractor to expend Direct Costs in excess of those it would incur in the absence of such tasks, nor shall it include

those tasks or work that simply were under-budgeted provided it does not cause the Contractor to exceed overall Approved Budget. When a task involving Additional Services is performed, the JPB shall reimburse the Contractor in accordance with the terms of the Agreement.

PASSENGER FARE REVENUES – Monies received from ticket sales for the transportation of passengers on Caltrain in accordance with published fares.

PERFORMANCE FEE – The compensation to the Contractor, generally to cover Contractor's profit that is earned quarterly and based on the successful implementation of the terms of the Contract and performance based on measurable criteria of importance to the JPB. A Performance Fee shall apply to compensation paid for the Basic Service Plan.

PERFORMANCE FEE POOL – The maximum amount of Performance Fee compensation that can be earned by the Contractor, provided that a 100% performance score is attained.

PUBLIC WORKS – Under the California Public Contract Code, the erection, construction, alteration, repair or improvement of any public structure, building, road, or other improvement of any kind. Under the California Labor Code, construction, alteration, demolition, installation or repair work (including maintenance) paid for out of public funds.

RAIL OPERATIONS CONTROL SYSTEM (ROCS) – The software and hardware systems that remotely control the vital Caltrain signal system in the field.

OPERATING RAILROAD OF RECORD – Contractor responsibility for all reports and submittals required by the Federal Railroad Administration (FRA), including telephonic, written, or electronic reports of a scheduled and unscheduled nature. Reports and submittals will be made available to the JPB upon request for review and approval prior to transmission to the FRA.

RIGHT OF WAY (ROW) – Land or rights to land used or held for railroad operations or for a public way.

SERVICE DATE – The date that the day-to-day operating responsibilities and provision of Caltrain service transition to the Contractor following its mobilization period.

SERVICE EQUIPMENT – Locomotives and rail passenger or other cars owned or controlled by the JPB that are used in providing the Services.

SERVICE PROPERTY – Real property, including improvements thereto, owned or leased by the JPB or District that is used in providing the Services.

SERVICES – Work associated with the operation of Caltrain of the type provided pursuant to this Agreement by Contractor as of the Effective Date of the Agreement, or as thereafter modified by the parties, including, but not limited to, train operation and performance; train movement control and dispatching; maintenance and cleaning of the Service Equipment; track, structures, signals, and communications maintenance and improvements; maintenance of stations and parking lots; maintenance of other Service Property, facilities and equipment; material management; safety performance; environmental services; training, qualification and proficiency testing; customer service; standards for providing service to Passengers Needing Assistance; required reports and notifications;

performance standards and assessments; and all related support functions required pursuant to this Agreement.

SITE-SPECIFIC WORK PLAN (SSWP) – An integrated plan and schedule prepared and submitted by the Contractor and approved by the JPB Engineer, which describes in detail the manner in which work will be accomplished within the work windows, including interrelation of work activities, work schedule and responsibility of parties.

SPECIAL TRAIN – One-time or periodic trains established by the JPB to accommodate special event service, including charter trains.

STATE OF GOOD REPAIR (SOGR) – A condition in which the existing physical assets, both individually and as a system, are functioning as designed within their “useful lives” and are sustained through regular maintenance and replacement programs.

TERMINATION DATE – The date on which the Contract ends.

TRAIN – A revenue passenger commuter train operated for Caltrain pursuant to this Agreement.

WORK – All work specified, indicated, shown or contemplated in a Work Directive including changes thereto made by a Work Directive amendment or other written orders.

WORK DIRECTIVE – An agreed-upon document issued requiring the Contractor to perform On-call Additional Services as specified.

WORK TRAIN - CONSTRUCTION SUPPORT – A train dispatched on an as-needed basis to support construction and engineering activities, including, but not limited to, delivering and distributing construction materials to various work sites, distributing ballast, switching construction and maintenance of way cars, and providing movements for engineering/construction-related activities.

2.1.E. ACRONYMS

AAR – Association of American Railroads

ACE – Altamont Commuter Express

ADA – Americans with Disabilities Act

APTA – American Public Transportation Association

AREMA – American Railway Engineering and Maintenance of Way Association

ATCS – Advanced Train Control System

ATIS – Advanced Traveler Information System

BAAQMD – Bay Area Air Quality Management District

BART – Bay Area Rapid Transit District

BCCF – Backup Central Control Facility

BPR – Behavior Pattern Recognition

BSP – Basic Service Plan

C&S – Communications and Signal

CARB – California Air Resources Board

CBOSS – Communications-Based Overlay Signal System

CCF – Central Control Facility

CCTV – Closed-Circuit Television

CEMOF – Centralized Equipment Maintenance and Operations Facility

CFR – Code of Federal Regulations

CID – Card Interface Device

COT&S – Clean Oil Test and Stencil

CP – Control Point

CPUC – California Public Utilities Commission

CSA – Customer Service Agent

CTC – Centralized Traffic Control

CWR – Continuous Welded Rail

DBE – Disadvantaged Business Enterprise

DNT – Desired Neutral Temperature

DTSC – Department of Toxic Substances Control

DTX – Digital Touch Exchange

ECN – Engineering Change Notice

EIC – Employee In Charge

EMU – Electric Multiple Unit

EOC – Emergency Operations Center

EPA – United States Environmental Protection Agency

ERP – Emergency Response Plan

FCC – Federal Communications Commission

FELA – Federal Employers’ Liability Act

FEMA – Federal Emergency Management Agency

FRA – Federal Railroad Administration

FTA – Federal Transit Administration

FY – Fiscal Year

G&A – General and Administrative Overhead Costs

GAAP – Generally Accepted Accounting Principles

GCOR – General Code of Operating Rules

GHG – Greenhouse Gas

GPS – Global Positioning System

HAZMAT – Hazardous Material

HCR – Handheld Card Reader

HMSSHASP – Hazardous Materials Site Specific Health and Safety Plan

HVAC – Heating, Ventilation, and Air Conditioning

ICS – Incident Command System

IR – Information Repository

IT – Information Technology

JPB – Peninsula Corridor Joint Powers Board

LAN – Local Area Network

MOW – Maintenance of Way

MP – Milepost

MSDS – Material Safety Data Sheet

NIMS – National Incident Management System

NEPA – National Environmental Policy Act

NFPA – National Fire Protection Association

NOI – Notice of Intent

NPDES – National Pollutant Discharge Elimination System

NTSB – National Transportation Safety Board

O&M – Operations and Maintenance

OCS – Overhead Catenary System

OEM – Original Equipment Manufacturer

OSHA – Occupational Safety and Health Administration

OTM – Other Track Material

OTP – On-time Performance

OWA – Outlook Web Access

PA – Public Address

PADS – Predictive Arrival/Departure System

PCEP – Peninsula Corridor Electrification Project

PG&E – Pacific Gas and Electric Company

PIDS – Passenger Information Display System

PIF – Project Initiation Form

PNA – Passenger Needing Assistance

POP – Proof-of-Payment

PRESS – Passenger Rail Equipment Safety Standards

PRP – Peninsula Rail Program

PTC – Positive Train Control (See CBOSS)

PTEP – Passenger Train Emergency Preparedness Plan

PWD – Passenger With Disability

PWORF – Project and Work Order Request Form

ROCS – Rail Operations Control System

ROW – Right of Way

RWP – Roadway Worker Protection

SCADA – Supervisory Control and Data Acquisition

SEMS – Standardized Emergency Management System

SOGR – State of Good Repair

SOP – Standard Operating Procedure

SPCC – Spill Prevention Control and Countermeasures Plan

SPTMC – Standard Procedures for Track Maintenance and Construction

SSPP – System Safety Program Plan

SSWP – Site-Specific Work Plan

SWPP – Storm Water Pollution Prevention Plan

T&E – Train and Engine Crews

TOT – Ticket Office Terminal

TP – Traction Power

TPS – Traction Power System

TPSS – Traction Power Substation

TVM – Ticket Vending Machine

UC – Unified Command

UP – Union Pacific Railroad

UPS – Uninterruptible Power Supply

VMS – Visual Messaging System

VTA – Santa Clara Valley Transportation Authority

WD – Work Directive

WDP – Work Directive Proposal

WDPR – Work Directive Proposal Request

END OF PART 2 – SECTION 1

PART 2 – SECTION 2 SCOPE OF SERVICES

2.2.A. OVERVIEW

Although the Contractor is intended to be an independent contractor of the Peninsula Corridor Joint Powers Board (JPB), the Contractor shall be guided in the performance of its responsibilities by the fact that the Agreement delegates to it a public function that it performs as the representative of the JPB. The Contractor shall be mindful that the Agreement makes it the instrument for providing a public service on the JPB's behalf, rather than granting it the right to operate Caltrain as a commercial venture.

JPB and Contractor will engage a mutually agreed upon third party facilitator to conduct partnering sessions on a quarterly basis. Sessions are anticipated to involve management and executives from both organizations. The format will be determined following an initial due diligence effort involving the facilitator. Sessions will focus on mutual expectations, performance and improvement. There will be a measurable and practical set of benchmarks established. Each partnering session will report against benchmarks with areas of improvement identified. The cost of partnering will be shared equally among the JPB and Contractor.

Subject to the JPB's Contract Oversight, the Contractor shall be responsible for providing and managing all of the services, functions, facilities, and associated resources required for the operation of Caltrain, unless otherwise provided by the JPB, including, without limitation:

- General management
- Train crewing
- Train movement control and dispatching
- Maintenance of cars and locomotives
- Maintenance and improvement of track, structures, signals, and communications
- Maintenance and improvement of stations and station access, including parking lots, bicycles and pedestrians
- Maintenance of Centralized Equipment Maintenance and Operations Facility (CEMOF) and other facilities
- Material management
- Safety program management, including System Safety Program Plan (SSPP) participation and environmental services
- Construction Support, including operating Work Trains, furnishing, operating, and overseeing the use by others of specialized construction support equipment,

performing single-tracking, and providing training, testing and rules qualifications for JPB staff and third-party construction contractor personnel

- Employee training and certification
- Customer Service of the highest quality, including services to Caltrain's Passengers Needing Assistance (PNAs) in accordance with Americans with Disabilities Act (ADA) regulations and established JPB policies; service announcements via station and onboard public address and visual messaging; and posting and stocking of public information
- Regulatory compliance, reports and notifications
- Financial accounting, reporting and control
- Labor relations

All property, equipment and materials purchased with JPB funds shall be the property of the JPB, including those purchased by the Contractor for which it has been reimbursed.

During the term of the Agreement, the Contractor may subcontract any portion of the performance of the Services with firms that are fit and eligible to perform the work and have the financial capacity to satisfy the insurance requirements of the Agreement. The Contractor shall not subcontract without the prior written approval of the JPB, and all subcontracts shall be selected by competitive bid from at least three potential parties for such work. The JPB's failure to approve a subcontract (or to state a reasonable basis for its disapproval) within 14 calendar days of written notice from the Contractor of the proposed subcontract shall be deemed to be approval. The JPB shall be entitled to receive copies of all subcontracts entered into by the Contractor for Services. The Contractor shall remain solely responsible for any work for which it employs subcontractors, and the JPB shall have no obligation to them whatsoever. The above notwithstanding, all Contractor subcontracts shall be assignable to the JPB.

The Contractor shall identify all functions intended to be subcontracted to fulfill the requirements listed in the Scope of Services and the subcontractors selected to perform those functions. This information shall be provided to the JPB in writing 30 days prior to the Service Date. Thereafter, the JPB shall be notified of all subcontracting changes including terminations, replacements and additional functions being subcontracted. The Contractor is encouraged to use subcontracting as necessary to meet requirements for the Provision of Personnel as indicated below.

Unless otherwise requested in writing by the Contractor and approved in writing by the JPB, the Contractor shall not submit proposals or bids for any contracts for construction projects that may be advertised by the JPB.

The Contractor shall confer, closely coordinate with and receive approval from the JPB, prior to contact with any regulatory agencies, including the Federal Railroad Administration (FRA) and the California Public Utilities Commission (CPUC). The Contractor shall keep the JPB fully apprised, both by immediate oral notification and in writing to the Director,

Rail Transportation or designee, of any such discussions and negotiations with FRA, CPUC, or other regulatory personnel.

The Contractor shall be responsible for resolving all FRA and CPUC violations including mitigating circumstances that led to violation, responding to regulators and paying fines. Any and all penalties and fines imposed regarding the violation of State and Federal codes, regulations, and laws shall be paid by the Contractor and shall be the responsibility of the Contractor inasmuch as the violation occurs as a result of the Contractor's negligence in Agreement compliance.

The Contractor shall produce for JPB approval all FRA-required plans, programs and documentation. All plans shall be Caltrain-specific, addressing only employees in Caltrain service. The Contractor shall keep all testing results and analysis relative to approved FRA plans and submittals accessible locally. The Contractor shall develop all submittals for JPB written approval 90 days prior to the Service Date of the Agreement. In cases where the JPB has preexisting plans, the Contractor shall review said plans and revise them as agreed to by the JPB.

1. Transportation, Customer Service and Service Performance

a. Transportation

The Contractor shall provide transportation services as required to supervise the movement of commuter, intercity and long-distance passenger, excursion, private car, ferry move and freight trains on those portions of the Service Property for which the JPB has authority to control train movements and all activities related thereto, and to operate the trains on the schedules established by the parties. Specific transportation obligations of the Contractor shall include the following, without limitation:

1. Basic Service Plan

The Basic Service Plan (BSP) shall be that level and type of train service initially in operation as of the Service Date, and unless otherwise modified by agreement between the parties, shall consist of the trains shown in Exhibit A, Item 1, plus the additional trains/schedules described in the following sections 2 through 6. The BSP schedule shall be that shown in the Caltrain Public Timetable as of the Service Date.

2. Routine Schedule Changes

The JPB anticipates two system-wide changes of schedule per year. The Contractor shall provide to the JPB, four months prior to a schedule change, any recommendations for running time revisions or other scheduling matters, which improve operating performance. There shall be no additional costs to the JPB for these twice-annual changes in schedules or train sizes. In support of routine schedule changes, the Contractor shall provide one system-wide ridership count, including weekdays, Saturdays and Sundays (typically in January, with results and Summary Reports due by March 10), and up to 25 topical counts per year. A topical count will cover, over the course of one day, terminal activity, one or more specific trains, and one or more specific stations.

The results of topical counts shall be provided to the JPB within one business day of the count.

3. Modified Schedules

Up to four weekdays per year, the JPB may authorize use of a modified weekday schedule to adjust service for holidays or other occasions with reduced ridership. A weekday-modified schedule operates approximately 40 fewer roundtrips than a regular weekday schedule. The JPB also operates a holiday (typically a Sunday) schedule on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

4. Construction Schedules

The Contractor shall cooperate with the JPB and third-party construction by developing alternate schedules for weekend, evening, and midday services, including making onboard and station public address and visual messaging board announcements, and posting applicable notices at affected stations and on trains, without any limit per year. Special schedules may result in service reductions or rearrangements, and the Contractor must have labor arrangements containing flexibility in rescheduling the operating/station workforces.

5. Special Trains

The Contractor shall provide Special Trains, including special event service, charters, excursions, ferry moves and Operation Lifesaver/Rail Industry and off-line trips (with host railroad pilot, where necessary, paid for by the JPB), as shown in Exhibit A, Item 2. A Special Train will require onboard staffing as specified in Part 2, Section 2.B and at least one transportation manager to supervise the event activities. Services included for each Special Train shall also include train makeup, breakdown, cleaning, and mechanical services. For every Special Train operated, the Contractor shall provide a passenger count as directed by the JPB with the results provided to the JPB within one business day.

The Contractor shall also handle private cars, excursions and ferry moves on JPB Service Property as directed by the JPB. These will generally be handled as Additional Services unless otherwise included in the BSP. The Contractor shall separately record the actual costs of all special trains operated and report such costs to the JPB within 20 calendar days from the end of the month during which such special trains were operated.

6. Additions and Changes to the Basic Service Plan

The Contractor shall provide additional trains over and above the train services required for the BSP in accordance with the cost plus fee arrangement of Additional Services, at the sole determination of the JPB, until the next BSP and budget are approved at which time the trains may be added to the BSP. Changes to the BSP may be made annually during the budget process. All

such changes approved shall be identified subsequently in Attachment A, Item 1 along with the effective date for the service changes.

The JPB and Contractor shall consult to maximize the efficiency of any service plan changes, which shall be implemented within 60 calendar days from date of notice to the Contractor, unless otherwise mutually agreed upon between the parties. Prices for other additional services will be subject to negotiation between the parties.

7. Train Delays/Annulments and Schedule Adjustments

The Contractor shall provide immediate notice within five minutes by telephone to the JPB of significant (in excess of 10 minutes) train delays and annulments not planned and agreed upon by the parties, and shall give appropriate notice to passengers of same via onboard and station public address system announcements and electronic messages at locations equipped to deliver such messages. Announcements and messages shall be updated and given every 10 minutes until the delays are mitigated.

The Contractor shall provide FRA-compliant communications devices to Conductors for the purposes of receiving and communicating information on causes of delay and estimated duration.

8. Standard Operating Procedures

The Contractor shall develop Standard Operating Procedures (SOPs), for JPB review and approval 90 days prior to the Service Date of the Agreement, for the following Caltrain functions:

- Service Recovery Plans, including, but not limited to, major mechanical failures, fatalities, derailments, collisions, earthquakes, bomb threats or suspicious packages, as well as provisions for train and engine, customer notification, engineering, mechanical and all other appropriate responders
- Contingency Operations, including employee strikes
- Emergency Operations Plans
- Expectations and responsibilities of Engineers and onboard personnel
- Roles and responsibilities of Customer Service Agents at stations
- Operational Testing and Inspection Program in compliance with 49 Code of Federal Regulations (CFR) 217
- Engineer Certification Program in compliance with 49 CFR 240

Within 14 calendar days of the Effective Date of the Agreement, the Contractor and JPB shall jointly review all current manuals and instructions necessary for an operating railroad, including Operating Rules, Air Brake Instructions, Safety Rules, Emergency Evacuation procedures, First Aid Training, Timetable Special Instructions, basic mechanical troubleshooting, and ADA and customer service requirements. To the degree possible, Caltrain will provide copies of current manuals and instructions to assist the Contractor; however, the Contractor shall be responsible for the development of all required manuals and instructions for submission to JPB for review and approval a minimum of 90 days prior to the Service Date of the Agreement and to FRA where required by FRA regulations.

Once approved by the JPB, the Contractor shall implement the SOPs and shall be responsible for submissions of plans and programs necessary to meet FRA requirements. The Contractor shall meet with the JPB on a periodic basis to review and revise SOPs as needed.

9. Operating Rules Committee

The Contractor shall convene jointly with the JPB a railroad operating rules committee on a monthly basis that will include designated JPB rail personnel. The committee will produce, at a minimum, an updated Railroad Operating Timetable and Special Instructions every six months.

The Contractor also shall be required to develop a written program for managing, auditing, and monitoring Operational Tests and Inspections in accordance with 49 CFR 217. The written program is to be submitted to JPB for review and approval in accordance with Part 2, Section 2.A.8 above and submitted to the FRA 30 days prior to the Service Date of the Agreement. Following the Service Date, the Operating Rules Committee shall be responsible for monitoring the program and recommending revisions and corrective action, as appropriate.

10. Daily Call

The Contractor shall conduct a daily call with all operating departments to coordinate daily activities at a time mutually agreed to by the JPB and Contractor.

b. Customer Service

The Contractor shall, at all times, treat Caltrain customers with respect and courtesy and shall undertake all reasonable means to provide required and requested assistance. The Contractor shall strictly comply with the provisions of the Scope of Services with respect to handling of PNAs and to other JPB regulations for handling passengers with bicycles, special groups, youths, etc. In addition, subject to the personnel provisions of the Scope of Services, the JPB may, at its sole discretion, require the removal of any Contractor employee from Caltrain service for failure to comply with this customer service obligation. On a schedule to be mutually agreed upon by the parties, the Contractor shall implement the Customer Service Initiatives as set forth in Scope of Services. Attention is directed to specific sections regarding specific requirements for handling customer comments, observations and complaints.

c. Service Performance Standards

The Contractor will be expected to meet the following service performance standards as specified in the Scope of Services:

- Personnel requirements
- Provision of reliable on-time service

- Provision of train movement control and dispatching
- Availability, maintenance and cleaning of Service Equipment
- Maintenance of Service Property
- Provision of Construction Support services
- Provision of material management
- Provision of safety program and environmental requirements
- Provision of employee training and proficiency testing
- Implementation of the customer service initiatives
- Provision of services to PNAs
- Provision of required reports

To ensure that Standards are met, the Contractor shall maintain performance records and furnish written performance reports as set forth in the Scope of Services.

2. Other Operating Requirements

a. Use of Service Equipment

The Contractor will use the Service Equipment solely for the purpose of operating Caltrain or for maintenance and other uses directly associated with Caltrain.

b. Public Information Measures

The Contractor shall provide and distribute such information as is directed by the JPB to transmit to the public, including information concerning any disruptions and resulting delays due to emergencies or major service disruptions, in the form of seat drops, station postings, public address announcements and visual messages and otherwise render assistance to the JPB in monitoring and supervising Caltrain. At the request of the JPB, the Contractor will distribute Caltrain schedules and other information, including passenger comment cards, to the public. Editorial content of supplemental information to the public is at the sole discretion of the JPB. No representatives of the Contractor shall interface with the media without the express written consent of the JPB.

The Contractor will install JPB-approved promotional materials or public information notices on Service Property and Service Equipment pursuant to procedures established by the JPB. The Contractor shall not release any statistical data or other information to the media or any other third party without the prior approval of the JPB, unless required by law. The Contractor or its employees shall not engage with the media regarding Caltrain matters. All media requests

regarding Caltrain or the JPB shall be referred to the JPB's Public Information Officer.

c. Emergency Response Drills

The Contractor shall participate fully (i.e., manage, direct and stage) in one tabletop and one field emergency response drill per year.

d. Provision of Security

The Contractor shall cooperate and comply with any and all security practices, policies, programs and plans as determined necessary by the JPB. The JPB shall be responsible for providing sworn peace officer protection for Caltrain, and the Contractor shall cooperate with the sworn peace officers and resources as furnished for this purpose. The Contractor will include communication and coordination with peace officers in all SOPs and emergency plans.

3. Maintenance and Repair

a. Maintenance of Service Equipment and Service Property

The Contractor shall maintain, repair, service and clean the Service Equipment and shall maintain the Service Property in accordance with the Standards described in the Scope of Services. The Contractor also shall maintain in good working order the equipment used to maintain the Service Equipment and Service Property. Such work may include operational improvements and maintenance projects which improve or extend the life of the Service Equipment, including wheel changes, refrigerant replacement, or improve or extend the life of the Service Property, and such other modification/replacement projects.

The Contractor shall anticipate and schedule its workforce to perform cleaning and daily required running inspections and repairs, including passenger car brake shoe replacement, during off-peak service times at layover, including nights and weekends. This may require additional night shift or weekend work at locations not presently performing the activities as outlined in the "Daily Cleaning and Servicing" provisions of the Scope of Services. The Contractor shall comply fully with the terms of manufacturers' warranties that have been disclosed to it on equipment used in providing the Services. Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, if the Contractor fails to adequately protect JPB's warranty interests, all costs arising from such failure shall be the responsibility of the Contractor.

The Contractor also shall develop in conjunction with the JPB an annually updated five-year plan of required maintenance activities for preserving the Service Equipment and Service Property, as well as a five-year plan of recommended activities for improving the Service Equipment and Service Property.

b. Maintenance Facilities

The JPB will provide Service Equipment maintenance facilities at CEMOF in San Jose, and additional facilities at the Diridon Yard in San Jose, San Francisco Station Yard, and Gilroy Storage Yard.

c. Materials and Supplies

Except as otherwise provided in the Agreement, the Contractor will provide all materials and supplies necessary for the operation and maintenance of the Service Equipment and maintenance of the Service Property and will provide material management in accordance with the Standards provided in the Scope of Services.

d. Repair of Damaged Service Property or Service Equipment

In the event of damage to the Service Property or Service Equipment, it shall be the Contractor's responsibility to make repairs in accordance with procedures established by the JPB. The Contractor shall also provide such information relative to the incident as may be requested by the JPB. In the case of damage to the Service Property, the Contractor shall begin the repairs; provided, however, that the JPB shall have the right to order that such repairs to the Service Property not be done or that repairs already begun be stopped. In the case of damage to the Service Equipment estimated to cost \$25,000 or more, the Contractor shall not undertake repairs without the prior written authorization of the JPB.

e. PCEP-Related Activities

TASI will be performing maintenance work for systems and infrastructure completed as part of PCEP as follows.

i. PCEP Segment 4 Maintenance

The PCEP project Intermediate Milestone No. 1 includes traction power substation no. 2 (TPSS 2), all Segment 4 OCS, rail signaling, and communications systems and interconnection with JPB central control. Upon substantial completion of Intermediate Milestone No. 1, JPB will be required to maintain the test segment during the remaining testing and exercise phase for the Electrical Multiple Units (EMUs). TASI will perform the following maintenance and support service to include infrastructure being installed as a part of the PCEP contract for Segment 4. Maintenance will encompass 24/7 operation and support of the traction power system:

- Hire and train qualified personnel (field and office) to operate the power system through SCADA
- Provide 24/7 power desk coverage post completion of Milestone No. 1
- Hire and train qualified personnel (field and office) to maintain the OCS, traction power facilities in Segment 4 after completion Milestone No. 1 and prior to substantial completion of the project

- Perform safety training for all Staff on property
- Maintain the wayside signals once they are successfully cutover for beneficial use
- Procure and operate additional equipment/material required to operate and maintain the OCS and traction power systems
- Maintenance of OCS and TPS including TP return systems, wayside power cubicles, grounding/bonding systems and Pantographs
- Additional training required for personnel in support of EMU testing and acceptance
- Support Caltrain Rail Operations and maintenance on EMU unloading, type testing, exercises, burning and vehicle acceptance.
- Support EMU PTC field integrated testing and qualification testing
- All training required for personnel to operate and maintain the EMUs
- Maintenance of EMUs once after Caltrain acceptance
- Develop response plan for any emergency, failures and traction power outages
- Support Caltrain Operations on developing or updating operating rules and procedures
- Support Caltrain Maintenance on developing maintenance manuals and job plans

ii. PCEP Full Alignment Maintenance

- Hire and train qualified personnel (field and office) to maintain full alignment OCS, traction power facilities after substantial completion of the PCEP project
- Perform safety training for all Staff on property
- Maintain wayside signals including grade crossing once they are successfully cutover for beneficial use
- Operate the power system through SCADA and provide 24/7 power desk coverage

- Procure and operate additional equipment/material required to operate and maintain full alignment of OCS and traction power systems
- Maintenance of OCS and TPS including TP return systems, wayside power cubicles, grounding/bonding systems and Pantographs
- Support Caltrain Rail Operations and maintenance on EMU unloading, type testing, exercises, burning and vehicle acceptance
- Support EMU PTC end to end field integrated testing and qualification testing
- Support Caltrain Operations and maintenance for pre-revenues service demonstration.
- Provide all training required for personnel to operate and maintain the EMUs
- Maintenance of EMUs once after Caltrain acceptance
- Maintenance of CEMOF yard and EMU storage tracks
- Manage spare parts and inventory of material/equipment required to operate and maintain the electrified infrastructure

4. Construction Support

The Contractor shall perform Construction Support as provided by On-call Additional Services under the Agreement. The Construction Support requirements, responsibilities, performance standards and procedures applicable to the Agreement are contained in the Scope of Services, and such services shall be furnished on an as-needed basis. Ongoing projects to improve and modernize the JPB's signal and communications system, as well as track work, civil work, and other work on the property, may require signal and communications support. A representative listing of Construction Support functions is as follows:

- Furnish flagmen and inspection and repair crews for construction projects.
- Provide managers and technical specialists to assist in construction staging and operations and to manage all aspects of construction work windows.
- Provide qualified operators for specialized rail equipment to support construction work, including, but not limited to, open-top ballast hoppers with remote control discharge doors, side dumps, gondolas, flat cars, production switch tampers, regulators, locomotive crane and dynamic track stabilizer, and other related "on-track" and "off-track" equipment, and provide additional specialized rail equipment if requested by the JPB.
- Identify, mark and perform minor protection and relocation of underground signal and communications cables.

- Provide access to signal house, signal case, and all other signal facilities for outside contractors.
- Provide inspection, minor repair, and defect correction services.
- Perform track, communications and signal, bridge and station projects.
- Provide training, testing, and rules qualification to JPB staff, outside JPB contractors and JPB third-party contractors.
- Organize and coordinate Site Specific Work Plans (SSWPs) and performing inspection of third-party work sites.
- Configure, operate, secure and maintain Maintenance of Way facilities, including the support facility at Menlo Park and such yards/storage areas at South San Francisco, Bay Meadows, Redwood City, Chilco area near Dumbarton line, and south of Mountain View, or other locations to be mutually determined and agreed upon.
- Furnish train and engine crews to operate Work Trains.
- Ensure up-to-date signal plans, as provided by the JPB, are in all signal equipment shelters.
- Provide technology transfer and consulting support on high-speed rail, electrification, capacity improvements, rail construction methods, and staging.

The Contractor shall fully cooperate with the JPB and others to avoid interrupting or delaying their activities and to promote the orderly completion of the work as a whole. The Contractor is required to cooperate and communicate with any contractor performing work that may connect, complement and interfere with the work and if at all possible, to resolve any disputes or coordination problems with such contractor.

The Contractor shall be required to afford access and cooperation to any other contractors working in the area, as is required of such other contractors to the Contractor. To avoid delays or hindrances, the Contractor shall cooperate fully with those other contractors within or adjacent to the JPB right of way that may be performing construction or installation during the same construction period as for the Agreement.

5. Personnel Requirements

a. Provision of Personnel

Except as otherwise provided in the Agreement, the Contractor shall provide and furnish the qualified personnel necessary to operate, maintain and manage Caltrain in a safe and efficient manner. All such personnel will be employees of the Contractor or of the Contractor's subcontractors, and all personnel requirements and provisions of the Agreement will apply to subcontractor personnel, as well as Contractor personnel.

As between the Contractor and JPB, the Contractor will be solely responsible for determination of and payment of their wages and benefits and other terms and conditions of employment; provided, however, that the Contractor shall comply with any applicable mandatory State or Federal prevailing wage rate, safety or wage/hour laws. The Contractor will faithfully comply with the terms and conditions of all applicable agreements with any labor organization representing Contractors' employees concerning wages, benefits, and terms and conditions of employment. The Contractor will comply with all applicable laws, regulations, rules and procedures respecting employer's liability, worker's compensation, unemployment insurance, and other forms of social security or railroad retirement and also with respect to any other proper withholding from wages of employees.

The Contractor shall maintain personnel, including suitable extraboard contingencies where appropriate, at a level required to successfully and safely deliver all of the provisions of the Agreement. The level of staffing will be as authorized by the JPB, and it may become necessary over time to add or delete positions. With respect to Contractor's workforce assigned to Caltrain, the JPB shall have the right to approve the creation of any new positions or the filling of any existing positions that become vacant prior to Contractor's implementation of any such decisions, provided, however, that such approval shall not be unreasonably withheld and shall be provided promptly. The Contractor will give JPB written notice of any and all positions that become vacant, or are anticipated to become vacant, and will obtain authorization from the JPB before the Contractor takes steps to fill any vacant positions.

The JPB encourages the Contractor to efficiently and creatively manage its work in the manner it sees fit, provided that the JPB is assured that the Contractor's work will be effectively, safely, and skillfully managed. The Contractor must submit qualifications and requirements for personnel to JPB for approval, and there must be agreement before retaining individuals. The JPB reserves the right to approve candidates for positions.

Nothing contained in the Agreement will require the Contractor to perform any service or take any action that would violate any term or condition of any labor agreement between the Contractor and any organization representing the Contractor's employees or applicable to the Contractor. The Contractor shall not, without the prior written approval of the JPB, enter into any agreements with labor organizations containing provisions that increase the number of permanent employees of the Contractor or that increase the overall costs attributable to employees engaged in Services provided on behalf of the JPB pursuant to the Agreement over the costs of other employees of the Contractor in the same crafts; provided, however, that the JPB shall not unreasonably withhold its approval. The Contractor shall provide the JPB with current versions of the collective bargaining agreements that the Contractor has with the crafts represented in Caltrain service throughout the term of the Agreement. At any time that Contractor participates in any negotiations regarding the terms of said collective bargaining agreements, Contractor agrees to provide JPB timely notice with regard to the subject matter(s) of said negotiations. Contractor further agrees to allow the JPB to observe and provide input to the negotiations process with regard to any subject matter that may impact the Contractor's (and/or any successor contractor's) compensation.

The Contractor shall place particular emphasis on the need to fill vacancies in existing management, supervisory and other Critical Skill Positions including, without limitation, dispatchers, locomotive engineers, electricians, machinists, signal maintainers, track and signal inspectors, special duty managers, construction managers, flaggers and accounting clerks. Unless otherwise mutually agreed, such positions are to be filled within 60 days of vacancy and approval by the JPB of filling the vacancy.

In order to ensure that adequate personnel is available to perform the functions described in the Scope of Services, the Contractor shall develop and submit to JPB for approval, an annual workforce deployment plan which is due with the annual operating budget submittal. The plan shall indicate personnel assignments by time of day to assure that forces are deployed effectively and efficiently to complete scheduled tasks. The JPB reserves the right to request changes and return the plan for revision.

Personnel on duty shall, at all times, devote themselves exclusively to the business of the JPB. Contractor employees are expected to be on JPB property, or en-route between locations during the work shift. Except in the case of emergency or previous written agreement between the Contractor and JPB, the Contractor is prohibited from performing work on behalf of others, including, without limitation, Altamont Commuter Express (ACE), Amtrak, Caltrans, Capitol Corridor, Union Pacific Railroad (UP), California High Speed Rail Authority, or Santa Clara Valley Transportation Authority (VTA) without the express approval of the JPB, which shall not be unreasonably withheld.

The Contractor shall not assign its Caltrain-designated employees to non-Caltrain operations that the Contractor may operate or manage without prior approval of the JPB. The General Manager will be dedicated exclusively to Caltrain. The JPB reserves the right to direct the removal of any individual, including Key Personnel, assigned to Caltrain.

With regard to PCEP-related services, TASI shall develop all job classifications and organization structure that support service required to operate and maintain electrified infrastructure and systems installed by PCEP project. JPB will require TASI to submit a full mobilization and equipment/material plan outlining the means by which TASI will staff and train for operation and maintenance of OCS, TPS, SCADA systems including all field and office personnel.

b. Key Management Personnel

Key Management Personnel shall be appointed by the Contractor for the following functions:

- General Manager;
- Mobilization (from Effective Date to Service Date);
- Dispatching;
- Engineering;

- Operations;
- Safety and Training;
- Equipment Maintenance;
- Signal and Communications Maintenance;
- Track and Structures Maintenance;
- Construction Business Administration;
- Field Construction Support;
- Customer Services and ADA Compliance;
- Stations and Facilities; and
- Finance and Budgets.

The Contractor's management personnel who perform and are responsible for the descriptive functions in this list shall be considered part of Key Management Personnel. Descriptions for all key positions shall be provided by the Contractor to the JPB for review and approval at a minimum 90 days prior to the Service Date. Key Management Personnel may not be substituted without prior written approval of the JPB.

The Contractor agrees that the Key Management Personnel are an essential element of the Agreement. The Contractor will not reassign or reduce the commitment of any such Key Management Personnel during the term of the Agreement without the prior approval of the JPB. In the event that replacement of a Key Management Person is required, the Contractor will submit a qualified replacement for JPB review and approval.

The JPB, at its discretion, reserves the right at any time to reasonably reject the incumbent General Manager or any Key Management Personnel, and the Contractor agrees to replace said person within 60 days of written notice of rejection. The JPB shall have the right to approve the hiring of all individuals who report directly to the General Manager, provided that such approval shall not be unreasonably withheld. The Contractor shall consult with the JPB concerning the hiring of all management employees who report directly to individuals who report directly to the General Manager. The Contractor will not remove or reassign a General Manager approved by the JPB without the prior written consent of the JPB, which approval shall not be unreasonably withheld. The General Manager will have the authority to discharge and replace the employees of the Contractor engaged in Caltrain, and the Contractor will make best efforts to fill all vacancies within 60 days of a position becoming vacant. If not initiated at the request of the JPB, the Contractor shall bear the relocation and other costs associated with replacement of personnel during the term of the Agreement.

The Contractor shall provide appropriate management coverage at all times. There shall be no periods when managers are all assigned to non-Caltrain work (e.g., for corporate-level meetings, responding to other non-Caltrain problems, etc.). This includes management on property – trainmasters, stationmasters, road foremen, dispatchers, and senior management. Appropriate management

representation shall be designated, with JPB approval, for all JPB-required meetings.

c. Employee Conduct and Discipline

All employees engaged in the provision of the Services shall perform their duties in a safe, professional, efficient and courteous manner, and all employees who deal with the public shall be clean and properly attired while on duty. Because of the importance to the success of Caltrain of the courtesy and professional decorum of the employees who provide the Services in any way, the parties consider any conduct which is not consistent with the objectives stated in this section to be "conduct unbecoming an employee," and the Contractor shall discipline accordingly an employee whose conduct is not consistent with those objectives. The Contractor, at the request of the JPB, shall remove from its employment, insofar as the Agreement is concerned, any employee who exhibits conduct unbecoming an employee. Examples of conduct unbecoming an employee include, but are not limited to, the following:

- Any instance of violation of applicable safety rules that causes injury to a person or damage to property.
- Unauthorized use of all personal or company-issued electronic devices while on duty, including but not limited to cell phones, personal digital assistants, digital cameras and camera phones.
- Any instance of use of language that is obscene, risqué or religiously, ethnically or sexually demeaning, or making light of physical or mental disability, regardless of whether it is directed at a customer.
- Any instance of belligerent or malicious behavior.
- Any instance of willful failure to assist customers.
- Any instance of littering rolling stock or station areas.
- Any instance of belligerent or malicious dumping of materials or waste (liquid or solid) on the right of way other than for the proper maintenance of the right of way as approved by the JPB.
- Any instance of eating, smoking, reading, listening to radio or other audio devices, or watching or listening to television while on duty.
- Conduct demeaning to the JPB or Contractor, including demeaning oral or written remarks made to the public or JPB customers.

Any and all complaints of "conduct unbecoming an employee" must be reported by the Contractor to the JPB. Such reports must include the identity of the employee and the facts and circumstances of the complaint. Additionally, if the JPB is notified of a complaint about an employee by an entity other than the Contractor, the Contractor must respond to requests made by the JPB for the

identity of the employee and, if known by Contractor, the facts and circumstances of the complaint.

Any employee who continues to work in an unsafe or unprofessional manner after counseling and training shall be subject to removal from Caltrain service, at the discretion of the JPB. Regardless of any other provisions in the Agreement for removal of employees from Caltrain service, if any person employed by the Contractor or its subcontractors appears to be unfit for service or acts in a disorderly or improper manner, the employee shall be removed from provision of Services and removed from Contractor employment for cause, insofar as the Agreement is concerned.

The JPB reserves the right to direct the Contractor to reassign any individual for cause. In the event a person holding such a position, including a manager, is reassigned or removed, the Contractor shall submit an alternate candidate for JPB review and approval.

If requested by the JPB, the Contractor will hold employees out of Caltrain service pending a disciplinary hearing into charges of conduct unbecoming an employee. If the hearing results in a finding of guilt, the employee shall be barred from Caltrain service upon written request from the JPB. If the employee is returned to service as a result of the hearing, the JPB will bear the cost of reasonable expenses related to the hearing and lost wages for an employee held out of Caltrain service when (1) the JPB initiated the charge; and (2) an arbitrator rules the discipline assessed was excessive and awards back pay for time lost.

d. Substance Abuse Program

The Contractor will be required to establish and enforce a substance abuse policy covering all employees which meets applicable FRA requirements of 49 Code of Federal Regulations (CFR) 219.

e. Uniform Requirement

All uniformed employees on or about the Service Property in public areas must be properly attired and groomed and shall treat the public with courtesy, whether on or off duty. Uniformed employees shall not be allowed to smoke on JPB or Contractor-leased property. The Contractor shall require employees to follow established uniform guidelines and to be attired in appropriate uniforms whenever on-duty.

The Contractor shall design, for JPB approval, and supply uniforms for all personnel who interact with the public, including, but not limited to, all onboard personnel, and customer service agents. The uniform design shall include the Caltrain logo. The Contractor, at its discretion, may opt to have a seasonal uniform. All uniforms shall be professional in appearance and make crew members easily identifiable to the public. The Contractor will have strict controls on the distribution of Caltrain crew uniforms. Caltrain crew uniforms will only be issued to those Contractor employees who will be performing crew duties.

6. Information Technology Requirements

The Contractor shall provide all equipment including servers, workstations, laptops, routers, switches, telephones, cell phones and wireless LAN (Local Area Network) to support the Contractor's Systems used to provide Services in the Agreement, except for the hardware and software provided by the JPB for specified applications listed below. All hardware should have a minimum of four years' warranty. After warranties expire, equipment should be replaced and upgraded with most current available model and meet the software vendor's recommended configuration.

The Contractor shall be responsible for the cost of all computer hardware, software, and communications upgrades not specifically required by the JPB. The JPB reserves the right to approve all computer equipment set up and installed by the Contractor, which must comply with and adhere to JPB standards. Such standards may change from time to time. Implemented hardware and software without prior approval by the JPB may be removed by the JPB. The JPB requires that the Contractor provide detailed design configurations and diagrams for all hardware, software (including business application software), and network infrastructure implemented by the Contractor.

The Contractor should provide internet service, analog and digital/data line, and phone equipment. All servers and network equipment should be protected by Uninterruptible Power Supply (UPS), adequate cooling, ventilation and airflow; and power surge suppressor on all desktops and copier/printers.

The Contractor shall maintain and support all of the technology infrastructure including telecommunications, data center operations, power, cooling and UPS; network operations, backup/recovery services, data storage management services, system administration services; end-user support of desktop computers, laptops and handheld devices to maintain a reliable end-user computing and networking environment.

An Information Technology (IT) Plan shall be developed by the Contractor for JPB review and approval no later than 90 days prior to the Service Date of the Agreement. The plan shall include a list and description of the systems, computer hardware, software and communications equipment to be provided by the Contractor and procedures and methodologies that demonstrate how the Contractor will meet the requirements of the Scope of Service described herein.

a. IT Equipment Utilization Policy

The Contractor shall operate and maintain all IT Equipment (hardware and software) in accordance with JPB policies. Current JPB policies prohibit removing updates and upgrades without expressed approval and prohibit removal of equipment from other than approved locations. The Contractor is required to upgrade hardware, update software security patches and upgrade to a version that is supported by the hardware and software manufacturer.

Additionally, JPB policies prohibit the use of JPB-owned computer equipment for activities that are illegal, for personal profit, or for purposes other than in direct support of JPB business requirements.

b. Data Security and Ownership

The Contractor shall comply with all JPB policies, which shall be provided to the Contractor, regarding data security and Payment Card Industry policies and practices, as well as access to physical work facilities. The Contractor shall take all reasonable precautions including management of firewalls and prevention of unauthorized access to sensitive systems and data to ensure the safety, security and integrity of any Contractor data produced, collected or maintained relative to the Agreement. This shall include, but is not limited to, safeguards and protections against unauthorized access, tampering, theft and damage from malicious computer code commonly referred as viruses, trojan horses and worms; and also prevent and remove adware, spyware and other forms of malware.

The Contractor shall provide a combination of network and application security, vulnerability, and risk and compliance management services, delivered on a common and standards-based infrastructure. The Contractor shall follow “Best Practice Methods” regarding network security including connection to a third-party Internet Service Provider or wide-area-network connection to another location. A “Best Practice Method” is defined as one that follows the recommendations of the server hardware manufacturer and network operating system vendor, in areas including but not limited to routers, firewalls, user permissions, virus scanning, e-mail content filtering and protection of key network passwords.

The JPB will own all operational data and reserves the right to request any operational data related to safety, security, or the operations and management of the train not stored in the JPB network. At the end of the Agreement, the Contractor will be required to provide all operational data to the JPB in an agreed-upon electronic format.

Authorized JPB staff shall be provided real-time, local access to management information systems, databases and reports for all available Caltrain information.

c. Information Systems Software

The Contractor shall provide all information systems software required to maintain and operate the Caltrain system except for those specifically identified below. The Contractor will provide the JPB a list of systems that will be used to perform these duties as part of its IT Plan. The Contractor will also be responsible for loading all operational data into their information systems for initial and ongoing operations.

d. Software Provided by the JPB

The JPB will require the use of the ARINC software for the Rail Operations Control System (ROCS) to handle real-time monitoring and control of field devices for the purposes of train management and Predictive Arrival/Departure System (PADS) which predicts train arrival/departure to display on visual message signs. This will come pre-installed on the workstations the JPB will provide in the Central Control Facility (CCF).

The JPB will require the use of voice communications system (DTX), which will be pre-installed on workstations the JPB will provide in the CCF and at CEMOF, and

will require the use of voice recording software (NICE) to record railroad radio transmissions and phone calls, which will be provided by the JPB.

The JPB will require the use of facility management software including Trane Heating, Ventilation, and Air Conditioning (HVAC); C-Cure 800 Security keycard access software; Train Wash software; and Diversified Fire Monitoring software, which will come pre-installed on workstations the JPB will provide. The JPB also will require the use of specific software in the use of a fuel management system, which will be provided by the JPB.

The JPB reserves the right to provide additional software requirements throughout the term of the Agreement (e.g., safety software).

e. Electronic Mail

The Contractor must use a JPB-approved e-mail system. If users are required to access e-mail at remote locations, the Contractor shall set up and enable a secure Web access module to their e-mail system, such as Outlook Web Access (OWA).

f. Asset Accounting, Inventory and Disposition

All current JPB-owned assets, including computer hardware and software, paid for by the JPB and future procurements shall be clearly marked with asset labels identifying the JPB as the equipment owner and identifying each asset with a unique ID number.

A JPB master list of all supplied equipment shall be signed by Contractor upon delivery. A copy of the signed inventory list shall be kept by both parties. Periodic inventories, but not less than one per year shall be performed on a regular basis by the Contractor who will certify that all equipment is accounted for and in working condition, or has been declared surplus and is available for JPB-directed disposition.

All IT equipment provided or owned by the JPB shall be returned to JPB upon Agreement termination in useable condition, normal wear and tear excepted. All equipment purchased using JPB funds shall become the property of the JPB, and all surplus equipment shall be returned to the JPB for disposition.

g. Business Continuity and Disaster Recovery

The Contractor shall perform all data backup at server level at CEMOF location on daily, weekly and monthly frequencies. Backup involves integrated recovery capabilities for operating systems, databases, applications and telephone recordings. The JPB reserves the right to review and monitor these backups to ensure they are completed as scheduled. Daily backup will remain in-house for quick data recovery. Weekly and monthly data will be sent offsite for storage and data retention. All data will be stored and retained throughout the term of the Agreement.

The Contractor should be able to provide a temporary workplace environment or alternate work sites during disaster if and when CEMOF is unavailable for

whatever reasons. The Contractor is required to perform quarterly disaster recovery failover testing and will provide detailed information regarding testing methodology and estimated amount of time needed to complete the testing on systems including e-mail, phone system and network recovery as part of its IT Plan. The JPB reserves the right to participate in the disaster recovery failover testing.

7. Administrative Requirements

The Contractor shall keep full and accurate accounting records of costs. The JPB may inspect and audit and obtain copies of the accounting records of the Contractor pertaining to the Services at any reasonable time. The Contractor also shall provide all reports and deliverables on-time and in a high-quality fashion.

The Contractor will designate a General Manager who shall: (1) have the principal responsibility for directing and coordinating Contractor's performance of its obligations under the Agreement; (2) serve as Contractor's liaison with the JPB; (3) attend JPB Board meetings on a regular basis; (4) attend a monthly service performance review meeting with JPB staff; and (5) be available at other reasonable times to consult with representatives of the JPB. All Key Management Personnel shall report directly to or through the General Manager for the purposes of conducting work and fulfilling responsibilities required to meet the Contractor's obligations as specified in the Scope of Services.

The Contractor shall make its Senior Executives available for not less than quarterly meetings with JPB staff at the JPB headquarters, during which meetings the JPB and Contractor will review Caltrain service and Contractor's performance of Services.

8. Access to Service Property by Third Parties

To the extent that it controls the movement of trains or maintains the rail line of the JPB, the Contractor will be allowed to coordinate and oversee the physical access to, and railroad operations on, the Service Property, provided that the JPB and its agents shall have the right to enter upon any portion of the Service Property or grant entry to JPB contractors and agents subject to compliance with the operating and safety rules in effect. The Contractor also shall be responsible for providing access support to utility companies such as PG&E and AT&T for maintenance and repair activities required to maintain railroad operation. The JPB will grant entry to third parties upon the Service Property, subject to compliance with the operating and safety rules in effect and subject to the indemnity obligations set forth in the Agreement. Third parties shall sign a standard right of entry permit agreement in a form to be provided by the JPB. The JPB shall provide to the Contractor reimbursement as provided in the Agreement, for requested services, including engineering, flagging, and inspection, rendered in connection with access granted by the JPB to the Service Property by third parties. Approval by the JPB of all construction standards, forms, plans, utility crossings, and encroachments shall be a prior condition to any oversight and inspection by the Contractor.

The JPB may elect to have the construction, flagging, signal inspection, engineering, and other services provided by its own agents or other contractors. In the event of such an election, the Contractor shall be relieved by the JPB of all assessments or

other penalties directly attributable to the above services performed by other agents or contractors, which would otherwise be attributable to Contractor's failure to perform in accordance with the standards set forth in the Scope of Services.

9. Sustainability

The Contractor shall develop, in consultation with and for approval of the JPB, a comprehensive environmental sustainability program that measures greenhouse gas (GHG) emission reductions and other sustainability performance indicators. Using baselines, the JPB and Contractor will develop mutually agreed upon GHG emission and other resource reduction goals for the Contractor to meet as part of fulfilling the requirements of the Agreement. The Contractor shall be responsible for ongoing monitoring and reporting compliance and shall be subject to audits at the JPB's discretion.

To promote sustainability in the office environment, the Contractor is required to set the default on all copier/printers to double-sided layout for automatic two-sided printing. All user desktop computers not engaged in mission-critical activities will be turned off when not in use, especially at night and on weekends; and the power management feature will be enabled.

10. Responsibilities upon Termination or Completion of Agreement

In the event that the Contractor is terminated or is not selected or designated as the Caltrain contractor beyond the term of this Agreement, the Contractor shall be obligated to carry out such Agreement termination and transition activities as may be required by the JPB to preserve and protect the operational integrity of Caltrain and to help effect a smooth transition to the successor contractor. Such activities shall include, without limitation:

a. Conveyance of Records and Documents

No later than 30 days after termination or completion of this Agreement, the Contractor shall furnish to the JPB all records and documents as requested by the JPB, to include, without limitation, the items listed below to the extent they exist in the Contractor's files. Additionally, all reports and notifications specified in the Required Reports and Notifications section of the Scope of Services shall be made current and complete at the time of the termination or completion of the Agreement. Any such reports or notifications which normally may not be due at the time of the final day of Contractor responsibility, particularly in the case of early termination or completion, shall be completed on a pro-rated basis to the final day of the Agreement. Where practicable, all records and documents will be delivered in electronic format with hard copy. The data shall reflect conditions and status as of the final day of Contractor responsibility under this Agreement.

The above notwithstanding, any and all reports or other documents which relate to National Transportation Safety Board (NTSB), FRA or CPUC findings or deficiencies shall be made available to the JPB immediately upon termination or completion of this Agreement. The Contractor also shall, upon termination or completion of this Agreement, furnish all older records and documents covering the period July 1, 1992 through June 30, 2011 or the Service Date, whichever is later.

The records and documents to be furnished include, but are not limited to:

1. Current Timetable, Slow Orders, General Orders and copies of all such Timetables, Slow Orders and General Orders since the Service Date;
2. All Standard Operating Procedures and Plans developed for Caltrain as identified in this Scope of Services;
3. Maintenance, Repair, Inspection and Modification Project records for each JPB locomotive, passenger car, rubber-tired vehicle, maintenance of way rolling stock support equipment, and item of shop or work equipment for which warranty/repair records are kept;
4. Inventory of all assets, materials, supplies, spare parts, etc. provided or paid for by the JPB, including identification of all new, secondhand/reusable, and scrap materials where applicable, and a current pricing (valuation) of all such inventory;
5. Mileage and repair records for all JPB-provided vehicles;
6. All ROCS dispatching records;
7. Daily Operations Report database, in JPB-approved format;
8. Rail vehicle maintenance information system and material management system databases, in JPB-approved format;
9. CEMOF facility maintenance database, in JPB-approved format;
10. Network schemas of systems installed by the Contractor;
11. Records of all environmental spills, noise and hazardous material notices, warnings, violations, etc. since the Service Date;
12. All accident, fatality or other injury and property damage records, reports, claims and correspondence (including current, unsettled claims) since the Service Date; including those related to:
 - Contractor personnel (employees)
 - Grade crossing accidents
 - Motor vehicle accidents
 - Trespassers
 - Invitees (passengers, contractors, etc)
 - Lost time due to injury reports

13. All interrogatories from regulatory or other agencies, including responses and documentation;
 14. All manuals, warranty documents and agreements for JPB-provided equipment, machinery, components, vehicles, trailers, etc.;
 15. Bills of sale and title documents conveying ownership of all JPB-provided assets to the JPB;
 16. Copies of all utility, service or subcontractor agreements and contracts since the Service Date;
 17. All Contractor correspondence files (material related to Caltrain/JPB);
 18. Quarterly and Annual Training Reports since the Service Date;
 19. Personnel, training and qualification, seniority roster and discipline records of all Contractor personnel not retained in the service of the Contractor beyond the term of this Agreement;
 20. All proficiency, efficiency and drug testing records since the Service Date;
 21. All communication with Federal Communications Commission (FCC) authorities, location of radio transmitters, receivers, leased lines, rented communication services, etc.;
 22. All inspection reports, including track inspection, switch inspection and corrective actions;
 23. Names and telephone numbers of all business contacts with emergency cranes for derailments, UP Cline trucks, police, ambulance, Hazmat and earthquake contacts;
 24. Current Purchase Orders issued but not fulfilled and reimbursable expenses for labor, material and other expenses not billed; and
 25. Assigned and assignable subcontractor agreements.
- b. Audit of Service Property and Service Equipment Condition

For the purpose of verifying that Service Property and Service Equipment transferred to the Contractor on the Service Date is returned to the JPB on the termination or completion date in like or better condition, normal wear and tear excepted, an audit of the condition of Service Property and Service Equipment will be conducted. The audit must be completed prior to the last day of the Agreement term.

For the purposes of this section, the audit of the condition of the Service Property shall consist of a joint Contractor-JPB hi-rail inspection to be conducted on or about the termination date and joint Contractor-JPB physical inspection of other JPB properties and facilities, to be conducted on or about the termination or completion

date. The audit of the condition of the Service Equipment will consist of a videotape record of the interior and exterior of each unit of JPB rolling stock (cars and locomotives).

A comparison of the results of these contract termination audits will be made with the initial list of Service Property, Service Equipment and other JPB provided assets as of the Service Date. For any Service Property or Service Equipment determined by the JPB to be in a lesser or poorer condition than that existing as a matter of record as evidenced by the initial and termination audits described above, normal wear and tear excepted, and where such lesser or poorer condition results from Contractor's Excluded Conduct as described in Hold Harmless section of the Agreement, the JPB may, at its option require: (1) that the Contractor correct, at Contractor's expense, such condition; (2) that the Contractor pays the JPB an amount in cash representing the then-current cost of rectifying such condition; or (3) a combination of (1) and (2). The dollar value of any such required payments shall be subject to the mutual agreement of the parties.

c. Cooperation with New Contractor

The Contractor shall be obligated to provide a "best-effort" level of cooperation with the new Caltrain service contractor to help ensure a smooth transition to the new service provider. Such cooperative efforts will include, without limitation, the following:

1. Provision of copies of all current Contractor labor agreements with crafts represented in Caltrain service;
2. Provision of access for new contractor personnel to Contractor's personnel for the purpose of providing relevant information regarding JPB Service Property, Service Equipment and operations;
3. Attendance by Contractor personnel at such joint transition meetings as may reasonably be required by JPB or the new contractor; and
4. Provision by Contractor of sufficient management and supervisory personnel during the initial seven days of Caltrain operations conducted by new contractor to assure a smooth and efficient service transition.

d. Transfer of Vehicles

The Contractor agrees that any vehicles used by the Contractor in providing the Services and for which the JPB has reimbursed the Contractor as a Direct Cost shall be the property of the JPB, and the Contractor shall promptly take all necessary actions to transfer title thereto to the JPB. Unless otherwise expressly provided in this Agreement, upon expiration or termination of this Agreement, the JPB also shall have the option, but not the duty, to assume any or all leases of vehicles used in providing the Services, provided that the JPB shall be obligated to pay any costs of the Contractor for termination of leases that previously have been approved by the JPB and are not assumed.

11. JPB-furnished Property

The JPB shall furnish the Contractor with property for use in connection with the performance of the Scope of Services ("JPB-furnished Property"). Certain JPB-furnished Property will have been acquired previously by the JPB and will be furnished to the Contractor for use under the terms of the Agreement. Other JPB-furnished Property will consist of property purchased by the Contractor on the JPB's behalf during the term of the Agreement, for which the Contractor will be reimbursed. Title to all JPB-furnished Property shall vest in the JPB and such Property will be licensed to the Contractor for use under the terms of the Agreement. All JPB-furnished Property is subject to the provisions of this section.

JPB-furnished Property shall be used only for the purpose of performing the Scope of Services, unless otherwise directed in writing by the JPB or specified in the Agreement. The JPB and its designees shall have access at all reasonable times to the premises in which any JPB-furnished Property is located for the purpose of inspecting the JPB-furnished Property. Upon reasonable notice, the JPB shall have the right to inspect all Contractor-maintained inventories, JPB-furnished vehicles, property and other assets.

JPB-furnished Property and any related data and information that the Contractor may request, which is reasonably required for the intended use of the Property, or is reasonably available, is furnished to the Contractor "as is."

The Contractor shall promptly take such action as the JPB may direct regarding the removal, shipment, or disposal of JPB-furnished Property. If JPB-furnished Property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of such Property, notify the JPB detailing the facts, and, as directed by the JPB, either repair, modify, return, or otherwise dispose of the Property.

The Contractor shall conduct and report to the JPB the results of annual (at the end of each Fiscal Year) inventories of all materials in storage or warehouse locations, materials stored in "stockpile" locations, and all JPB-furnished Property or other assets with a purchase price value of \$500 or more. The end of Fiscal Year inventory shall start on or after June 15th and be completed no later than June 30th each year. The Contractor shall have a third-party contractor conduct and report the inventory after the first Fiscal Year and every other year thereafter. The same inventory schedule, due date, and report requirements specified in Agreement shall be adhered to when the third-party contractor performs the inventory. In addition, the JPB, at its own expense, may conduct inventories of any JPB-furnished Property.

The JPB will provide the Contractor the existing inventory of materials and parts. The Contractor, previous contractor, and JPB shall conduct a joint complete inventory at CEMOF, Menlo Park and each storage location no more than 30 days prior to the Service Date of the Agreement. At the termination or expiration of the Agreement, the Contractor and JPB shall conduct another joint complete inventory.

Upon termination or expiration of the Agreement, all JPB-furnished Property not consumed in performance of the Agreement shall be returned to the JPB in the same

condition as when the Contractor received, or originally repaired or modified it, normal wear and tear excepted.

2.2.B. TRAIN OPERATION, CREWS AND PERFORMANCE

The Contractor shall provide qualified personnel to operate and manage Caltrain service, deadheads, special trains, test trains, work trains, and service recovery trains on the JPB right of way and any UP-owned right of way on which the Caltrain service operates. All personnel utilized by the Contractor to operate or manage Caltrain shall be experienced, possess all necessary certifications, and have successfully completed the Contractor's JPB-approved Training Program.

The Contractor shall operate Caltrain service in accordance with the latest versions of:

- Caltrain and UP Timetables, Special Instructions, General Orders, and Bulletins
- General Code of Operating Rules (GCOR)
- All applicable CFR requirements
- Applicable Federal, State, and local laws and regulations
- JPB SSPP and Caltrain's Passenger Train Emergency Preparedness Plan (PTEP)
- Caltrain schedules
- All applicable equipment operating instructions
- All approved Caltrain customer service policies
- Caltrain codified tariff and fare policies
- All other policies governing the safe, efficient operation of the train

The Contractor shall develop a comprehensive set of Train and Engine Crew SOPs that will address procedures for engineers and onboard personnel, including conductors and fare inspection. SOPs shall be available for JPB approval 90 days prior to the Service Date of the Agreement.

1. Engineer Qualifications

The safe operation of the train is of the utmost importance to the JPB. Train engineers shall be qualified, certified and trained in accordance with 49 CFR 240 and shall have a valid driver's license issued by a state within the United States. The Contractor shall develop a Caltrain Engineer Certification Program in accordance with Section 240. The Engineer Certification Program is to be submitted to the JPB for review and approval 90 days prior to the Service Date of the Agreement and to the FRA 30 Days prior to the Service Date of the Agreement.

All engineers must be able to qualify on Caltrain equipment, which includes train handling, operating rules, and physical characteristics through written and oral testing and demonstrated and observed train handling. In addition to the safe operation of the train, engineers must possess specific knowledge to be able to troubleshoot

routine mechanical issues en route. The Contractor's training program must include provisions for such troubleshooting purposes.

2. Onboard Personnel Qualifications

All duties shall be performed as described in the Train and Engine Crew SOPs that will be developed by the Contractor for JPB approval, the PTEP plan as required by 49 CFR 239, and the Caltrain SSPP, as well as all other applicable documents.

The Contractor shall provide adequate staff to maintain the safe operation of the train, the safety of its passengers and customers on the platforms, provide a high degree of on-time performance and customer service, and protect revenue through thoroughfare enforcement. Collection and protection of revenue from customers is critical to the financial success of Caltrain. The JPB reserves the right to assign JPB personnel or other third-party contractors to observe conductor and assistant conductor actions or to supplement their duties in non-railroad related areas, including but not limited to verifying tickets and validations, writing citations, and performing passenger counts.

a. Conductors

The Contractor shall provide conductors that are qualified on Operating Rules, Air Brake Instruction, Safety Rules, Emergency Evacuation procedures, First Aid Training, Timetable Special Instructions, basic mechanical troubleshooting, and ADA and customer service requirements. Conductors shall be trained according to the Contractor's approved training plan and operate the train according to the approved Train and Engine Crew SOPs.

b. Fare Inspection

The Contractor shall be responsible for onboard (or other locale) verification of proper fare instruments required of customers. This verification shall be performed by conductors or other Contractor personnel as may be mutually agreed upon by the Contractor and JPB. The Contractor shall have, as a management objective, an onboard fare instrument inspection rate goal of 50%, subject to announced or unannounced audit by the JPB.

Contractor fare inspection staff shall perform duties in accordance with all applicable JPB fare policies as outlined in the Caltrain Codified Tariff. Contractor personnel responsible for fare inspection and enforcement shall attend and satisfactorily complete a course of instruction administered by JPB Protective Services pursuant to the California Penal Code. Such personnel must be eligible for appointment by the JPB as a public officer and shall enforce Proof-of-Payment (POP) fare policies consistent with the Caltrain Fare Enforcement Policies and Procedures Training Manual, including writing citations as the situation may warrant and verifying tickets or passes purchased with the Clipper card using a card reader provided. The Contractor shall submit a Fare Enforcement plan for JPB approval including inspection, validation and reporting procedures 90 days prior to the Service Date of the Agreement.

All Clipper handheld card readers will be furnished, maintained and repaired by the JPB, including spares and replacements. Contractor personnel must be

trained in the use of the readers, which will include removal from/replacement in recharging units on a daily basis. The Contractor shall be responsible for "First Line Maintenance" of the card readers, which involves (1) keeping the equipment clean and safe from damage, (2) contacting vendor or JPB to report device swap outs and request replacement units, (3) replacement of devices with a JPB-furnished spare, and (4) being responsible for securing/storing all on-site inventories.

3. Train Crew Staffing

To accomplish the above-stated goals, the Contractor is encouraged to employ creative and non-traditional methods of onboard staffing. This shall be demonstrated through the Train Operations Staffing Plan which is due 60 days prior to the Service Date of the Agreement for JPB approval and shall be reviewed periodically by the JPB and Contractor to ensure that all JPB objectives are being met.

a. Crew Requirements

The current crew requirement per train as of FY2011 is one engineer, one conductor and one assistant conductor, and they perform all duties related to train operation, safety, customer service, and fare enforcement. The JPB's objective with regard to crew requirements envisions an approach to staffing by the Contractor that deploys engineers and conductors in a manner that maximizes operational efficiencies and cost economies while meeting overall safety and customer service standards of the Contract. To this end, the Contractor is expected to assess the types of Caltrain service provided (peak, off-peak, weekend, and special service) and deploy, through the Train Operations Staffing Plan, a train crewing strategy that attains the JPB's goal of operating train service safely and cost-effectively with a high degree of customer service and fare policy enforcement.

b. Staffing Levels

JPB and Contractor will jointly review the level of staffing on a quarterly basis or more frequently if requested by either party. The purpose of the staffing review is to develop, continuously refine and monitor through analysis the overall employee availability and the effectiveness of the then-current authorized staffing level as it applies to Contractor's ability to provide the most cost-effective approach to providing the services. Specifically, the joint review will focus on the cost impact of short and long-term employee absences and the necessary adjustments to the authorized staffing level to minimize overtime and other cost implications that can result from having a less than optimal available workforce. Changes to the staffing level will be made based on recommendations from the review team and only when authorized by JPB. In the event the parties cannot agree, the JPB will set the standards. The Contractor shall make every effort to exercise control over the schedule run and crew couplet development process to maximize the staffing efficiency of schedules and reduce costs.

c. Crew Assignments

The Contractor shall be responsible for developing crew and consist assignments and provide them to JPB for comment for every revision. The JPB will have no less than a two month period to review and approve the assignments. The Contractor's adherence to this process will be reflected in the Performance Fee Program. The Contractor shall report all daily crew assignment deviations on the Daily Operations Report. The Contractor also shall develop and submit to the JPB a monthly report identifying trains where the staffing levels, established in the approved Train Operations Staffing Plan, have not been met during the previous month.

4. On-time Standards

a. Time Points and Methods for Measurements

Train performance (running time) will be measured in both northbound and southbound directions daily. Actual train running times will be recorded between the initial terminal and intermediate point(s) shown below, and between the last intermediate point and the final destination (terminal point) of each train.

- San Francisco (terminal point)
- Redwood City (intermediate point)
- San Jose Diridon (terminal and intermediate point)
- Tamien (terminal and intermediate point)
- Gilroy (terminal point)

Each train performance segment so measured will constitute one measured train for the purpose of calculating the percentage of on-time trains, as further described below. The measured departure time at an initial terminal or at an intermediate point will be the actual leaving time from these locations as measured by the ROCS. The measured arrival time at terminal points will be that arrival time reported by the ROCS. The JPB also may choose to monitor performance at other points such as Millbrae and Mountain View for service quality purposes.

The on-time performance provisions of this section do not apply to Special Event trains which are not in the published timetable. For all such Special Event trains, the JPB and Contractor will meet and agree upon the applicable schedules, which shall then be subject to the provisions of the Agreement. If the Contractor and JPB cannot reach agreement on such schedules, the decision of the JPB will prevail.

b. On-time Performance Calculation

Except as noted below, actual train running times will be measured against times reflected in current published Caltrain public timetable, which may be modified periodically. On-time is defined as within five minutes of the scheduled time at all measuring points for the timetable in effect.

At any time during the Agreement, the JPB may adopt weekend shutdowns, nighttime shutdowns, temporary "bus-bridge" services or other service alterations, any or all of which will require the utmost in Contractor cooperation and flexibility. The performance standards requirements associated with these construction-related schedule changes shall be subject to negotiation between the parties, subject to the JPB's final written approval.

Each day, the on-time performance of Caltrain service will be calculated by dividing the number of times each train arrived on time at each measuring point by the number of trains scheduled between each measuring point during the day. Calculations will be provided to the one-hundredth-percentage point (x.xx). In the event of a dispute over train performance, the JPB and Contractor will meet in a good-faith effort to resolve the issues. In the event a dispute over train performance is not resolved, the decision of the JPB will be final.

c. Relievable Delays to Trains

Relievable Delays are those for which the Contractor receives an allowance in on-time performance at each measuring point for a specific train for a documented number of minutes directly related to one or more of the causes listed below:

- An allowance of up to two minutes per Special Event stops at the Stanford Station on a scheduled train on the Caltrain system.
- An allowance directly related to the amount of delay time caused by Restriction required by Construction or Maintenance programs sponsored or approved by the JPB, to be mutually agreed upon by the Contractor and JPB. Relief for delays caused by Construction or Maintenance programs will be negotiated on a case-by-case basis. Delays caused by long-term slow orders (more than one week in duration) will be calculated from a mutually-agreeable formula based on train performance characteristics, average speed over the limits of the slow order, and proximity to stations, with the calculated amount representing the relievable delay.

There will be no other allowances or tolerances eligible as Relievable Delays.

d. Mitigation and Relief for Subsequent Delays

The Contractor shall have an affirmative obligation to mitigate delays to subsequent trains. This shall include, without limitation, strategies to reduce or eliminate delays that cause train bunching, such as expressing the lead train. Also, the Contractor shall endeavor to rearrange or accelerate crew changes or routine maintenance activities where beneficial to the performance of a delayed train. In these cases, where subsequent delays are claimed as relievable by the Contractor, the JPB and Contractor shall meet and confer as to claim validity. Each trip shall be counted separately. Exclusions due to delays on prior trips will not excuse a delay on a subsequent trip of the same crew or trainset.

2.2.C. TRAIN MOVEMENT CONTROL AND DISPATCHING

1. Control Center

The JPB shall provide a control center that contains the full array of dispatching equipment including ROCS for dispatching trains, a voice communications system (DTX), a radio and phone system voice recorder (NICE), an earthquake monitoring system, and space to equip an Emergency Operations Center (EOC). The control center also contains a public information system (PADS) that controls the public address and visual messaging systems at the stations. This system is also capable of delivering real-time arrival information via Global Positioning System (GPS) units on Caltrain trains.

The Contractor shall utilize all features of the control center, as mutually agreed upon. These features include certain automatic report generating capabilities. The CCF, located in San Jose, houses the system and workstations. It has two desks for active commuter operations supervisors, one desk for commuter operations manager, one Operations Control maintenance/replay desk, and one desk for public information clerk.

The CCF is the center for train dispatching, the EOC and Caltrain customer information. Caltrain dispatchers are responsible for dispatching all train traffic between San Francisco and San Jose up to CP Lick in South San Jose. This includes dispatching Caltrain, as well as ACE, Capitol Corridor, Amtrak Long Distance and UP freight trains.

Public information clerks are responsible for disseminating all delay information to the Caltrain Customer Service Center and operating all platform signage and public address systems. The public information clerk shall make announcements and post messages in accordance with Control Center SOPs.

2. Dispatching Priorities

While Caltrain commuter trains take first priority, Contractor dispatch personnel shall make every effort to expedite the movements of all trains safely and on-time through the system. More specifically, unless otherwise advised in writing by the JPB, the Contractor shall consider JPB trains as first priority on Tracks 2 through 9 and UP trains shall have priority on Track 1 between CP Coast and CP Michael. The Contractor may handle Amtrak long-distance trains and Capitol Corridor trains via Tracks 2 through 5 if necessary. ACE trains shall be handled via Track 1 except in case of emergency. The Contractor shall handle trains of other carriers between CP Coast and CP Michael with reasonable dispatch. Any unusual incidents or issues involving other carrier's trains shall be reported promptly to the JPB.

3. Staffing

The CCF will be staffed 24 hours a day, seven days a week. The Contractor shall provide in the CCF, at a minimum:

- One train dispatcher at all times with two train dispatchers on weekdays during revenue service hours;

- One supervisor of train movement at all times; and
- One public information clerk at all times during revenue service hours.

All activities within the control center, including staffing, train movement, track outages, and emergency response procedures shall be directed by one higher-level supervisory oversight position (director, superintendent, etc.) with overall responsibility.

4. Qualifications and Training

Dispatcher qualifications and training shall be consistent with industry standards and subject to the approval of the JPB. Training shall include, but not be limited to: Safety; Operating Rules; Physical Characteristics; Emergency Management, including Incident Command System (ICS); general troubleshooting and equipment familiarization. The Contractor shall also provide on the job training (posting) of sufficient duration as approved by the JPB. Dispatchers shall participate in familiarization training, as approved by the JPB, regarding how to communicate and work effectively with the JPB's designated Emergency 911 Communications Center.

5. Standards and Protocols

During mobilization, the Contractor shall be responsible for developing a set of Control Center SOPs and a dispatcher training program for JPB approval, due 90 days prior to the Service Date of the Agreement. One of the elements of the SOPs shall require that Contractor CCF personnel promptly make all notifications relevant to police, fire and Emergency Medical Services directly to the JPB's designated 911 center regardless of the location in which an incident occurs. These notifications shall include instances of workplace violence.

2.2.D. SERVICE EQUIPMENT AVAILABILITY, MAINTENANCE AND CLEANING

The JPB will furnish to the Contractor the passenger service and maintenance of way equipment as shown in Exhibit B for use in providing Caltrain service. The Contractor shall have an affirmative obligation to operate the service with the minimum number of train consists required and to undertake periodic reviews of equipment requirements with the goal of maximizing equipment utilization.

All Service Equipment (i.e., locomotives and passenger cars) operated for the JPB shall, at a minimum, comply with all applicable regulations of the FRA, CPUC, and Association of American Railroads (AAR). The Service Equipment shall be maintained and otherwise worked on in compliance with the latest standards and recommended practices of the AAR, American Public Transportation Association (APTA), and National Fire Protection Association (NFPA), and the latest revisions of the applicable sections of 49 CFR 200 through 239. The work shall also conform to the requirements of the United States Environmental Protection Agency (EPA), and any applicable regulations of the State of California. Exceptions may be made to these requirements where the existing rolling stock is registered as being in "excepted," "restricted," or similar status with an appropriate regulatory agency.

1. Service Equipment Availability and Fleet Requirements

The Contractor shall provide a Fleet Requirement Plan for Service Equipment to support the service levels and quality expectations of the JPB. The plan shall be submitted 90 days prior to the Service Date of the Agreement for JPB approval and shall outline the manner in which the available fleet will be used within the guidelines provided below, including the following:

- Train consist requirements by equipment type and day of the week
- Locomotive requirements by day of the week
- Gallery car requirements by car type and day of the week
- Bi-level car requirements by car type and day of the week

The Contractor must have active train consists available to meet schedule requirements. All train consists must be five-car consists whether gallery car or bi-level. Gallery and bi-level cars must not be commingled in consists. All bi-level car consists shall be used for revenue service unless required for periodic inspection or maintenance, in which case it will be replaced by a gallery car consist. One five-car gallery car protect consist with locomotive shall be available at both San Francisco and CEMOF, seven days per week. Additionally, a five-car planned maintenance consist is required.

All gallery car consists shall include one cab/bike car, one ADA lift-equipped car, and one luggage trailer car. Bi-level car consists shall include two bike cars. All train consists with two bike cars shall be utilized in service to the greatest extent possible and shall be deployed as directed by the JPB.

The Contractor shall have locomotives available for revenue service, planned maintenance and non-scheduled maintenance. All available MP36PH-3C locomotives shall be utilized and only an emergency situation approved by the JPB shall justify powering of a bi-level car consist with other than an MP36PH-3C locomotive. There shall be one gallery car scheduled for air brake maintenance. A five-car gallery consist shall replace a five-car bi-level consist when the bi-level consist is scheduled for maintenance. In the event the bi-level fleet is reduced by one car for unscheduled maintenance or repair the four-car bi-level consist shall be placed as a protect consist and replaced with a five-car gallery consist in the operational turns.

The Fleet Requirement Plan will be periodically reviewed to consider alternatives that benefit the JPB either by reducing the equipment count requirement or increasing usage to successfully enhance the service or maintenance practices. Minimum equipment requirements shall be adjusted for conditions beyond the reasonable control of the Contractor (e.g., JPB equipment offline for heavy overhaul without adequate replacement equipment furnished by the JPB).

2. Maintenance Program

The Contractor shall be responsible for maintaining all Service Equipment in accordance with manufacturer maintenance standards and a scheduled maintenance program. The Contractor shall develop and submit an Equipment Maintenance Program for JPB review and approval 60 days prior to the Service Date of the Agreement. The Equipment Maintenance Program shall include all equipment maintenance and inspection instructions, procedures, training programs, and staffing plans and shall be developed taking into consideration and incorporating, where appropriate, the existing JPB maintenance program, industry best practices, Original Equipment Manufacturer (OEM) recommendations, and regulatory guidelines. The program may be modified from time-to-time by mutual agreement between the Contractor and JPB. New locomotives, overhauled locomotives, new passenger cars, and overhauled passenger cars may have identified warranted components for some period of the Agreement. The Contractor shall provide for all scheduled and unscheduled maintenance and repair of JPB equipment, including, without limitation:

- Replacement or repair of failed rotating parts, components, subsystems and support systems, including power assemblies and prime mover-associated components, and locomotive traction motors
- Locomotive/car wheel truing and replacement of worn, broken or defective wheels and defective or worn brake shoes, brake heads, rigging, and brake discs
- Replacement or repair of failed radiators, cooling fan motors, dynamic brake grids and grid cooling fans, and control devices and wiring, including Separate Head-End Power package radiator and cooling fan motor on units so equipped
- Replacement of Separate Head-End Power unit components, including internal and external associated engine components, alternator and associated control circuits, contactors and electrical components in the AC power circuit
- Running repairs to all electrical parts, air brakes, and car body, including AC and DC wiring and circuitry
- Replacement of all air hoses and angle cocks
- Replacement of failed or worn couplers, knuckles, and draft gears, including associated devices
- Replacement or repair of failed trucks or components
- Replacement or repair of failed air conditioning equipment
- Replacement of broken or worn coach and crew seats, including covers, foam, support springs, and armrests
- Replacement or repair of defective car doors, door operators, tracks, and electrical switches and safety devices associated with proper door operation

- Replacement or repair of wheelchair lifts and all related components, wiring and control devices
- Replacement of broken or damaged glazing, including graffiti, or scratched glazing
- Replacement or repair of all signage, interior and exterior, that is damaged or defective in both passenger cars and locomotives
- Repair of dents during routine maintenance, where practicable, and touch up of nicks, scratches, and worn paint
- Repair of damage due to accidents or vandalism (including graffiti)
- Approved minor modifications

The Contractor may, with JPB written approval (which approval shall not be unreasonably withheld), contract Service Equipment maintenance (including servicing, periodic maintenance and overhaul, and other program/heavy repairs) to one or more third parties where such work is either beyond the capability of Contractor forces or facilities to perform effectively or economically or where third-party maintenance will be to the relative benefit of the JPB.

Periodic maintenance work shall be done in accordance with printed instructions. Legible, full name signatures shall be used on all inspection/maintenance and Federally required forms. Each maintenance task item identified on the form shall be signed as complete by the person that performed the task. Completed forms shall be signed by the foreman who is responsible for supervision of the maintenance work, and additionally signed by the manager in charge indicating that the maintenance form has been reviewed. Forms shall be available for inspection by JPB representatives no later than three days after completion and kept on file for at least three years.

To facilitate movement of equipment within the yard limits, the Contractor shall make available qualified maintenance craft personnel to operate the Service Equipment. The qualified maintenance craftsmen shall operate rail car movers, locomotives, and cab-control cars to move Service Equipment within the yard limits of CEMOF to work and inspection locations at the maintenance facility in support of the mechanical department's needs. The Contractor's training program shall address training and certification of maintenance craftsmen to perform the duties as outlined above.

3. Maintenance Instructions

Inspection, servicing, maintenance and repairs of all rolling stock shall be carried out in conformance with the maintenance instructions developed by the Contractor and agreed to by the JPB, which will use the manufacturers' maintenance instructions and manuals as a guide. These instructions/manuals, to be furnished to the Contractor by the JPB, shall include:

- Locomotive Service
- Engine Maintenance

- Maintenance Instructions
- Supplier Instructions
- Gallery Type Rail Passenger Cars Maintenance and Spare Parts Manuals, Vols. 1-4
- Locomotive operating and service manuals provided by Boise Locomotive Corp.; Alstom, Inc; and Motive Power, Inc.
- Passenger car manuals provided by Nippon Sharyo; Alstom, Inc.; and Bombardier Transportation

All maintenance, including programmed maintenance, will be performed in accordance with pertinent manuals, and must be done in accordance with manufacturers' or repair contractors' warranty provisions. All maintenance inspections must conform to FRA, CPUC and APTA Passenger Rail Equipment Safety Standards (PRESS) rules and regulations.

Costs for additional work required which may be associated with JPB's acquisition of rolling stock of a different type than that existing at the Service Date of the Agreement (e.g., mechanical training, spare parts, etc.) will be compensated for in accordance with the provisions for Additional Service as documented in the Agreement until such time the work can be included in the next Basic Service Plan.

4. Alterations and Modifications

The Contractor shall not undertake any alteration or modification of cars or locomotives without express written permission of the JPB. If the modification is originated by the Contractor, the Contractor shall submit a written description of the work, with sketches and wiring schematics as appropriate, and a detailed cost estimate for approval. During the course of the modification program, the Contractor shall submit periodic progress reports at least monthly and shall keep a permanent record of those units which have been modified. Revised vendor components which replace obsolete components and which may require minor modifications in order to install, shall not be considered modifications under the intent of this section.

5. Locomotive Maintenance and Cleaning

All locomotives in service shall be maintained so as to develop their designed horsepower and speed and equipped with a functioning radio. Locomotives must not be operated with non-functional auxiliary equipment except in case of emergency. All trains will be equipped with spare jumper cables located in a readily accessible and standard location. This shall include all cables of non-fixed attachments.

Locomotives shall not be allowed to idle unnecessarily. The Contractor shall follow written instructions for idling and fuel conservation which shall be developed jointly between the Contractor and JPB. Such instructions shall include being mindful of the Shared Objectives agreed to by the JPB and CEMOF Monitoring Committee. Automatic fuel shutoff equipment on locomotives and fuel stanchions shall be

maintained in working order at all times. Locomotives shall not be dispatched with fuel or engine oil leaks.

Any train in active service having a layover of more than one hour shall be connected to available standby ground power when required. Train shall be retained on ground power during any cleaning or inspection process which requires electrical power. Locomotive Head-End power shall not be used for the equipment prior to twenty minutes before scheduled departure time. All passenger car side doors are to be closed except during cleaning of vestibule steps, and only left in open position twenty minutes before scheduled departure time. Ground power shall be used for layover trains in the Storage Yard at CEMOF.

All local, State, and Federal air pollution control standards shall be met. No adjustment or modification shall be made to any equipment that would affect the emission-quality standard.

a. Daily Cleaning

The following items shall be addressed on a daily basis on all locomotives:

- Clean cab of papers and other debris. Wet mop floor, and clean and wipe walls and bulkhead with approved liquid cleaner.
- Clean nose compartment of papers and debris. Clean toilet, drain contents and recharge. Wipe walls and doors with approved liquid cleaner.
- Clean windows and windshields, both interior and exterior surfaces, with approved liquid cleaner and flush with clear water. Ensure all dead bugs are removed from windshield, and that it is free of residue that could cause glaring from opposed lighting conditions. Remove spotting.
- Empty trash receptacle and replace trash receptacle liner bag.
- Seats should be clean and in good serviceable condition. Replace if torn or not adjustable.
- Wipe up oily floors in engine room.
- Clean water cooler and supply cab with drinking water and health and welfare supplies for engineer.

b. Additional Cleaning

The following items shall be attended to after completion of the required JPB 15-day inspection and before the locomotive is returned to revenue service:

- Clean the engine room and exterior of locomotive car body, using approved pressure washer. Special care is to be given to the edges of decals, signs, and painted striping so as not to increase peeling of edges (weather and facilities permitting).

- Steam clean trucks, fuel tanks, and underside of locomotive only in appropriate locations where wash water does not reach storm drains, unless those drains flow to the wastewater treatment plant at CEMOF.
- Clean cab sidewalls and ceiling and wet mop cab floor.

6. Passenger Car Maintenance and Cleaning

Passenger cars shall be equipped with full seating except for seats removed for bicycle or luggage storage and ADA accessibility seating areas. Damaged seats shall be repaired within 24 hours, with material of comparable type and color to existing. When comparable materials are not available, materials of different type and color may be used with JPB written approval.

Lighting fixtures shall be adequately maintained. All lights must be of the same general color in each car. Defective lights, including overhead reading lights, shall be replaced daily.

HVAC systems shall be maintained, with thermostatic controls functional and temperature maintained in the range as specified in the appropriate car maintenance manual by vehicle type. Pre-season air conditioning and heating inspections shall be completed on all passenger cars prior to seasonal demand. Annually all passenger cars shall have HVAC pre-season inspections completed by May 15 (for air conditioning) and by November 15 (for heating).

Floor coverings shall be repaired or replaced with approved materials when worn. Special attention shall be given to the carpet disc attached to center pin access plates on Gallery passenger cars, which shall be renewed or replaced if worn or frayed.

All doors shall open and close easily and latch properly. Door guides and tracks shall be cleaned and made free of debris during daily cleaning. All automatic “touch-pad” activated doors shall be functional at dispatch. Bent step-wells shall be straightened within 24 hours. There shall be no loose treads, sills, or other tripping hazards.

Car windows shall be maintained to meet JPB transparency requirements in effect as of the Service Date of the Agreement. Passenger car windows include car body side windows, side door windows, bi-parting door windows, end door windows and all glazing in cab-control area. Broken, cracked or damaged windows shall be replaced in conformance with FRA glazing instructions using same color in all windows of any one car. In addition, all broken or cracked windows shall be taped promptly to prevent spalling. No car shall be operated with more than two broken windows except to complete a round trip. All known or reported broken, cracked or damaged windows shall be replaced within three days.

When a leaky roof or side sheet is detected, the source of the leak must be located and repaired, within one week. Painted surfaces must be retouched with approved paint and colors after repairs. All graffiti shall be removed daily. Wet washing of graffiti shall not be performed if such removal techniques allow wash water, chemicals, or paint to enter rivers, creeks, streams or the storm drain system. Offensive graffiti shall be removed prior to train dispatch from San Francisco, San Jose and Gilroy.

Cars shall not be dispatched with safety hazards or obvious defects, including but not limited to damaged, frayed or missing holding cords on bike racks. All wheelchair lift equipment in service shall be checked daily and maintained in operable condition. Daily inspection and periodic scheduled maintenance of wheelchair lifts are to be performed as outlined in the Rincon Maintenance and Instruction Manuals.

The Contractor shall replace damaged or missing signage for priority seating, wheelchair accessibility, bicycle and luggage stowage or any other signage providing information to PNAs at the earliest opportunity. The Contractor shall be responsible for keeping all information racks on board trains stocked with materials approved and provided by the JPB. Consists must be checked periodically throughout the day to ensure racks remain neat and stocked with materials.

Public address systems shall be maintained in working order. In the event that a car is dispatched with a non-functioning public address system, crews will be required to make intelligible announcements in such cars at each station. All mechanical and electronic announcements, warning or other indicator systems shall be maintained in working order. Non-functioning equipment shall be replaced prior to dispatch.

All passenger cars shall have all loose trash (newspapers, paper cups, etc.) picked up and disposed of in receptacles, and trash containers that are located in car vestibules. Toilet compartments shall be emptied after the termination of each one-way trip. Trash bins in the toilet room shall be attached to the wall after cleaning. All toilets shall be serviced prior to the beginning of the first trip of the operating day. All toilet holding tanks shall be emptied at least daily or more often as needed. Lavatory supplies shall be replenished as needed prior to each one-way trip. All equipment that has a layover in excess of 30 minutes in San Francisco shall have the toilets serviced, tank contents removed, tank recharged and toilets cleaned. All Gallery car equipment that passes through "service tracks" at other locations shall also have toilets serviced, tank contents removed, tank recharged and toilets cleaned. All Bombardier car equipment shall have the toilets serviced, tank contents removed and tank recharged daily. Toilets are not required to be flushed and dumped at the Tamien Station.

a. Daily Cleaning

The Contractor shall sweep or vacuum or otherwise make clean and presentable every rail passenger car. The following items shall be addressed on a daily basis on all rail passenger cars:

- Clean debris and vacuum floors. Remove debris under and around seats and wall area.
- Wet mop floors in cab cars and remove grease and oil.
- Clean interior windows and sills with approved cleaner and wiping rag. Any unauthorized markings, dirt or general grime shall be removed daily from the interior windows prior to the first scheduled departure.
- Wet sponge seats where needed. Replace cushion if stained or soiled.

- Clean toilet and sink and check water supply and toilet for proper operations.
- Fill water tank.
- Clean interior and exterior of operating control cabs.
- All litter shall be removed, including ticket stubs. All beverage spills shall be removed. All chewing gum and like substances shall be removed. Torn advertising placards, damaged public notices, and other unsightly items shall be removed. Stickers, posters, and other unauthorized signs shall be removed, including any tape and adhesive residue. Expired Caltrain notices and seat drops shall be removed.
- All cove moldings, joints, seat pedestals, and other interior service must be kept clean. All litter receptacles shall be completely emptied, and, if the receptacles are dirty, washed and sanitized.
- Handprints, footprints, and other dirty conditions left by maintenance personnel and others on access panels, seats and interior panels, shall be removed.

b. Exterior Washing

The Contractor shall complete exterior washing of all train sets at CEMOF, including one locomotive per train set, every other day to the fullest extent possible.

c. Additional Cleaning

In conjunction with 180-day car maintenance, the Contractor shall be responsible for heavy car cleaning according to heavy cleaning standards. Additionally, with the 180-day inspection of the cars, the following portions of the cars which are not normally cleaned should be cleaned:

- Trucks
- Visible portion of battery box
- Visible portion of main reservoirs
- Diaphragm ends
- Exposed air brake components and piping

7. Quality Control

Measurement of adherence to the Equipment Maintenance Standards set forth in this section shall be evaluated based on the results of a monthly inspection made by a joint inspection team composed of JPB and Contractor representatives. Such inspection shall be unannounced and consist of an examination of selected equipment, as well as the records of maintenance and cleaning for that equipment. A report of the joint inspection team shall be provided to the JPB.

The Contractor shall institute a materials quality assurance program designed to maintain inventory conformance with OEM specifications and assure that quality materials are applied to Caltrain vehicles as part of the Agreement.

8. Fleet Management

The Contractor's provision and maintenance of rolling stock shall include those activities necessary to manage the fleet of trailer cars, cab cars and locomotives, along with other identified equipment. These activities shall include, but are not limited to:

- An automated rail vehicle maintenance information system acceptable to the JPB to record the condition, compliance, and configuration of the fleet's population, which information shall be made available to the JPB in electronic form for viewing only
- A supply of renewal and repair material, including a material management system to manage the purchasing and disbursement of the material
- Utilization of service subcontractors
- Configuration management of the fleet
- Coordination regarding ridership demands and vehicle assignments

a. Warranty Provisions

Repairs made by the Contractor shall at a minimum follow the standards and practices described in this section. Warranties owned by the JPB shall be aggressively administered by the Contractor, including fleet defect and other field modification programs. Inspections, troubleshooting, and repair work shall seek to reveal circumstances where the JPB warranties apply. Such work shall be part of the routine duties, and shall not be considered Additional Services. Where the warranty covers only material and parts, and not labor, all material and parts may be used by the Contractor without cost.

The Contractor shall prepare and maintain the data necessary to advance claims, both for individual repairs and for fleet defect and field modification programs, and meet locally with suppliers as JPB requests. Such preparation and maintenance shall be facilitated by the rail vehicle maintenance information system and by the material management system provided by the Contractor.

b. Contracting to Suppliers

The Contractor may engage in retrofits, field modifications, renovation, warranty repairs, and other program rolling stock work as a subcontractor to a JPB supplier without penalty, but only when applied to JPB rolling stock and only with the written approval of the JPB. The Contractor shall demonstrate to the JPB's satisfaction that its financial accounting and control systems and procedures will prevent the JPB from being inappropriately charged for the costs of such work.

c. Configuration Management

The configuration of the fleet shall not be degraded. Configuration management shall be improved as opportunities arise, and the Contractor shall use the vehicle information and material management systems to implement systematic improvements to the configuration management of the fleet. The Contractor's configuration management must be in compliance with the requirements of the JPB's SSPP.

1. Modernization, Additions and Improvements

Modernization, additions, and improvements to equipment that can be achieved during the normal maintenance cycle shall be included in the BSP. Modernization, additions, and improvements that cannot be achieved during the normal maintenance cycle will be considered Additional Services. Modernizations, additions, and improvements may be carried out by the Contractor for its own benefit. Such work shall be subject to written approval of the JPB and shall comply with other provisions of this section.

Such improvements also shall become the property of the JPB as they are undertaken and shall be documented as required by the configuration management process.

2. Retrofits and Changes

Changes to the rolling stock's configuration shall result in documented, controlled, uniform, and traceable systems on the coaches, inventories, work equipment, and locomotives. All such changes shall only occur following JPB written approval. To obtain JPB approval, the Contractor shall provide documentation, including but not limited to:

- Rolling stock affected
- Drawings, prints, and schematics
- Inventory
- Inspection and repair forms
- Parts books
- Detailed description of the work, including material, tools, disposal of removed items, and industrial safety and environmental precautions
- Updating of vehicle configuration files
- Procedures for functional testing and inspection of the finished work
- Instruction for transportation crews

- Benefits anticipated
- Approval sign-offs per JPB SSPP

First modifications may be for tests of changes (e.g., prototypes). Such tests shall be clearly identified on the equipment being tested. Once approved, any and all modifications must include modifying pool spares and new material, including small renewal parts.

All retrofits and changes required by the JPB (with the exception of modifications, additions, and improvements that can be included during the normal maintenance cycle) shall be considered Additional Services.

d. Long-term Holds

The Contractor shall not permit rolling stock to go unrepaired or remain otherwise unavailable for use for extended periods, without prior written approval of the JPB. Such rolling stock shall be termed a "Contractor's Long-term Hold." Any item of rolling stock out of service for greater than seven days during a continuous fifteen calendar day period shall be considered a Long-term Hold. An item of rolling stock shall not be deemed a Contractor's Long-term Hold if it has suffered major damage, not caused by the Contractor's actions.

e. Stripping of Parts

Rolling stock, spares, and capital assets belonging to the JPB shall not be stripped of parts to use on other equipment, unless the Contractor receives prior written approval from the JPB.

2.2.E. TRACK, STRUCTURES, SIGNALS AND COMMUNICATIONS

This section sets forth the requirements, responsibilities, performance standards and procedures under which the Contractor is to do work including, but not limited to, maintenance and improvements of the Service Property and support of construction and third-party projects on the Service Property and other work as may be included in Work Directives. The Contractor shall be responsible for maintaining all track, structures, signals and communication systems in accordance with the requirements specified in the Scope of Services and applicable industry standards and shall develop a scheduled maintenance program. The Contractor shall develop and submit an Infrastructure Maintenance Program which includes track, structures, signal and communication systems for JPB review and approval 60 days prior to the Service Date of the Agreement. All maintenance and inspection instructions, procedures, training programs, and staffing plans shall be included as part of the Infrastructure Maintenance Program. The program may be modified from time-to-time by mutual agreement between the Contractor and JPB.

Construction projects may be performed by contractors under separate contracts with the JPB. Third-party projects will be executed by third parties and their contractors. All services provided by the Contractor hereunder shall be performed in a safe, efficient and reasonable manner in accordance with all established JPB standards and Federal regulations.

1. Rail Lines

The Contractor shall work on all rail lines and signal and communications systems and related facilities (including signals, crossing warning devices, railroad communications systems, and poles), railroad tracks and related components (including rails, ballast, ties, tie pads, and fasteners), turnouts (including switch points, frogs, switch ties, switch stands, and other switch components), bridges, trestles and culverts, structures, and facilities within the right of way, yards, Designated Passenger Tracks, and Designated Freight Tracks that are owned by the JPB and situated on or adjacent to the following lines that are included in the Service Property:

- **San Francisco - CP Coast.** The JPB's main line double track extending from milepost 0.2 at or near 4th and King streets in San Francisco to milepost 43.4/44.0 at the Equation at or near CP Coast.
- Additional main track and controlled sidings at Bayshore, Millbrae, Redwood Junction and Lawrence at the locations shown on the JPB's Track Charts, Right of Way and Rail Corridor Infrastructure Assets, current edition.
- **CP Coast - CP Lick.** The JPB's right of way between milepost 43.4/44.0 at the Equation at or near CP Coast and milepost 51.7 at CP Lick in San Jose. Such right of way excludes the MT1 Track between CP Coast and CP Lick, and all trackage magnetic east of that Trackage, though the JPB owns the underlying property of MT1 from CP Coast to San Jose. However, the Contractor shall maintain the signal system for the MT1 Track between CP Coast and CP Lick. The JPB owns the underlying property and a single main track (MT2) between San Jose (milepost 47.5) and CP Lick.
- **Tamien Yard Layover Facility.** The Contractor shall be responsible for maintenance and operation of the Caltrain layover yard facility at Tamien in San Jose, including Tamien siding track.
- **UP Trackage, CP Lick - Gilroy.** The Contractor will have no responsibility for the work or operation of UP's trackage between CP Lick and Gilroy or the JPB's agreed-upon share of UP's costs of maintenance for this line. The Contractor shall be responsible for notifying the JPB of observed or otherwise known defects in track, signal, structures or other rail line conditions on this UP segment which have, or may have, an impact on Caltrain safety, operational performance or customer comfort.
- **Gilroy Layover Facility.** The Contractor shall be responsible for the work, operation maintenance and any required construction support of the Caltrain layover facility at Gilroy, including the station tracks.

2. General Instructions

The levels of work described herein are not all-inclusive and are intended to provide direction for the Contractor to provide high-quality fixed property consistent with a State of Good Repair (SOGR) as specified in the JPB Standard Procedures for Track

Maintenance and Construction (SPTMC), current edition. All work shall be performed so as to minimize interference with or delay to scheduled passenger trains.

At any time, additional agreed-upon repairs identified by either party shall be corrected within 30 days of the JPB's written directive to perform the repair. However, in no case shall deferred maintenance result in a slow order being placed on main tracks. Any condition identified as a safety hazard shall be corrected immediately, with or without written directive, and notice of such safety hazard and corrective actions will be reported to JPB.

Roadway Worker Protection (RWP) measures are implemented by means of the SSWP process as established by the JPB. The Contractor shall review and approve SSWPs as necessary.

When the JPB Engineer requests that the Contractor qualify a JPB employee or JPB contractor to perform a specific function, the Contractor shall not unreasonably withhold such qualification.

The Contractor shall provide and maintain two-way radios, compatible with the JPB, with the required railroad frequencies for all highway vehicles and for both on and off track equipment to ensure communications capability between the Contractor's forces, all trains, and employees controlling the movement of trains. Working radios shall be capable of transmitting and receiving on the published railroad frequencies for Caltrain and must have the ability to communicate with trains and the CCF. The JPB Engineer must approve the type and make of the working railroad radio prior to Contractor purchasing or leasing any equipment. All working radios must have their serial numbers, manufacturer's model number, and programmed frequencies registered with the JPB.

The Contractor shall provide a communication system that allows the Contractor's maintenance, Construction Support and operations personnel, and JPB staff and construction contractors to communicate directly via radio (not telephone or wireless cell phone). Nextel (or equivalent) radios may be utilized to fulfill this requirement. The use thereof shall be in accordance with established policies regarding cell phones and personal electronic devices.

The Contractor's Chief Engineer shall designate the radio frequencies to be used for communications regarding work associated with Construction Support services as approved by the JPB.

The Contractor shall be responsible for accurately monitoring and recording its costs with respect to its work so as to not jeopardize the JPB's ability to obtain reimbursement from the appropriate funding sources or third parties.

The JPB reserves the right to allow any portion or all of the Construction Support services to be performed by either JPB staff, consultants retained by the JPB, or other JPB contractors so long as the personnel performing the work meet all required qualifications and comply with all safety requirements.

3. Standards and Requirements

a. Standards Control Documents

Listed below in order of priority are the standards to be applied for track, structures and signal and communications maintenance and construction work performed in accordance with the Agreement:

- JPB SPTMC, current edition;
- JPB Standard Specifications, Design Criteria and Standard Drawings, current edition;
- JPB Test and Maintenance Manual for Railroad Signals, current edition;
- JPB Test and Maintenance Manual for Railroad Communications Systems, current edition;
- American Railway Engineering and Maintenance of Way Association (AREMA) Manual for Railway Engineering and Portfolio of Track Work Plans, current edition; and
- FRA Track and Railroad Workplace Safety Standards (49 CFR 213 & 214), Bridge Safety Standards (49 CFR 237), FRA rules and regulations governing Signal and Train Control Systems (49 CFR 233 through 236), CPUC General Orders related to railroads and electrical power lines.

The Contractor is encouraged to recommend changes or amendments to such standards; however, such changes or amendments will be subject to prior written approval of the JPB. Where conflicts exist between standards, JPB Standards will supersede the Contractor's Standards.

b. Track and Right of Way General

All tracks shall be maintained for safe, reliable passage of trains at maximum authorized speeds indicated in the current timetable. Tracks, right of way and related structures shall further be maintained to a State of Good Repair as described in the SPTMC.

Temporary slow orders shall be removed as soon as possible and in no case shall extend more than one week without JPB written approval. No permanent slow order shall be placed on any track without JPB written approval. Permanent speed restrictions shall constitute those restrictions imposed by permanent timetable inclusions and shall represent restrictions necessitated by permanent conditions, laws or orders. No sidings, freight spurs or other non-main track shall be removed from service without JPB approval and in no case shall extend more than two weeks without JPB written approval. Neither approval shall be unreasonably withheld.

1. Grade Crossings

Grade crossings, including highway-rail and pedestrian track crossings with automatic warning signals, pedestrian gate arms, swing gates (including signage) and pedestrian channelization shall be maintained in a manner safe for vehicular, pedestrian and train traffic. The vehicular view of trains from grade crossings shall be unobstructed by vegetation, trees, shrubs and debris on right of way property.

The Contractor shall be responsible for compliance with CPUC General Orders and FRA Regulations that apply to grade crossings on the Service Property. The Contractor will be obligated to provide support to the JPB as necessary in proceedings to secure, delete, change or modify CPUC, County, or city orders, directives or legal positions. The Contractor shall provide technical expertise and shall participate in hearings at the request of the JPB.

2. Right of Way

Work being performed near commuters, employees or the general public shall be properly protected to prevent personal or property injury. The Contractor shall not permit and shall monitor and report to the JPB Engineer any encroachment, construction, or modification of any facility which reduces existing clearance dimensions at any location along the right of way. The Contractor shall take immediate actions to comply with all applicable laws and regulations in the event of any release of a hazardous material or chemical on or within the Service Property, including from any vehicle or piece of equipment. The Contractor shall report immediately to the JPB Engineer any such releases if the release is estimated to be over 42 gallons and/or the release occurs within 100 feet of a river, creek, stream, or drainage feature. The Contractor shall report within 24 hours to the JPB Engineer any such releases if the release is estimated to be less than 42 gallons but more than 1 gallon. If the release is less than 1 gallon, no reporting to JPB is required unless specifically requested by the JPB. The Contractor will not eliminate, modify or remove from service any JPB track structure, signal, grade crossing warning system, bridge, trestle, tunnel, culvert or other structure/facility unless it is to protect the safe passage of trains and part of the normal maintenance and operations responsibilities without the prior written approval of the JPB, which shall not be unreasonably withheld.

The Contractor shall comply with JPB requirements regarding signal lines, utility company standards, and "Call Before You Dig" procedures in regard to any excavations on JPB right of way. When excavating in proximity to underground fiber optics or communications lines, the work must be coordinated with the utility company and the appropriate JPB discipline manager.

Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, the Contractor shall be solely responsible for any damage inflicted by the actions or inaction of Contractor's employees or Contractor's subcontractors upon the facilities of others within the Service Property.

Unless otherwise directed in writing by the JPB Engineer, scrap or reusable materials, including other track material (OTM), spikes, joint bars, tie plates, rail anchors, and crossties but excluding rail in excess of 18 feet in length, will not be permitted to lie along the right of way for more than five days after removal from the track or other placement on JPB right of way. Rails in excess of 18 feet in length will not be permitted to lie along the right of way for more than 30 days after same. All such materials will be inventoried and stored in designated locations. Materials related to ongoing construction projects are excluded from this requirement as that will be the responsibility of each particular project. New material, fasteners, plates, crossties, and OTM will not be permitted to lie along the right of way for more than 30 days, continuous welded rail (CWR) excepted, and will be distributed in advance of its intended use for large scale projects.

The Contractor shall prevent illegal dumping, trespassing and unauthorized use of Service Property to the extent practical. Law enforcement agencies will be notified if necessary. The Contractor shall also participate with JPB programs to educate the public to the dangers of trespassing on railroad right of way.

Any flows that are not entirely stormwater on the Service Property shall be considered illicit discharges which are prohibited by State law. Regardless of source, the Contractor shall notify the JPB Engineer immediately after discovery of any illicit discharge on the Service Property.

The Contractor shall maintain, repair and replace existing right of way signage as required including, without limitation, anti-trespassing signs, milepost markers, 1/10th milepost markers, station markers, and whistle boards. All signs shall comply with JPB sign standards.

Where right of way fences exist on JPB property, such fences shall be maintained. Holes in fences shall be repaired without limitation as soon as the schedule will allow, but shall always be repaired within seven calendar days of discovery or JPB notification. Fencing near schools shall receive immediate attention, not to exceed 48 hours, upon notification or discovery.

The JPB's obligation to maintain station track fences, center track fences, right of way fences, and highway-type guardrails and barricades shall be carried out by the Contractor. The Contractor shall install a specified amount of right of way fencing each Fiscal Year, at locations and quantities determined by the JPB. In addition to any notifications for required repairs that may be directed to the Contractor in the normal course of business, the Contractor shall inspect and repair right of way fence at least twice per Fiscal Year, with at least 150 days between inspections. Repairs are to be completed within 30 days of completion of inspection.

An accurate weekly work schedule shall be developed and delivered to the JPB, in accordance with established SSWP procedures, detailing planned work by milepost, activity, materials to be installed, number of workers, and equipment to be utilized. The work schedule shall detail activities of all track

and communications and signal (C&S) employees. Deviations from planned work will not be allowed without prior written approval, except in emergencies or other unusual circumstances. The JPB Engineer shall be informed of any work schedule changes that same day without fail. When requested, the Contractor shall communicate without fail on a daily basis before work shifts with the JPB Engineer or designee to discuss the previous day's work, present day's work goals and to discuss any other track or signal-related issues.

c. Track Work

All track work must be performed in a safe and efficient manner. The work must meet or exceed the requirements of the most current JPB standards, and in compliance with the current JPB SPTMC.

Contractor's track work shall include, without limitation, the following:

1. Track Inspection

Main tracks are to be inspected with sufficient frequency to ensure that tracks are safe for the passage of trains at the maximum authorized speeds as specified in the SPTMC. JPB staff, without limitation, may make frequent unannounced inspections with Contractor's track inspector. At no time will JPB staff be excluded from such inspection visits. With 48 hours' prior notice from the JPB, the Contractor may expect and shall provide up to 52 hi-rail inspection trips per year.

1. Cross and Switch Tie Replacement

Replacement of defective cross and switch ties shall be the responsibility of the Contractor. The Contractor shall install a specified number of 7" x 9" x 9' wood cross ties or concrete crossties or switch ties per Fiscal Year at locations and quantities determined by the Contractor and approved by the JPB. Ties 9' in length within a turnout are not considered switch ties but will count toward the cross tie requirement in the Agreement.

Ties must meet JPB Standard Specifications. The JPB may reject any or all of such switch ties for defects. All tie replacement work shall be inspected and approved by a qualified Contractor foreman or manager before the passage of any train.

2. Crossing Repair and Rehabilitation

Minor repairs to at-grade vehicle or pedestrian crossings shall be completed within two business days of notification from the JPB. Minor repairs include asphalt grinding or patching, sliding concrete panels, and end restraint replacement. Any condition considered hazardous to the public shall be repaired as soon as discovered.

At the direction of the JPB, the Contractor shall undertake rehabilitation of those crossings which have deteriorated to an extent such that minor repairs cannot keep the crossing in service. The JPB shall identify the number and

locations of the crossings to undergo such rehabilitation, if any, in advance of each Fiscal Year for inclusion in the Contractor's annual budget submittal. Crossings shall be dug out, ties and rail replaced, drainage lines installed, asphalt underlayment placed, new ballast placed, surface lined, stabilized, and approaches repaved with asphalt or other approved crossing materials to make a smooth transition or taper. If crossing surface is of asphalt or rubber, it will be replaced with concrete panels on concrete 10' ties. If the existing crossing has concrete panels, the condition and replacement will be determined by the JPB Engineer.

3. Track Surfacing and Work Inspection

The Contractor shall have a surfacing gang available for year-round work in daylight or night conditions. The gang will be available for work eight hours per shift for five consecutive days/nights or four consecutive ten-hour shifts, as conditions warrant. The Contractor shall inform the JPB Engineer in the event that the surfacing gang personnel or machinery is unavailable for work. The surfacing gang will be accompanied by a full-time mechanic who is qualified and equipped to make repairs to the surfacing equipment. A Contractor surfacing foreman or manager must be present at all times when surfacing operations are performed. All surfacing work shall be inspected by a qualified foreman or manager before the passage of any train.

The JPB requires that the surfacing equipment will tamp out of face a specified number of miles of main line track, crossovers, and turnouts plus other sidings, side tracks, and yard tracks per Fiscal Year at locations determined by the JPB. In addition, spot tamping, without limitation, shall be performed as needed to maintain the railroad in a State of Good Repair and at minimum to the class of track for trains to operate at timetable speeds. The Contractor shall tamp/line, regulate, and stabilize any locations, without limitation, identified by the JPB Engineer and shall physically verify conditions requiring surfacing within three business days of notification. The JPB Engineer must approve in writing track raises or track shifts in excess of 2", and survey stakes will be provided if required. Uniform and thorough runoff shall be executed at the end of all track raises.

The Contractor shall ensure that tracks, turnouts, and crossovers returned to service comply with CPUC General Order No. 118, and current JPB Standards. All switch machines and signal devices within the work limits of surfacing activity shall be visibly marked for ready recognition by surfacing personnel (including equipment operators).

Under no circumstances are any changes to track geometry to be made and existing platform elevations must not be changed without prior written approval of the JPB Engineer. Super elevation tags must be maintained on all curves per JPB standards. Missing tags or tags displaced as a result of surfacing, or other maintenance operations shall be replaced.

Ballast as specified in the SPTMC shall be obtained only from JPB-approved ballast quarries. The Contractor shall be responsible for all costs involving

unloading ballast, including any work train equipment, fuel, and crews. A pre-approved rail-served ballast quarry is currently located at Oroville, California. Additional pre-approved quarries not rail-served are located at Clayton, California and Lone, California. Ballast procurements must be first approved by the JPB.

The Contractor shall ensure that any required ballast is unloaded before any work begins. Ballast shall be unloaded as required for the amount of planned track raise, and shall be unloaded not more than 30 days in advance of planned surfacing operation. If it is determined due to scheduling conflicts that surfacing will not take place within the 30 days, the ballast must be regulated and swept clear of the top of ties and fasteners. Under no circumstances will trains be allowed to operate on tracks with insufficient ballast, except work trains while unloading ballast, or in an emergency, and only then with an appropriate slow order.

4. Rail Replacement

The Contractor shall be completely familiar with proper installation and maintenance of CWR as outlined in the SPTMC and shall ensure strict compliance with 49 CFR 213.119. The Contractor shall provide approved annual training for the installation and maintenance of CWR. Continuous (out-of-face) relay of up to 300 track feet of rail at any one relay project location, including any required preconditioning, dressing, or other activity associated with such rail relay, shall be the responsibility of the Contractor. Rail replacements greater than 300 track feet may be requested in writing by the JPB.

Accurate records must be retained and maintained when installing any rail. All rail installed shall be adjusted to the Desired Neutral Temperature (DNT) specified in the SPTMC. Rail replacement must be documented in the forms provided in the SPTMC. Rail installation records shall include milepost, rail replaced-left or right, weight, date rolled, manufacturer, heat number and methods taken to ensure proper installation and de-stressing. Completed forms must be sent to the JPB Engineer the following business day of rail replacement.

The Contractor shall install a specified number of thermite welds per fiscal year at locations determined by the Contractor and approved by the JPB. Rail shall be properly de-stressed at all thermite weld locations. All thermite welds shall be tested per JPB requirements and the SPTMC. The Contractor shall keep and maintain accurate records for all thermite welds using the prescribed forms in the SPTMC. Records shall include, at a minimum, the ambient temperature, the rail temperature, the length/weight of rail installed and removed, the use of a rail heater, the length of pull if any, the name of the welder and any other conditions that may affect the proper de-stressing of rail. The Contractor is responsible for qualified testing of thermite welds and rail end welding as required by the FRA and SPTMC. The individual performing testing shall have current certification in non-destructive testing applications in a JPB-approved

course of study, and the Contractor shall provide written proof that the individual is currently qualified when requested by the JPB Engineer.

The Contractor shall provide to the JPB Engineer complete and accurate reports of all rail failures, defects, replacements, thermite welds, and weld failures. Reports using the proper forms must be submitted to the JPB Engineer the following business day. The reports also must be included as part of the monthly reports of all rail renewed and thermite welds installed. Records must be kept by the Contractor and made available when requested by the JPB, FRA, or CPUC. Upon request, the Contractor shall provide before and after digital photographs of all welding, grinding, crosscutting on JPB switches, turnouts, rail ends, or rail burns without limitation. Photographs shall be delivered to the JPB Engineer the following work week.

5. Rail Profile Grinding

The JPB will develop and contract for a Rail Grinding program, and the Contractor will provide support for this program as required for its timely completion.

6. Turnout/Crossover Renewal

The Contractor may be required to renew existing turnouts or crossovers.

7. On-track Equipment

JPB-furnished and Contractor on-track equipment shall be inspected and certified, without limitation, by Contractor prior to and during use on JPB tracks, in accordance with all FRA, CPUC, or other applicable regulations and requirements. The Contractor shall notify the JPB of non-compliant or unsuitable equipment determined by such inspection. Equipment shall be in safe operating condition at all times and kept in accordance with manufacturers' specifications and service requirements, equipment performance specifications, and industry standards and the equipment shall not have significant fluid leaks.

The Contractor shall maintain and provide complete monthly maintenance records and applicable manufacturer's maintenance manuals. The maintenance records shall be kept current in conformance with 49 CFR 214. The Contractor shall keep a daily log of all on-track equipment and rolling stock stored on Caltrain or adjacent properties, including freight tracks of the UP.

Special attention must be directed towards flange height/thickness wear. Under no circumstances shall on-track equipment be used with excessive rail wheel wear (per FRA or other applicable requirements). Maintenance records shall include monthly inspection and measurement of rail wheels.

The Contractor must submit and obtain written approval from the JPB prior to bringing any equipment on JPB Service Property. The JPB has the right of refusal for any on-track equipment that does not meet the requirements listed

in this section, does not perform properly, or does not comply with manufacturer's specifications.

8. Other Rail Line Maintenance and Repair

Other responsibilities of the Contractor shall include, without limitation, the following:

- Provision and installation of a specified number of new rail anchors/elastic fasteners per year at locations designated by the JPB. These shall be in addition to anchors/fasteners installed under any other requirement or section of standards contained herein.
- Gauging track.
- Track geometry car testing and car maintenance and upgrades.
- Ultrasonic rail inspection and Ultrasonic hand testing of turnouts.
- Replacement of broken or defective rails and switch components, as determined by visual or ultrasonic inspection or service failure.
- Repair or replacement of hand-throw and power-operated switch components.
- Rail de-stressing and neutral temperature verification and adjustments.
- Repair of damages to Rail Line caused by derailments or other accidents where such repairs fall within the limits of the Service Property or otherwise described above or elsewhere in the Agreement. The Contractor shall develop and enter into an agreement for an "on-call" derailment and emergency response contractor with the term, scope and price structure of the agreement subject to JPB approval.
- Replacement, welding and grinding of frogs, switch points, stock rails and other turnout and track components including work associated with ordinary repairs. The Contractor shall weld and grind turnout components in accordance with JPB Standards at locations and on a schedule approved by the JPB Engineer.
- Replacement of loose rivets with high-strength bolts on steel bridges.
- Repair of insulated joints.
- Joint maintenance, documentation and replacement, including incidental installation of new joint bars and bolt replacement/tightening.
- Ballast replacement and regulating.
- Track stabilizing and shimming.

- Tie pad replacement.
- Incidental maintenance or replacement of OTM, including driving spikes or adjusting anchors/elastic fasteners.
- Maintaining curve lubricators as specified in the SPTMC. Curve lubricators must be kept in operating condition at all times. The Contractor shall be responsible for repairing all broken or damaged components, whether caused by use, derailment, or vandalism, and proper adjustment of wiping bars and lubrication flow. The Contractor shall provide lubricant. The JPB may choose to install new, upgrade, or relocate existing lubricators without limitation. The Contractor shall provide the labor, parts, and equipment necessary to relocate or upgrade any or all of the existing lubricators. The Contractor shall have two weeks to relocate or install wayside lubricators upon written notification.
- Replacing wiring, in a signal “bootleg” or replacing relays in a signal case.
- Replacing switch machine and electric switch lock layouts.
- Replacing punch bonds and track connections with cadweld or equivalent bonds.
- Installing, repairing, and replacing right of way signs.
- Maintain and repair wayside drainage ditches. This maintenance shall include removal of trash and debris from open channels and other drainage structures at least once per year and more frequently as defined in other sections of this Agreement. The extracted material must be properly disposed of offsite in accordance with all applicable local, state, and federal regulations. Extracted water from such operations must not be allowed to reenter the drainage system. Common best management practices shall be followed during performance of this maintenance.
- Repairing or replacing water, sewer or other pipes leading to or from or residing within JPB-owned or leased facilities, except those pipes which cannot be visually or videographically inspected. Extracted water from any storm drain pipe repairs must not be allowed to reenter the storm drain system. Common best management practices shall be followed during performance of this maintenance.
- Inspecting, repairing and maintaining in working order at all times all pump stations on the Service Property. The JPB Engineer shall receive immediate notification from the Contractor if any pumping station is out of order or not functioning at 100% capacity. The Contractor will maintain a written record at each pumping station of all pump house inspections and all scheduled maintenance and servicing. Any extracted wastewater generated during maintenance of pumping stations must not be allowed to reenter the storm drain system. Common best management practices shall be followed during performance of this maintenance.

d. Bridges, Trestles and Culverts

All JPB bridges shall be maintained to present load limits (315,000 lbs.) in accordance with industry standards. Bridge repairs will be the responsibility of the Contractor. Bridge replacement will be the responsibility of the JPB.

All railroad bridges, structures, culverts and manholes will be inspected annually. In part, these inspections will record the location and approximate amount of trash and debris on the Service Property. All highway overhead bridges across railroad tracks, regardless of ownership will be observed for any unusual conditions and reported to the appropriate authorities. These observations shall include the presence of any illicit discharges (flows that are not entirely stormwater), if flowing from any highway overhead bridges. Bridge repairs recommended by Contractor's bridge inspector and approved by the JPB Engineer shall be completed in the time frame designated by the inspector. The Contractor shall provide an annual Bridge Inspection Report similar to previous annual Bridge Inspections Reports. Within 30 days of inspection, the Contractor shall provide a schedule of completion of repairs identified by the inspector. Completion schedule shall be subject to approval of the JPB Engineer.

All JPB pedestrian bridges, tunnels and stairways shall be kept clean and maintained to a State of Good Repair. Existing protective vandal screening, and fences shall be maintained on all JPB-maintained bridges or wing walls. JPB-maintained retaining walls and piers of all types will be regularly inspected and maintained to preserve these structures. All JPB bridge walkways, handrails, and other bridge appurtenances shall be maintained in accordance with JPB, FRA and applicable CPUC or other standards.

Homeless encampments at railroad structures shall be immediately posted with "No Trespassing" signage and removed as soon as legally possible. If requested by the JPB, additional fencing shall be added by the Contractor to prevent further encroachment or entry. Any location identified by the JPB as a chronic homeless encampment shall be inspected with sufficient frequency to prevent illegal entry. The Contractor shall coordinate with the JPB and local jurisdictions to cite, arrest and prosecute offenders.

Bridge signage shall be maintained as necessary. All structures will be posted with "No Trespassing" signage according to JPB standards.

Graffiti shall be removed from bridges (both outside and inside) within three days of notification from the JPB or notice by the Contractor. Digital photographs of "tagging" shall be provided to the JPB upon request. Wet washing of graffiti shall not be performed if such removal techniques allow wash water, chemicals, or paint to enter rivers, creeks, streams or the storm drain system. Common best management practices shall be followed during performance of this work.

e. Signal and Communications Work

The Contractor shall be required to maintain all signal and communications facilities and systems managed by the JPB, including, but not limited to, switches, signals, grade crossing equipment, track circuits, voice communications, radios,

microwave, supervisory control system (dispatch system), visual messaging, public address, wayside signal equipment, and communication equipment. These facilities are to be maintained within the applicable requirements of the CPUC, FRA, FCC, AAR, the Communications and Signal Engineering Standards of the JPB, the JPB Test and Maintenance Manual for Railroad Signals, current edition, and the JPB Test and Maintenance Manual for Railroad Communications Systems, current edition.

The Contractor must keep itself familiar with the physical characteristics and maintenance conditions of the JPB facilities, and understand that the JPB is undergoing modernization with the goal of an electrified railroad that will have Positive Train Control (PTC) and may incorporate elements of communications-based signaling. The Contractor will be required to maintain the system according to the above-referenced standards, both during the transition and in the final stage. The Contractor will be required to maintain this property as detailed in the following sections, both in its present state and in a future electrified state which may include cab signals, or communication-based train control.

The JPB C&S staff shall be provided keys to all signal cases or other locked signal devices on the Caltrain system as directed and controlled by the JPB Engineer. The JPB will provide immediate notification to the Contractor in the case of a missing key.

1. Inspection, Maintenance and Testing

The JPB Engineer will make joint periodic inspections of signal facilities with the Contractor's signal manager. Noted deficiencies that are not safety-related must be corrected within 14 days. Safety-related deficiencies must be corrected immediately as mutually agreed to by the parties.

Maintenance and testing shall be per the JPB Test and Maintenance Manual for Railroad Signals and JPB Test and Maintenance Manual for Railroad Communications Systems, current editions. All test results shall be maintained electronically on either furnished forms or through an approved electronic record-keeping database. Signed copies shall be furnished to the JPB Engineer upon request.

The Contractor shall maintain, as directed by the Test and Maintenance Manual for Railroad Signals, a "Trouble Log" of each trouble call for each maintainer that will include such information as time of initial notification, exact location, type of problem reported, type of problem found, corrective action taken, time trouble cleared and any other information deemed appropriate by the JPB. This log shall be kept in such a format as to permit sorting of data on any of these fields. The Trouble Log will be reviewed at least monthly by the JPB Engineer and Contractor's supervisor. At the request of the JPB, further investigation of signal or communications problems may be required by the Contractor's C&S Manager. The Contractor's C&S Manager shall submit a report when requested providing details of findings and any action taken.

The Contractor shall purchase spare or replacement equipment as directed by JPB. The Contractor also shall furnish all tools, test equipment and meters as

necessary to maintain the signal system. All meters and test instruments shall be calibrated at a certified test facility on an annual basis, or whenever dropped, jarred or otherwise damaged.

The Contractor shall perform/provide on-call services for fiber optic cable splicing and testing, antenna tower modifications, and all office-to-field supervisory control system installation, adjustment, or modification. The Contractor shall perform/provide modifications to the office train control system, database and display as directed.

2. Availability of Personnel

Headquarter locations for each position shall be submitted by the Contractor and approved by the JPB. Contractor personnel shall report for work at prescribed locations and the duty day shall not start until personnel arrives at the prescribed location, unless otherwise approved by the JPB Engineer.

Starting times and workweek schedules for each position will be determined by the Contractor and approved by the JPB Engineer according to operational needs and may be changed by notice to the Contractor. Workdays may include the weekend to meet operational needs. Personnel will be required for 24-hour, on-call service. Notice of change of starting times, days etc., will be given in accordance with the appropriate Collective Bargaining Agreement.

C&S employees will report to their supervisor on a daily basis during their assigned workweek. The C&S employee shall provide information for the previous day's work and for the present day's work. A record shall be retained of all employee reports and provided to the JPB Engineer upon request.

f. Construction Support

Said support shall be as directed in the scope of a Work Directive.

1. Inspection and Compliance of Others' Work

The Contractor shall ensure the safety compliance of all work done on the service property by construction or third-party contractors.

2. Roadway Worker Protection

The Contractor shall provide flagging/watchmen as support for construction projects.

3. Inspection, Minor Repairs and Testing of Contractors' Work

The Contractor shall inspect, make minor repairs and correct deficiencies, and test other contractors' work performed as a part of the JPB's construction and third-party projects. The purpose of inspection, repair and testing shall be to ensure that the work of such contractors satisfies all of the requirements for the safe operation of trains, including, but not limited to, all applicable FRA, CPUC and JPB requirements and standards.

The Contractor shall perform signal inspection and testing. Said services shall include, but are not limited to, the following types of work: (1) oversee the adjustments, installation and testing of the signal work, including the coordination of the signal work with any ongoing track construction work; (2) direct and certify the successful completion of all tests on any signaling and grade crossing warning device equipment and systems prior to releasing the system for service; (3) make minor repairs and correct minor deficiencies; and (4) complete all test documentation immediately after in-service testing is completed.

All Contractor employees performing testing, repair and inspection services shall complete daily reports, in a format approved by the JPB Engineer. Each daily report shall be submitted at the end of each workday to the appropriate JPB discipline manager.

4. Inspection and Testing of Contractors' Equipment

The Contractor shall inspect, test and certify other contractors' equipment used as a part of the JPB's construction and third-party projects. The purpose shall be to determine whether the equipment is in a satisfactory condition to operate safely on the JPB Service Property, including, but not limited to, compliance with all FRA and CPUC requirements. The Contractor shall notify the JPB and the other contractor/subcontractor if applicable of non-compliant or unsuitable equipment determined by such inspection. All equipment inspections shall be documented and submitted in a format approved by the JPB Engineer.

5. Supporting Communications and Signal Construction

The Contractor shall support any communications and signal construction work performed by other contractors as a part of the JPB's construction and third-party projects. Contractor's support shall include, but not be limited to, providing access to all C&S facilities and identifying, assisting with, and performing the testing of such facilities. Attention is directed to Contractor's inspection and testing responsibilities.

6. Work Trains and Specialized Equipment

The Contractor shall support the construction and third-party contractors by supplying or operating Work Trains or specialized equipment for such projects as may be needed.

7. Locating and Marking Underground Facilities

The Contractor shall locate all underground railroad facilities that exist at or near the area of other contractors' work performed as a part of the JPB's construction and third-party projects. The Contractor shall perform such services in advance of other contractors' work, and the Contractor shall clearly identify the location of all facilities by markings on the ground. The Contractor will help support the JPB in developing an "As-Built" for underground facilities at various locations. The Contractor also shall be required to provide minor protection of underground signal facilities and perform minor relocations.

8. Training and Qualification of JPB Employees and JPB and Third-Party Contractor Personnel

The Contractor and the JPB shall jointly develop training, testing and employee qualification programs for JPB staff, JPB contractors and third-party construction contractor personnel. Such training shall include, but not be limited to, all applicable FRA, GCOR, RWP, SPTMC, Test and Maintenance Manual for Railroad Signals, Test and Maintenance Manual for Railroad Communications Systems, and other specialized classes.

9. Procuring Railroad Equipment, Materials and Subcontractors

The Contractor shall procure railroad equipment, material and subcontractors to perform the services described. The JPB encourages the development and use of new or improved equipment for the performance of work. Upon the specific written request of the JPB Engineer, the Contractor shall obtain such additional equipment as may be required to perform work hereunder. The equipment shall be available at the site within six months of the request and shall be new and meet California emissions standards and FRA CFR 214 D requirements if so applicable. The JPB also may require the Contractor to secure previously-used equipment that is in good condition and fully functional. Such equipment must be submitted in advance for written approval by the JPB Engineer. Once the equipment is secured by the Contractor, the Contractor shall service and maintain the equipment for the duration specified by the JPB. Such additional equipment may include, but is not limited to:

- Production Tie and Switch Tamper
- Ballast Regulator
- Rail Dollies
- High Rail Dump Truck
- Concrete and Wood Tie Handler
- Brandt Car Mover
- Hi-Rail Gradall
- Other Specialized Rail Equipment, as determined by the JPB

Prior to the Contractor entering into a lease or sales agreement for any equipment, the JPB Engineer shall be given an opportunity to approve in writing the specific piece of equipment that is the subject of the lease/sales agreement.

g. Right of Way Cleanup Standards

The Contractor shall keep the right of way, including passenger and designated freight tracks/yards, clean and free of debris and obstacles as outlined below, which applies to the JPB right of way between 4th and King streets in San Francisco to CP Lick in San Jose. The entire right of way shall be cleaned of general refuse and litter every fourteen days, which includes drainage ditches and other surface drainage features. Objects which pose a potential hazard to equipment and personnel, passengers or the general public shall be removed from the right of way as soon as possible but no later than 24 hours from the time of notice to or by Contractor. Such objects include:

- Shopping carts
- Furniture, appliances and other heavy or solid objects
- Hazardous or medical wastes
- Dead animals

Undergrade track bridges, bridge seats, trestles and culverts shall be kept free of debris, vegetation, trash, etc. at least once a year, or more often as needed, so that waterways are clear and there are no combustibles that could cause a fire. Vegetation, trash, debris, etc. and all combustibles shall be removed.

The Contractor shall be responsible for any brush and weed cutting and removal which interferes with train movement, signal observation or signal system operation and for removal of dry weeds and grass which become a fire hazard. Removal of vegetation shall be made to maintain visibility of signals, clearance of track, to keep vegetation clear of signal and communication lines and to remove any hazards associated with trees or brush. Special attention will also be given to removing groups of vegetation being used as encampments for the homeless. Vegetation shall be kept back to the existing width of the right of way, and the Contractor shall promptly chip and remove all vegetation from the right of way. Within three days of notification, any vegetation identified by the JPB as a nuisance or safety hazard shall be removed with due diligence and as expeditiously as possible. All work shall include removal of cut vegetation from JPB property.

Using hi-rail spray equipment, the Contractor shall bi-annually apply herbicides to prevent vegetation growth from all track beds and other designated areas within the Service Property, to the extent that regulations allow. The Contractor shall use contractors or staff with appropriate herbicide application training as required by local and state regulations. Common best management practices shall be followed during performance of this work. Repetitive applications may be required. Mechanical removal of vegetation rather than spraying shall be performed within 100 feet of waterways or drainage features that directly flow to waterways, as coordinated with JPB. Additional mechanical removal of vegetation will be as directed by the JPB. Upon notification by the JPB, additional mechanical cutting of overhanging brush and trees which originate on or off JPB property will be

performed by the Contractor without limitation, using JPB-provided on-rail extendable boom equipment.

All tree work performed is to be executed in accordance with JPB direction for tree maintenance. The Contractor is responsible for acquiring any local permits that may be required for tree or brush cutting or removal. The Contractor shall not cut vegetation beyond JPB right of way without the knowledge and permission of the affected property owner.

During the term of the Agreement, the JPB may designate up to fifteen right of way “hot-spots” which may require more frequent pick up of refuse and litter. These locations are identified in Exhibit C. The JPB reserves the right to substitute other locations as necessary. The Contractor may recommend to the JPB that chronic dump sites be secured by fencing or other means. Any costs associated with securing these areas are subject to approval by the JPB.

The Contractor shall dispose of all refuse materials in accordance with applicable laws and shall conduct cleanup activities in accordance with applicable rules regarding Roadway Worker Protection. Removed material shall be extracted such that the materials do not reenter the storm drain system and shall be disposed of offsite at an appropriate facility. Disposal procedures shall utilize best management practices and shall be approved by the JPB. The Contractor shall provide before and after digital format photographs of cleanup sites as requested by the JPB.

The Contractor’s cleanup crew shall dedicate its time exclusively to JPB right of way cleaning. Only in an emergency or with prior JPB written approval shall the cleanup crew perform other activities. The cleanup crew hi-rail vehicle shall be available to occupy main tracks year round. Provisions must be made to have a qualified substitute foreman/driver if required.

The Contractor’s cleanup crew shall work Sunday through Thursday unless otherwise directed by the JPB. The crew shall make one hi-rail trip over the entire right of way between the Tamien and San Francisco stations each week on Sunday. In addition, the cleanup crew foreman shall make at least one head-end inspection trip on a regularly scheduled weekday, also covering the entire right of way for inspection purposes while the remainder of the crew performs cleanup activities. The crew will be responsible for right of way cleanup between Tamien and CP Lick as often as required without limitation. At the discretion of the JPB, and only in accordance with safe practices, the Contractor’s cleanup crew may be required to work night shifts.

h. System Modification Services

In general, system modification work will be a part of the JPB’s program for system improvements. The Contractor may be directed to perform any system modification work that is in the best interest of the JPB. Said improvements may include, but are not limited to, track inspection, cross-tie replacement, grade crossing repair, track surfacing, rail line maintenance, switch tie replacement, rail replacement, turnout/crossover renewal, and signal and communication system modification.

i. Maintenance of Way Support Facility

The JPB will provide a Maintenance of Way Support Facility, currently located in Menlo Park, for use by the Contractor. The Contractor shall configure, furnish if not already provided, operate, secure and maintain the facility in support of the requirements of this section. The Contractor's configuration of the support facility shall include the following:

- Office space for Construction Support management and administrative positions plus all necessary office equipment, office furniture, office supplies, computers, copiers, phones and peripherals.
- A meeting/classroom with desks and chairs for training and meetings for at least 50 persons, plus two additional separate meeting rooms for 10 persons each.
- Lockers and welfare facilities for all personnel based at the support facility.

The JPB requires that any leases entered into by the Contractor for or in the facility, including, but not limited to, vehicles, equipment, computers, office furniture, etc., shall be assignable at the end of the Agreement to the JPB upon request at no additional cost to the JPB.

j. Quality Control

Measurement of adherence to the standards set forth in this section shall be evaluated based on the results of periodic inspections made by the JPB. Such inspections shall be unannounced and consist of an examination of a segment or segments of the rail line (including, without limitation, associated station facilities, parking lots, etc.) and an office inspection of the records for such segment(s) of rail line. A report of the inspection and findings shall be signed by all participants. Any discrepancies shall be forwarded to the Contractor discipline manager within five days of inspection. Items requiring correction shall be completed within 30 days of notice by the Contractor.

k. Clearances

New construction and temporary facilities shall conform to CPUC General Order 26-D and all applicable JPB clearance standards.

2.2.F. STATION AND PARKING LOT MAINTENANCE

This section identifies the Contractor's station and parking lot maintenance responsibilities. Those station and parking lot functions designated in this section shall be maintained in accordance with the standards outlined herein. The Contractor shall develop and submit a Station and Parking Lot Maintenance Program for JPB review and approval 60 days prior to the Service Date of the Agreement. All maintenance and inspection instructions, procedures, training programs, and staffing plans shall be included as part of the Station and Parking Lot Maintenance Program. The program may be modified from time-to-time by mutual agreement between the Contractor and JPB.

Stations, station grounds, shelters, platforms and parking lots shall be maintained daily to appear neat and clean. Public waiting rooms and restrooms are to be cleaned and serviced at the end of each day they are open and available for employee and public use. Station areas must be kept free of dangerous and hazardous materials such as broken glass, bottles and cans or other materials that could be a threat to public health or safety.

All work should equal or exceed established standards for the trade and JPB standards as well. The Contractor shall conduct joint monthly station inspections with JPB personnel. Frequency of cleaning of stations, platforms, shelters and waiting areas and frequency of pressure washing will be reviewed semi-annually between the Contractor and JPB personnel to ensure proper balance of service, cost and benefit. The Contractor shall submit for JPB approval 30 days prior to the Service Date of the Agreement a Stations and Facilities Maintenance Plan that outlines how work will be provided.

1. Buildings

Station buildings, structures, and facades shall be maintained in a State of Good Repair. Station buildings will be pressure washed semi-annually and will be professionally painted approximately every ten years. The JPB will determine the painting schedule. Painting will include preparation work, correction of dry rot, gutter repair/replacement and painting, and professional cleaning to the JPB's satisfaction. The JPB will identify the stations to be repainted (if any) in advance of each Fiscal Year. Spot painting of the buildings will be done as necessary to maintain appearance and a State of Good Repair.

2. Shelters and Waiting Areas

All station shelters (including TVM shelters) and waiting areas are to be maintained in a safe and sanitary condition at all times. Unusual or extreme situations will be corrected within four hours. Damaged shelters or seating areas will be repaired, with same-day emergency repair arranged if determined necessary by the Contractor or JPB.

Seating area/benches will be wiped down, glass spot cleaned, and litter removed daily. Benches will be replaced or repaired as necessary. TVM, validator, and Clipper equipment and other platform and shelter equipment and furnishings will be thoroughly surface cleaned weekly, including all exterior surfaces, the change/ticket drop, and the bill collector.

Shelters, floors, walls, and seating areas will be pressure washed as required to ensure these are kept clean and serviceable. Excess water will be removed to prevent slipping hazard. Pressure washing will be done during non-peak or non-revenue hours.

3. Platforms, Crosswalks and Rail Track Areas

Platforms and crosswalks shall be kept in a State of Good Repair. Asphalt or concrete surface failure will be corrected as soon as disclosed. Uneven walking surfaces with more than 1/2" elevation variation shall be repaired by the Contractor. Platforms, crosswalks and pedestrian tunnels shall be kept clean and free of litter, spilled food and other debris. Service shall be performed daily. Rail track areas in the stations

shall be kept free of litter, paper, cigarette butts, debris, and weeds.

All center track, parking lot, and platform fencing shall be maintained and checked daily by the Contractor. Due to the safety importance of center track fencing, the Contractor shall repair such fencing within 24 hours of notice to repair. All other fencing shall be repaired as soon as the schedule will allow, but shall always be repaired within seven calendar days.

All wheelchair lifts shall be inspected bi-weekly to ensure proper function of such mechanisms. Any non-functioning mechanisms shall be repaired or replaced by the end of the next business day. Lift inspection records shall be maintained for JPB review.

Existing platform striping, boarding assistance stencils, and painted instructions shall be maintained by the Contractor. Tactile platform marking stripe shall be maintained in accordance with ADA regulations, shall be kept free of dirt and grime, and shall be repaired or replaced immediately upon notice by the Contractor or notification by the JPB. Platform railing and center track fencing will be professionally painted approximately every ten years in a schedule determined by the JPB.

The platforms and shelters at stations shall be pressure washed according to the following frequencies:

- Five times per week -- San Francisco (including plaza area) and San Jose Diridon (including ramps and tunnel).
- Two times per week -- Redwood City (including historical shelter), Mountain View, Lawrence and Tamien.
- One time per week -- Belmont, Menlo Park (including historical shelter) and Sunnyvale and tunnels at Palo Alto, California Avenue, and Lawrence.
- One time per month -- All other stations except for College Park.

4. Parking Lots

Parking lots shall be maintained in a State of Good Repair. The Contractor shall power sweep each lot on the weekend or between the hours of 11:00 p.m. and 5:00 a.m. on weekdays. Special care will be taken to clean areas between wheel stops and curbs.

The Contractor shall patch potholes as necessary or as instructed by the JPB and shall slurry seal all parking lots as required with a medium grade slurry product. The Contractor also shall professionally re-stripe and re-number parking lots as required with a medium-grade traffic paint (two coats).

The Contractor shall ensure that all stormwater catch basins and outflow lines are clean and operating.

5. Janitorial

The Contractor shall furnish all labor, tools, materials and equipment necessary to perform required janitorial services, whether directly provided or subcontracted. All products used for cleaning, disinfecting and deodorizing must be environmentally safe and approved by the JPB prior to use. The Contractor shall not allow these products to enter the storm drain system. The Contractor is not responsible for janitorial services inside buildings when the building is leased to a tenant.

a. Restrooms

The Contractor shall furnish all restroom paper supplies including, seat covers, toilet paper, paper towels, and feminine hygiene products, as well as soap dispensers. Public and employee restrooms are to be cleaned and serviced at the end of each day they are open and available for use, including:

- Replenish restroom paper supplies
- Clean and sanitize sinks, hand dryers, toilets and urinals
- Damp-mop floors
- Spot clean walls and remove graffiti
- Clean mirrors, windows and vents
- Fill soap dispensers and replace deodorizers as needed
- Empty trash containers and install new plastic bags
- Clean all fixtures

Deep cleaning of public and employee restrooms shall be performed monthly, including:

- Scrub, disinfect and wax restroom floors; and
- Wash down and disinfect walls, partitions and doors.

b. Public Waiting Areas

Public waiting areas (interior and exterior) are to be cleaned and serviced at the end of each day they are open and available for use.

- Sweep floor, spot clean with damp mop as necessary.
- Wipe down benches with damp cloth.
- Wipe down and disinfect all phones.

- Remove graffiti.
- Empty trash receptacles, ashtrays and install new liners, clean top of trash receptacles.
- Clean drinking fountain.
- Wipe down counter in front of ticket window.
- Clean up spills, coffee cups, food wrappers, gum, articles of clothing and bird droppings.
- Clean and polish stainless steel inside station including rolling doors for the vendors.

Deep cleaning of public waiting areas shall be performed monthly, including:

- Scrub, strip and wax floor (interior only);
- Wash walls and doors while ensuring that wash water and any associated products do no enter the storm drain system;
- Wash windows in and out while ensuring that wash water and any associated products do no enter the storm drain system; and
- Clean window blinds if installed (interior only).

c. Ticket Agent Areas

Ticket agent area (behind ticket counter) is to be cleaned and serviced at the end of each day used.

- Sweep floor and/or vacuum carpet.
- Empty trash containers and install new liners as necessary.
- Dust work surfaces.
- Clean glass on ticket agent counters.

Deep cleaning of ticket agent area shall be done monthly, including:

- Strip and wash/wax floor;
- Shampoo carpet;
- Wash windows in and out;

- Spot clean walls;
- Clean window blinds if installed; and
- Polish work surfaces (schedule with ticket agent to clear surfaces).

6. Landscaping

All planted areas, including trees, shrubs, hedges, grass areas and ground cover are to be maintained to present a manicured appearance free of trash, debris and weeds. Weed removal must be performed at least monthly. Pre-emergent weed spraying should be applied in the spring as needed. Herbicide application may only be conducted by contractors or personnel certified by appropriate local regulatory agencies. The Contractor shall ensure application does not occur prior to two or more consecutive days with forecasted rain greater than 50% as forecasted by the National Oceanic and Atmospheric Administration. All reasonable efforts shall be made to minimize the use of herbicides. Common best management practices shall be followed during performance of this work. The Contractor shall obtain JPB approval of all herbicide products planned for use on the Service Property prior to application. Once application is completed, all unused products shall be collected and properly disposed off of the Service Property. Clippings and replaced stock are to be removed from each site. Work includes:

- Trimming hedges and shrubs quarterly (January, April, July, October);
- Trimming trees semi-annually (April and October) to avoid top-heavy conditions, blockage of signs, and line-of-sight restrictions; and
- Removing and replacing dead or diseased hedges, shrubs and trees.

Grass areas are to be fertilized twice a year (December and May) as long as the application within two consecutive days of forecasted rain greater than 50 percent as forecasted by the National Oceanic and Atmospheric Administration. The following boundaries shall apply to all application sites:

- No application of fertilizer within 5 feet of pavement;
- No application of fertilizer within 25 feet of storm drain inlet; and
- No application of fertilizer within 100 feet of water body.

Common best management practices shall be followed during performance of this work. The Contractor shall obtain JPB approval of all fertilizer products planned for use on the Service Property prior to application. Any unused fertilizer will be collected and properly disposed off the Service Property. Grass areas are to be cut weekly, and ground cover (ivy, ice plant, etc.) is to be trimmed twice a year (January and June). Clippings are to be removed from each site. Work includes:

- Edging and trimming around sprinkler heads;

- Replanting dead or diseased areas with sod or ground cover, as applicable, and maintaining them; and
- Keeping all lawn areas free of burrowing rodents.

Sprinkler systems are to be kept in good repair with all heads operating. Work includes:

- Inspecting sprinkler system weekly and adjusting as necessary;
- Adding heads as necessary to water grass, ground cover, shrubs, hedges, trees and flowers; and
- Adjusting sprinkler system timers to minimize water use during the rainy season.

Irrigation equipment shall be calibrated and irrigation durations shall be monitored to minimize irrigation runoff and prevent flows from the landscaped area into storm drains, unless as approved in certain locations by the JPB.

Tree roots upheaving station platforms, walkways and parking lot pavement shall be removed and walking surfaces repaired afterward.

Landscape personnel must be RWP-trained and wear safety glasses, hard hats, and safety vests. Landscaping responsibilities also extend to other service facilities at CEMOF, Menlo Park and the San Francisco yard.

7. Trash Removal and Recycling

The Contractor shall empty all trash containers daily or twice daily as conditions require, remove trash from stations, and provide a trash sorting service to retrieve recyclable items.

Trash containers shall be kept in good condition and damaged containers replaced as necessary. Covers and lids of trash containers shall be wiped down daily to keep them in a clean and sanitary condition. JPB standard or approved equivalent trash containers shall be added as requested by the JPB to serve the needs of each station.

Newspaper-recycling containers shall be monitored, and recycle container provider notified to empty them as necessary. Recycling service shall be added by the Contractor as requested by the JPB.

8. Painting

Painting services to be performed by the Contractor shall include both exterior and interior painting and preparation in accordance with JPB requirements. The Contractor shall paint over graffiti as necessary per the graffiti removal requirements of this section. Unless otherwise authorized in writing by the JPB, the Contractor must match existing color for any painting.

9. Plumbing

Services to be performed by the Contractor include the maintenance and replacement of toilets, urinals, sinks, drinking fountains, sump pumps, backflow prevention device testing, and related plumbing equipment and fixtures. All cleanouts will be rodded out quarterly (January, April, July and October). Stormwater catch basins and outflow lines will be maintained free of debris and cleaned out as necessary to prevent discharge of debris offsite through the storm drain system. Removed debris and any stagnant water shall be disposed offsite in accordance with applicable local, state, and federal regulations such that the debris and water does not reenter the storm drain system. Common best management practices shall be followed during performance of this maintenance. Clogged sanitary sewer lines shall be snaked as necessary.

All backflow inspections, testing, and repairs are the responsibility of the Contractor. Certifications will be completed and returned to their water districts by the Contractor.

10. Locksmith Services

The Contractor will maintain the existing Medeco Biaxial high-security system, supply keys, and provide locksmith services as required. The Contractor will maintain a padlock system for equipment and utility boxes at stations and another for the right of way usage. Locks and keys will be furnished by the Contractor. Copies of keys will be available to the JPB. The Contractor also shall maintain a key control and inventory system that accounts for all keys, and a current copy of the inventory shall be logged with the JPB Chief of Protective Services.

11. Glass

The Contractor shall be responsible for replacement of glass in station buildings and shelters. Broken glass shall be replaced by the end of the next business day following notice to the Contractor. The Contractor shall take necessary steps to board up windows or otherwise protect station property and public safety when windows are broken. All etched glass and plexiglass shall be replaced upon request of the JPB, including restroom mirrors.

12. Pest Control/Pigeon Control

The Contractor shall provide monthly pest control and shall provide pigeon control services as needed. Pigeon abatement services currently are required at three locations noted below. The JPB reserves the right to require the Contractor to provide services at additional locations as necessary during the term of the Agreement.

The Contractor shall maintain current San Francisco Station pigeon abatement and repellent or deterrent devices as necessary to eliminate perching on the station building, in the plaza, on platform canopies and all other areas of public use, including employee areas throughout the facility. Pigeon droppings on station building and canopies at San Francisco Station shall be cleaned every 12 months. The Contractor shall provide pigeon abatement services at South San Francisco Station under the Grand Avenue structure. Pigeon netting above Lawrence Station must be maintained. Netting shall be inspected weekly to ensure all bird access is eliminated. Repairs shall be made immediately. Dead birds shall be removed immediately upon notification.

13. Electrical

The Contractor shall be responsible for the general maintenance, repair and replacement of electrical equipment and systems at all stations, including rewiring and retrenching, as necessary. The Contractor shall perform annual inspections of electrical systems at station platforms, buildings and parking lots.

Contractor shall be responsible for maintenance and operation of all power infrastructure from the utility power meter of each station's main connection to all of the devices at Caltrain Stations. Power infrastructure that the Contractor shall maintain and keep operational includes, but is not limited to, the Main Panel, Leads, Sub-Panels, Conduits, Power Cables, Pull Boxes, Distribution Cabinets, Power Supplies, Power Converters, Uninterruptable Power Supplies (UPS) Devices, AC and DC Power. In addition, Contractor shall work with the utility companies to troubleshoot and resolve station power issues.

14. Graffiti

The Contractor shall remove graffiti at stations and parking lots within 48 hours after notification. Wet washing of graffiti shall not be performed if such removal techniques allow wash water, chemicals, or paint to enter rivers, creeks, streams or the storm drain system. Common best management practices shall be followed during performance of this work.

15. General Contracting

The Contractor shall be responsible for general contracting activity including, but not limited to:

- Roof repair to stop water leaks or replace missing roof covering material;
- Door and window repair and replacement; and
- Miscellaneous carpentry.

16. Signage and Sign Boards

All signs in the station area must be washed and wiped clean monthly.

Illuminated signs must be kept in good working condition. Signs and signboards damaged by vandals or automobiles are to be repaired or replaced within one week. Broken glass is to be replaced by the end of the next business day following notice to the Contractor.

17. Lighting

The Contractor shall be responsible for lighting maintenance, replacement and repair. This includes all parking lot lights, and interior and exterior station lights (including TVM shelters). The Contractor will furnish all lamps and shall inspect lighting weekly for proper operation. The Contractor shall perform annual inspections of lighting systems at station platforms, buildings and parking lots.

The Contractor shall repair or replace lamps as necessary or when requested by the JPB to maintain public safety standards. Emergency conditions will be corrected immediately. The Contractor shall respond within two calendar days to replace lights in non-emergency cases. Lighting in and around TVM shelters shall be replaced as soon as possible after notice by the JPB or Contractor, but not more than 24 hours after such notice.

The Contractor shall keep all timers and sensors in good operating condition so that lighting is available from sunset to sunrise. Lower light levels during non-service hours are permitted if the station is suitably wired.

18. Heating

The Contractor shall be responsible for the maintenance, repair and replacement of the heating and ventilation systems of station buildings, including HVAC filters. Heaters shall be turned off in the spring unless otherwise agreed to in writing by the JPB. The Contractor shall perform annual inspections of heating and ventilation systems at station buildings.

19. Fire Protection

The Contractor shall be responsible for the maintenance, repair and replacement of the fire protection systems at stations, including standpipes, fire sprinkler systems, and fire alarm systems. The Contractor shall perform annual inspections of fire protection systems at stations.

20. Bike Lockers

The Contractor is responsible for maintaining the exterior of bike lockers and washing the lockers monthly. Bike lockers on the Gilroy extension south of Tamien station are not the responsibility of the Contractor. They are maintained by VTA.

The Contractor is responsible for key and lock maintenance and the overall administration of the bike locker program, including, without limitation, locker rentals/assignments, lapsed rental agreements and renewals, locker maintenance, installation of locker signage, and monthly summary reports of bike locker activity and status in a format approved by the JPB. The JPB is responsible for all deposits and revenue collection in relation to this program.

21. Public Address, Visual Messaging and Other Public Communication Systems

Public address, visual messaging systems and clocks at stations shall be maintained, repaired, or replaced as necessary and performance checked daily to ensure proper functioning of the system at all times. Necessary repairs or replacement of public address/visual messaging systems must be completed by the end of the next business day. Clocks shall be serviced and maintained in accordance with manufacturer's specifications. Non-functioning clocks shall be repaired or replaced as soon as possible, but no later than five business days.

The Contractor also shall notify the JPB of inoperative public telephones at stations immediately.

22. Newsracks

The JPB is responsible for permitting allowable newsracks. The Contractor is responsible for newsrack control and removal, adhering to JPB policy.

23. Special Conditions for Individual Stations

Only those stations with special conditions or exceptions are noted below.

a. San Francisco

This facility is a HIGH-TRAFFIC, HIGH-USE station, and all janitorial activities shall be diligent and provide a high level of cleanliness and sanitary conditions. The Contractor shall maintain restrooms and public waiting areas with an on-site janitor from 5 a.m. to 12 midnight on weekdays, 6 a.m. to 12 midnight on Saturdays, and 7 a.m. to 12 midnight on Sundays/holidays. All restrooms are to be cleaned, sanitized, and re-stocked at least five times a day, seven days a week. An additional janitor shall be onsite during special events two hours before arrival of first train and one hour after last train departure. The Contractor must provide a 24-hour emergency number with an on-site response time within two hours.

All door glass shall be continuously kept free of fingerprints, smudges, and other dirt and debris. All station glass shall be cleaned weekly.

The concourse floor shall be thoroughly cleaned, mopped and sanitized daily and shall be kept dry during inclement weather and additional "Caution Slippery Surface" signs shall be posted at all pedestrian entrances.

b. 22nd Street

The sump pump in the metal shed must be monitored and maintained in good operating condition. The hillside and ditch must be maintained free of debris on a daily basis, and the hillside must be weeded at least monthly.

c. Bayshore

The Contractor shall maintain the hillside along the MT1 side north of the station with bi-weekly cleanup and monthly weed trimming.

The Contractor shall be responsible for elevator maintenance, cleaning and servicing. Both elevators shall be cleaned and disinfected twice a day, five days a week, which includes mopping the floor, cleaning the glass and all stainless steel.

The Contractor shall provide a portable toilet at this station, and it is to be cleaned, sanitized and deodorized once per day.

d. South San Francisco

The Contractor shall clean and maintain free of weeds and litter the area along fence on east side of platforms/track.

e. San Mateo

The City of San Mateo is responsible for all parking maintenance at the station itself. There is a small 42 space parking lot on 2nd Avenue and B Street that serves the station and is to be maintained by the Contractor in accordance with all other JPB parking facilities. The pedestrian tunnel and bike lockers at the station also are the responsibility of the City of San Mateo.

The palm trees along the platform are the City's responsibility to trim. The Contractor shall maintain and keep trees vibrant in accordance with other landscaping requirements.

The City of San Mateo is responsible for elevator maintenance and security, all associated phone lines, and equipment.

f. Hayward Park

The Contractor shall mow weeds at least monthly and shall keep the drainage ditch near the existing shelter free of debris.

Bike lockers at the station are the responsibility of the City of San Mateo.

g. Hillsdale

The Contractor's responsibility for cleaning and maintenance includes parking lots on both sides of Hillsdale Blvd., as well as the lot on the east side of the tracks.

Bike lockers at the station are the responsibility of the City of San Mateo.

h. Belmont

No water is available on the elevated platform. The Contractor shall provide a portable water system to ensure the platform is pressure washed.

The Contractor shall be responsible for elevator maintenance, cleaning and servicing. Elevator shall be swept, mopped, disinfected and all glass cleaned five times a week. All interior and exterior stainless steel shall be polished using stainless steel cleaner/brightener. Costs of elevator maintenance, cleaning and servicing are to be separately identified on Contractor's monthly invoice to the JPB. Emergency phones in the elevator are sent directly to the Belmont Police Department. The Belmont Police respond to emergencies for this elevator and need to be notified of the name and phone number of the elevator service contractor.

Graffiti removal is the responsibility of the City of Belmont.

i. San Carlos

The Contractor shall use approved cleaners and removers rather than paint to remove graffiti from stone building and platform walls. Wet washing of graffiti shall not be performed if such removal techniques allow wash water, chemicals, or paint to enter rivers, creeks, streams or the storm drain system. Common best management

practices shall be followed during performance of this maintenance. All other graffiti removal is the responsibility of the City of San Carlos.

j. Redwood City

Platform cleanup includes the area behind Sequoia Station Shopping Center. Track way cleanup should extend from Jefferson to Broadway. The Contractor also will be responsible for maintenance of area between the creek and James Street and for cleaning the creek bed. All materials including any wash water shall be recovered and not allowed to reach storm drains or the creek.

The Contractor is responsible for maintenance of clock tower building. The District uses and maintains the janitorial and toilet facilities in the clock tower building. The garage under Sequoia Station Shopping Center is owned and maintained by the District.

k. Menlo Park

The historical shelter is to be cleaned, disinfected and deodorized and landscaping on the west side of the shelter maintained.

l. Palo Alto

The Contractor's responsibility does not include the station building used for restrooms and waiting room. All cleaning materials and substances shall be recovered and not allowed to reach the storm drains.

m. Stanford

This is a special event station used for events at Stanford University. The Contractor shall operate lighting and open/close gates at this location for events served by Caltrain, as directed by the JPB. The Contractor shall maintain the area free of debris and weeds at all times, including the ramps to Embarcadero Road.

n. California Avenue

Station restrooms maintained by the Contractor are used by VTA bus drivers, who possess keys.

o. San Antonio

The Contractor shall maintain pathways, access and drainage at this location. The pedestrian tunnel and graffiti removal is the responsibility of the City of Mountain View.

The Contractor also is responsible for maintaining parking in the adjacent condominium development.

p. Mountain View

The parking lot, landscaping, and parking lot lighting are maintained by the City of

Mountain View. Platform maintenance and platform lighting are the responsibility of the Contractor.

q. Santa Clara

The Contractor's maintenance responsibility includes the parking lot across from the station. Station exterior painting is the responsibility of tenant (South Bay Historical Railroad Society). Station restrooms maintained by the Contractor are used by VTA bus drivers, who possess keys.

r. San Jose Diridon

The Contractor's responsibility includes all areas of station building, both floors, occupied areas of old baggage area, all parking lots, train platforms, tunnels, and drop-off and pickup area in front of station and bus passenger boarding area. This station also is utilized by Amtrak, ACE and Capitol Corridor customers, with additional new services anticipated.

The Contractor shall maintain restrooms and public waiting areas with an on-site janitor from 5 a.m. to 12 midnight Monday through Friday and 6:30 a.m. to 12 midnight Saturday and Sunday. A second on-site staff member is required for special events two hours prior to departure of the first special train and one hour after arrival of the last special train. The Contractor must provide a 24-hour emergency phone number with an on-site response time within two hours.

Tunnels and outside areas are to be kept trash and debris free with the trash containers checked, cleaned and emptied as needed. Liners are to be replaced as needed. Inclement weather requires constant observation for water buildup at the bottom of platform ramps. Caution cones and warning signs are to be posted warning passengers of the wet and slippery floors.

Station parking lots are subject to a joint-use agreement with HP Pavilion. The Contractor will adjust management procedures accordingly. The Contractor must record all actual station and parking lot maintenance costs on an annual (JPB Fiscal Year) basis at this station and also provide annual estimates of the costs associated with the maintenance of Platform No. 1, as a subset thereof.

The Contractor shall be responsible for maintenance of the ADA elevator on platforms.

s. Tamien

The rolling gates on the platform level and the concourse level shall be maintained and locked down during non-operating hours (usually midnight to 4:30 a.m. daily).

Because of vandalism at the Tamien station, the downstairs area, the platform, walkways, escalator and elevator need to be thoroughly cleaned at least three times a day. The elevator is to be thoroughly cleaned, disinfected and deodorized three times a day or more as needed. Handrails for stairs need to be checked, cleaned and disinfected as needed, and the portable toilet is to be cleaned, sanitized and deodorized once per day. The restrooms at the Tamien station are

to be checked, thoroughly cleaned and disinfected and deodorized a least two times a day. Restroom doors (both inside and outside) are to be cleaned and disinfected with each restroom cleaning. The employee restrooms shall be cleaned and restocked daily.

All trash containers at the station are to be checked, emptied, cleaned and liners replaced as needed on Saturdays and Sundays. The Contractor must steam clean the metal shelter structure on platform twice yearly and touch-up paint on columns as necessary.

The Contractor's responsibilities include maintenance of station elevator and escalators. The Contractor must maintain sump pumps to keep them operable.

The Contractor is responsible for all bike path lighting and graffiti removal on both walls of the bike path, up and down and north to south, and the sound wall as necessary. A light gray color shall be consistently used.

The supply storeroom shall be maintained in a neat and orderly fashion. The room is used for storing maintenance items for this station, but the Contractor may be required to vacate upon 30-day notice by the JPB.

The existing ticket booth shall be kept free of graffiti, litter, and debris. All etched glass shall be replaced at the request of the JPB. The glass overhang protruding from the walkway on the west side of the station shall be maintained to a high degree of cleanliness. All glass panels shall be cleaned monthly, and all upright columns shall have graffiti removed. Schedule cases are to be checked for vandalism, as well as cleaning.

t. Gilroy

The Contractor is not responsible for maintaining the station building. The Contractor shall maintain platform, lighting and landscaping. Both VTA and Greyhound buses have access to this station for loading/unloading.

The Contractor shall provide a portable toilet at this station, and it is to be cleaned, sanitized and deodorized once per day. The breezeway is to be checked daily and cleaned, sanitized and deodorized as needed.

24. Special Conditions for Individual Stations

Contractor will be responsible for maintenance and operation of all data infrastructure from utility demarcation, also referred to as Main Point of Entry (MPOE), to all of the devices at Caltrain stations. Devices include, but are not limited to, Ticket Vending Machines (TVMs), Clipper Card Interface Devices (CIDs), Add Value Machines (AVM), Visual Message Signs (VMSs), Closed Circuit Televisions (CCTVs), and Public Announcement System (PA). Data infrastructure that the Contractor will maintain and keep operational includes conduits, cooper data cables, fiber optic cables (FOCs), Distribution Cabinets, Pull boxes, Communication Rooms, transceivers, media converters, and all non-proprietary switches and routers. The main station network switch and router, as well as the Clipper network switch and router, are the lone exception and are the responsibility of others. In addition, Contractor will work with the

utility companies and others to troubleshoot and resolve station data communication issues.

2.2.G. OTHER SERVICE PROPERTY, FACILITIES AND EQUIPMENT

This section identifies the Contractor's other service property, facilities and equipment responsibilities, including all buildings and structures located on JPB property (other than those specified elsewhere in the Scope of Services), maintenance and shop buildings, CEMOF, and offices. Those functions designated in this section shall be maintained in accordance with the standards outlined herein. The Contractor shall develop and submit an Other Service Property and Facilities Maintenance Program for JPB review and approval 60 days prior to the Service Date of the Agreement. All maintenance and inspection instructions, procedures, training programs, and staffing plans shall be included as part of the Maintenance Program. The program may be modified from time-to-time by mutual agreement between the Contractor and JPB.

1. Centralized Equipment Maintenance and Operations Facility

The Contractor shall maintain CEMOF in San Jose, including all buildings and equipment. CEMOF maintenance shall be provided in accordance with the CEMOF Maintenance Policy and the maintenance standards specified below. At its discretion, the JPB may require the Contractor to subcontract all or a portion of maintenance services. The use of subcontractors as approved by the JPB shall be in accordance with subcontracting requirements of the Agreement. The Contractor is to furnish all labor, supervision, supplies, tools and equipment as needed to provide regular and on-call facility and support equipment maintenance services at CEMOF. The Contractor also shall provide a CEMOF facilities manager.

a. CEMOF Maintenance Building and Other Structures

The CEMOF Maintenance Building is a 58,800 square feet Maintenance Shop for locomotive and rail passenger car repair and scheduled maintenance work. The Maintenance Shop provides a wheel truing machine for locomotive and rail passenger car profiling; a drop table for traction motor and truck assembly removal; an overhead 25-ton crane for heavy equipment relocation, plus a 5-ton auxiliary crane, a 1-ton crane for lighter lifting and a 4-ton jib crane that is column-mounted; coolant retention tanks and lube oil supply and retention tanks; two 100-hp air compressors that supply shop area with compressed air, air conditioning units, roof vents and fans; roll-up doors on north and south ends of shop building; two 16,000-pound capacity freight elevators and two 3,500-pound capacity passenger elevators. Other equipment includes, but is not limited to a fire pump station, domestic water booster pumps, emergency electrical generators, and a trash compactor.

CEMOF also has a 350-foot run through Train Washer, a 30,000-gallon Water Treatment Plant, and liquid drum storage building. There is an oil/water separator system in this same location at the north end of the CEMOF site. There are two 800-foot Service & Inspection Tracks on the east side of the Maintenance Building that provide track space for fueling locomotives, sand distribution system, sewage removal connection line points and tracks that are above lighted personnel access pits for under equipment inspections.

The Maintenance Building has an area for Material Storage and Control, which has gates and secure fencing. The Contractor is responsible for maintenance of any motorized gates in addition to maintenance of the fence itself. The east side of the building has three floors which provide office space and health and welfare facilities for facility personnel. JPB staff and Contractor manager offices are located on the third floor.

The Maintenance Building has access from the east side of the Caltrain mainline track through a pedestrian and forklift or small vehicle-accessible tunnel 210 feet in length, which has equipment rooms for the elevators at each end of the tunnel and provides space for the ventilation system machinery. Stairways also are provided at each end of the tunnel.

Located at the east tunnel portal at ground level is a material storage and receiving area of approximately 14,000 square feet. Storage space for material is provided in module units and an exterior lay down area.

Located on the west side of the site, on a Lenzen Avenue cul-de-sac, is a Remote Material Storage Building. This building is a 5,200 square feet metal structure that has automated roll-up doors for access to material and also provides a workspace and secure area for the facility technicians to store tools and materials. This space is dedicated to facility maintenance operation. The Contractor and JPB will have keys to the area, and the JPB reserves the right to audit or inspect it at will.

b. CCF and T&E Crew and Administrative Trailers

The CCF is a 5,000 square feet prefabricated metal building that houses the Caltrain Control Center and the Contractor's work stations and offices. Restroom facilities are located in this building as well.

The T&E Crew trailers (crew base rooms) are adjacent to this building in three pre-fabricated modular trailers. Each trailer has a specific function: (1) the men's locker room and rest area; (2) the crew sign-up and break area; and (3) the woman's locker room and rest area.

The administrative trailer is a pre-fabricated quad-wide trailer that serves as the offices and training room for transportation staff. Restroom facilities are located in this building.

c. Preventative and Facilities Maintenance

Under the general direction of the Contractor's CEMOF facilities manager, Contractor CEMOF maintenance staff shall provide all Preventative Maintenance and facilities maintenance services at CEMOF. Preventative Maintenance will be performed at the times and frequencies specified to accomplish the services listed below. Auditing of the Contractor's work quality shall be completed on a random basis by the JPB. The Contractor shall be able to respond to the JPB 24 hours a day, 365 days a year regarding CEMOF operation and maintenance. A commitment to an exceptional level of communication between the Contractor and JPB is essential to CEMOF maintenance services.

Contractor CEMOF maintenance staff shall perform all preventative and facilities maintenance subject to the following guidelines:

- If a failure of a non-Preventative Maintenance item of greater than \$2,500 (part and installation) occurs, the Contractor would provide an estimate of the repair to the JPB, and then require written approval from the JPB prior to the work being performed. For other failures, the Contractor will replace the item and be reimbursed by the JPB under the terms of the Agreement.
- Maintenance requirements are focused on the Preventative Maintenance and incidental repair or replacement of systems and sub-systems. Replacements of entire assemblies covered under Preventative Maintenance are not intended to be a part of the Scope of Services.

Repair work will be performed as outlined by the system-specific OEM Instructions, Operations and Maintenance Manuals (O&M Manuals) for every item currently on the Preventative Maintenance list. Additional Preventative Maintenance tasks may be added by mutual agreement at a later date.

Contractor CEMOF maintenance staff shall perform the maintenance as outlined in the Maintenance Schedule derived from the applicable CEMOF O & M Manuals that shall outline all Daily, Weekly, Monthly, Quarterly, Semi-Annual and Annual maintenance requirements. The Contractor also will perform and supply certifications for any equipment or machine that is covered or required or mandated by a Federal, State, or local regulatory agency.

Maintenance and repair forms including updated schedules shall be completed by the Contractor as work is completed and documented. It is anticipated that the Contractor will have an electronic system of tracking and reporting Preventative Maintenance work. Where required by law or local ordinance, signed originals of inspection documents will be maintained by the Contractor at CEMOF and made available to the JPB upon request. Signed originals of all permits, licenses and inspections will be maintained by the Contractor.

All maintenance services performed shall be performed to the highest standard and follow best practices. Maintenance of all components and hardware shall be completed as originally designed and specified when originally built or applied during CEMOF construction, and maintained in "like new" condition. As-built drawings of the facility for use of the Contractor will be provided by the JPB. Original color schemes shall be maintained with touch-up paint in original matching colors and shades for each surface area or application on machinery or structures, including buildings, offices, interior and exterior surfaces. All work to smooth, flat or textured surfaces shall be made so the work is blended in and not noticeable. If, during the course of this Agreement, one of the originally specified paint or surfacing materials becomes unavailable, the Contractor will present the JPB with two alternative products, including the product performance specifications, product pricing, and an estimate to install/place the new product.

All hardware attachments and repairs shall be made consistent with the OEM design and the O&M manuals that are supplied with each subsystem. Should it

be necessary to change from the OEM drawings or O&M guidelines (due to OEM parts no longer being available, or due to an engineering modification proposed by the Contractor that will improve the operation or efficiency of the item in question), the Contractor will provide a detailed proposal presenting the costs with this modification and the benefits to JPB. Until any proposed modification is approved in writing, the Contractor must utilize parts that conform to the OEM drawings or O&M guidelines.

All work deemed to be advanced technical work, including, but not limited to, HVAC servicing; electrical work; plumbing work; testing or maintenance of the fire protection system controls and alarm; operation, sampling and Preventative Maintenance of the wastewater treatment systems; maintenance and operation of the elevator systems; maintenance and operation of the fuel, lubricant and sand delivery systems; and other maintenance normally requiring certified or skilled training shall be subcontracted by the Contractor, if not readily available by Contractor's direct staff or personnel. The intent is for the Contractor to perform Preventative Maintenance on all systems at CEMOF. Daily inspections will be made by the Contractor staff that operates the machines. When Preventative Maintenance or maintenance activity is indicated in the job documents, but no inspection sheet is included; it is anticipated that the Contractor will propose a Preventative Maintenance, maintenance, and sampling schedule that conforms to legal requirements, manufacturer's specifications, or industry standards, as appropriate. All subcontracts for Preventative Maintenance, maintenance or other activities will be the sole responsibility of the Contractor.

The Contractor shall provide resources for two annual CEMOF base inspections and the associated cleanup and repair effort that will take place twice a year. These special activity windows are to perform painting, cleaning and Preventative Maintenance activities that might be difficult to schedule on a weekly or monthly basis.

d. Materials, Supplies and Consumables

The Contractor shall provide all replacement components and materials including consumable materials and supplies for the maintenance and inspection of CEMOF. It is the responsibility of the Contractor to maintain sufficient inventory of tools and materials to perform all maintenance services with no down-time to CEMOF and ensure that no item of facility equipment is non-functional and no unsafe facility condition exists due to a shortage of an item. The Contractor also shall be responsible for providing all hand and power tools and other equipment tooling to perform the maintenance services on CEMOF support equipment, systems, and buildings. During the term of the Agreement, various warranty periods for the major equipment items and other facility sub-systems may apply. All maintenance services shall be performed in a manner that assures the integrity of the warranty for each item serviced. Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, if the Contractor, through its direct or indirect actions or omissions voids the warranty for a specific piece of support equipment or component, the Contractor will, at its sole expense, assume the remaining

warranty obligations for such piece of support equipment or component. All components that are removed for replacement or repair shall have applicable serial numbers recorded for both the used and new component.

The Contractor shall provide all rags and cleaning materials including lubricants and solvents required to perform the maintenance services. All cleaning compounds, lubricants, solvents, abrasives, and other products must meet the JPB's approval prior to being brought on site. It is the Contractor's responsibility to verify that all lubrication, cleaning and general chemicals that it intends to utilize are approved by the JPB.

d. Performance Schedule

A minimum requirement of CEMOF maintenance services is for the provision of two full-time facility technicians that shall be on-site to perform daily maintenance activities at CEMOF, Monday through Friday. The on-duty service hours for the two technicians shall be between 7:00 a.m. and 3:00 p.m., which is subject to change by mutual agreement of the parties. Other than these two positions, it is the Contractor's responsibility to determine the appropriate personnel required to accomplish all maintenance services required at CEMOF.

All maintenance to CEMOF, including repairs and maintenance to buildings, equipment or machinery, that may generate noise that may be obtrusive to the adjoining neighborhoods shall not be performed after 5:00 p.m. on Saturday or Sunday unless agreed to by JPB written approval.

Contractor and subcontractor personnel assigned to perform maintenance services at CEMOF are required to attend initial and subsequent annual refresher training sessions as specified in the Contractor's Training Plan, including Blue Signal Protection for Workmen and RWP, and shall be required to follow JPB and Contractor safety rules and procedures applicable to CEMOF, while engaged in work activity at CEMOF.

e. Additional Facilities Maintenance Work

In addition to scheduled work activities, additional facilities maintenance work may be required at CEMOF. There may be a need for the Contractor's CEMOF maintenance staff to perform additional work on an "emergency," "urgent," or "normal" basis. The Contractor's CEMOF maintenance staff shall respond to all service calls within thirty minutes of the initial call. At that time, the Contractor's facilities manager or designee will make a determination as to the urgency of the service. The service will be determined to be either:

- "Emergency" requiring mobilization of Contractor CEMOF maintenance personnel within one hour of notification of the problem;
- "Urgent" requiring mobilization of Contractor CEMOF maintenance personnel within four hours of notification of the problem; or

- “Normal” requiring mobilization of Contractor CEMOF maintenance personnel within one business day of notification of the problem, in effect becoming a task for the maintenance staff on the next scheduled business day.

The Contractor will establish and forward to the CEMOF maintenance staff, the schedule for completion of the additional work assignments as they occur.

2. Other Service Properties

The properties listed below shall be maintained in accordance with the standards set forth in Paragraph 3 below.

- Terminals and maintenance facilities, including all San Francisco Yard facilities, the San Jose Diridon Yard, and the Gilroy Storage (Layover) Facility
- Maintenance of Way support facilities
- Maintenance of Way and other material yards, including such yards/storage areas currently at South San Francisco, Bay Meadows, Redwood City, Chilco area near Dumbarton line, and south of Mountain View
- Administrative Headquarters Facility at San Jose Diridon
- Satellite facilities such as training trailers, etc.

3. Other Service Property and Facilities Maintenance Standards

The levels of maintenance described herein are not all-inclusive and are intended to provide direction for the Contractor to provide quality fixed property maintenance with the intent to avoid the deferral of maintenance. Levels of maintenance shall be performed as described herein unless governed by other special conditions (i.e., maintenance contracts with outside vendors, landlord maintenance agreements, etc.). Levels of maintenance to machinery, systems, components, equipment shall be performed per the manufacturer's standard recommended maintenance instructions to the extent that they exist or as otherwise directed by the JPB.

All commuter rail service properties and associated systems shall be maintained by the Contractor in accordance with all applicable Local, State and Federal codes, laws and regulations. Maintenance of JPB properties shall also be sensitive to the historical nature of specific elements of the Service Property. The Contractor shall be responsible to maintain current appropriate permits, certificates, licenses, etc., relating to the Service Property, systems, facilities and equipment used in its maintenance. In so doing, the Contractor, 30 days prior to the Service Date of the Agreement, shall submit to the JPB for review and approval a program to manage the updating and records keeping for all permits, licenses and certificates. This program shall include, but not be limited to, compliance with all local, State and Federal environmental laws and regulations.

All driveways, roadways and access ways shall be kept clean and maintained in a reasonable State of Good Repair. Train storage and layover facilities shall be kept clean and well maintained.

All JPB-supplied machinery, equipment, buildings and facilities used by the Contractor in place as of the date of the Agreement, including facilities used by the Contractor in maintaining the Service Equipment, shall be maintained in clean and good working order, ordinary wear and tear excepted. Worn-out parts shall be replaced by the Contractor. Machinery and equipment shall be serviced and maintained according to manufacturer and supplier recommendations/instructions. The Contractor or subcontractor shall not undertake any alteration or modification of buildings, systems, which includes but is not limited to electrical, plumbing, structural, and sub-support systems, or apply any signage to any interior or exterior surface without JPB prior express written permission specific to the request.

Shop floors, platforms and pits shall be kept free of accumulations of dirt and grease at all times. Walkways shall be delineated by yellow striping, and maintained free of parts and debris. Storage yard tracks, work areas, material control buildings and compounds shall be clean, orderly and trash removed. Craft work stations and modules for welfare shall be maintained in an orderly manner and cleaned daily.

The disposal and recovery of hazardous materials, such as oil and engine coolant, shall be as prescribed in Environmental Services section below. Lubricating oil leaks shall be repaired promptly, and oil must not be allowed to accumulate on decks or in passageways. Rags and towels shall not be allowed to accumulate and shall be put in proper containment after use.

Proper facilities shall be provided, and the Contractor shall ensure parts and components are stored only in designated areas, and under security appropriate for the nature of the part. Parts and components that are sensitive to heat, cold, moisture and humidity shall be properly protected.

The maintenance instruction to be followed at CEMOF shall be the CEMOF Building Maintenance Schedule, which shall be provided and updated by the JPB. All maintenance of way headquarters points (tool houses) and shop facilities, including buildings, equipment, utilities, sanding, facilities, fueling facilities, and train storage areas, shall be kept clean and in a State of Good Repair at least equal to that of the Service Date of the Agreement. New or reconstructed shop facilities shall be maintained to the level received, less normal wear and tear.

4. Other Service Equipment

Unless otherwise leased by or required of the Contractor, the JPB shall provide rubber-tired vehicles for use by the Contractor in providing the Services and funding for replacement of existing vehicles when needed from time to time. Prior to the beginning of each JPB Fiscal Year, the Contractor and JPB will agree upon specified rubber-tired vehicles and the associated costs and timing required for replacement vehicles during that Fiscal Year.

JPB non-revenue rolling stock and vehicles shall be maintained in accordance with the standards set forth in Paragraph 5 below. Such vehicles and equipment include

those owned by the JPB or owned or leased by the Contractor and specifically used by the Contractor for the provision of Services.

Vehicles designated by the JPB will display an approved Caltrain or JPB logo on both the driver and passenger side doors. Assignment and use of JPB-provided vehicles on a 24-hour basis by Contractor employees shall be only by JPB written approval and restricted to Operation managers unless otherwise approved by the JPB. All of the highway vehicles used by the Contractor in providing the Services shall carry California license plates and display the Caltrain logo and any required regulatory stenciling.

The JPB reserves the right, at its sole discretion, to use its own or contracted maintenance services for any of the non-revenue vehicles or equipment. All vehicles provided by the JPB shall be used exclusively in the fulfillment of the obligations required in the Agreement.

5. Other Service Equipment Maintenance Standards

The levels of maintenance described herein are not all-inclusive and are intended to provide direction for the Contractor to provide quality non-revenue vehicle and equipment maintenance with the intent to avoid the deferral of maintenance. Maintenance shall be performed as described unless governed by other special conditions (i.e., rental or lease contracts) and per manufacturer's standard recommended instructions. All non-revenue vehicles and equipment used by the Contractor shall be maintained in clean and good working order, ordinary wear and tear excepted.

All non-revenue vehicles and equipment must be maintained in accordance with all applicable State and Federal codes, laws and regulations. The Contractor is responsible to maintain as current all appropriate permits, registrations, inspections, certificates, licenses, etc. relating to the operation and maintenance of non-revenue vehicles and equipment. The Contractor shall provide motor vehicle registrations and inspection stickers for all vehicles provided by or to the JPB.

All Contractor truck drivers and equipment operators must have and maintain a license valid for the operation of the type of vehicle or equipment to which they may be assigned. Any of the Contractor's employees who are involved in a preventable JPB non-revenue vehicle accident during the period of the Agreement must attend a JPB-approved remedial driver training program.

Maintenance and general appearance of the non-revenue vehicles and equipment must also be sensitive to the aspect of the public image of both the JPB and Contractor. The JPB reserves the right, at its sole discretion, to direct Contractor to perform any emergency or safety-sensitive maintenance or repairs to any non-revenue vehicles or equipment units.

The Contractor and JPB will perform joint annual non-revenue vehicle and work equipment inspections. The inspections will be documented using a standardized inspection form.

The Contractor and JPB shall agree on a schedule for completion of/compliance with the above Other Service Equipment standards.

2.2.H. MATERIAL MANAGEMENT

The Contractor shall initiate the procurement process of all materials, parts and services, unless otherwise provided by the JPB, and maintain inventory levels to ensure adequate inventory for the successful operation and maintenance of Caltrain. The Contractor shall acquire, store, secure, issue, account for, control and dispose of JPB-provided materials and other assets in accordance with sound procurement practice and JPB policies, including any updates that occur during the term of the Agreement. The Contractor shall adhere to applicable JPB policies and procedures when procuring materials and parts for the Agreement, and procurement shall be based upon the requirements of the BSP.

The Contractor shall procure, manage, and disburse material and parts through a computerized system. The Contractor shall maintain an inventory of repair-and-return, unit exchange, and other spares required to support the requirements of the Agreement. When requested by the JPB, the Contractor shall keep separate inventory records in the Material Management system for those items that have been purchased using capital funds. The JPB has the final authority on supplier selection for any material, part or service. Before any substitution of a JPB-approved supplier can occur, it must be approved in writing by the JPB. The JPB reserves the right to transfer management or procurement responsibility for some or all of the Contractor-managed materials, parts and services to the JPB; approve the method, software, part numbers, forms, etc. used in maintaining inventory; or implement its own inventory management system during the term of the Agreement.

The Contractor shall not use JPB materials for purposes not directly utilized in Caltrain service without the express written approval of the JPB. This also shall apply to any JPB materials transferred to another location that is not owned or operated by the JPB.

1. CEMOF Material Control

The Material Control warehouse at CEMOF shall be staffed to support the Mechanical Department's operation at a minimum. With the exception of holidays, current Material Control staffing is from 11:00 p.m. on Sunday to 11:00 p.m. on Friday and 7 a.m. to 3 p.m. on Saturday. The Contractor shall consider limited and controlled after-hours and weekend access to select Contractor employees.

2. Menlo Park Material Control

The Material Control warehouse at Menlo Park shall be staffed to support the Maintenance of Way Department's operation at a minimum. With the exception of holidays, current Material Control staffing is from 7:00 a.m. to 4:00 p.m. on Monday through Friday. The Contractor shall consider limited and controlled after-hours and weekend access for emergencies and Construction Support projects extending through the weekend.

3. Material Storage

All material must be stored in an orderly manner, tagged or identified, such that it can be easily found, inventoried and placed and is not damaged, warped, twisted or otherwise distorted during storage. As required, liquids shall be stored in secondary containment. Common best management practices shall be followed for material

storage. The JPB may reject as non-compliant any support inventory not stored in conformance with this policy. Loss of value due to improper handling or storage of support property or support material shall be the responsibility of the Contractor.

4. Inventory

All material taken into the warehouse must be verified as to count and condition prior to recording in the Material Management system. All material issued or received must be recorded and documented as to whom it was issued or withdrawn by or whom it was received from and received by, whichever the case may be. The Contractor may maintain mini-inventories at each yard for commonly used items, but those mini-inventories shall continue to show as "inventory", noted to be at the yard location. Any time that a mini-inventory item is used, it must be reported in the system.

The Contractor must provide consistent and accurate inventory data for the JPB's monthly and year-end accounting reporting. This includes accurate exception reporting of price and quantity adjustments. The Contractor shall reconcile any inconsistencies in reported data, including payment to the JPB for unaccounted shortages. The Contractor shall provide staff support for this function, as required.

The Contractor shall conduct and report to the JPB the results of annual inventories as specified in Part 2, Section 2.A.11

5. Disposal of Material

The Contractor shall dispose of any material designated by the JPB as scrap or surplus, with the proceeds returned to the JPB. Such disposal shall only occur with the written approval of the JPB. All ties removed from track, considered scrap, and not programmed for reuse must be disposed of off property within 90 days of removal from track.

On an annual basis the JPB may conduct a joint audit with the Contractor aimed at identifying obsolete material. In accordance with JPB policies and procedures, the Contractor shall dispose of any obsolete material identified through this process, but may do so only with JPB written approval.

6. Material Management Plan

The Contractor shall submit a Material Management Plan 60 days prior to the Service Date of the Agreement for JPB approval that explains fully how the Contractor will manage the CEMOF and Menlo Park Material Control and other storage locations in conformity with the requirements of the JPB, including an inventory reordering plan, inventory control as a whole, staffing and all details of the Contractor's operational plan for Material Management. The plan shall also address quality control aspects, including inbound inspection of material, management of suppliers, material specification management and disposition of material.

2.2.I. REVENUE COLLECTION AND ACCOUNTING

It is the JPB's objective that fare evasion is minimized, that revenues collected not be lost or stolen, and that revenues be reported in an accurate manner. The JPB shall be

responsible for the installation, maintenance, repair, servicing, cash handling and revenue accounting associated with TVM operation.

This section may be revised from time to time, subject to the mutual agreement of the parties.

2.2.J. SAFETY

The safety of passengers, employees, and the surrounding communities shall be the primary concern of the Contractor in the execution of the Agreement. The Contractor will conduct its operations with strict adherence to the Caltrain System Safety Program Plan, all applicable safety and operating rules, all safety provisions of the Scope of Services, and Federal, State, and local regulations. The Contractor shall not permit its employees or subcontractors to perform any duty without proper training in safety and operating rules. The Contractor's Safety Management Group will audit the Contractor's employees for compliance. Failure of Contractor's employees to comply with any part of these safety requirements shall be considered a breach of the Agreement. As such, the JPB reserves the right to remove, insofar as Caltrain service is concerned, Contractor's employees who perform in violation of the Agreement.

1. Contractor Safety Management

The Contractor shall employ a full-time Safety Management Group consisting of one or more Safety Officers dedicated solely to the Caltrain system. The Contractor Safety Officer(s) must have previous rail safety experience. The Contractor Safety Management Group has the responsibility to ensure all requirements of this section are complied with and will report directly to the Contractor's General Manager. The Contractor will furnish for JPB approval, at least 60 days prior to the Service Date of the Agreement, a Safety Management Group Plan that outlines the organizational structure of the group and duties and responsibilities of the employees therein.

The Contractor's safety management duties will include, but are not limited to, auditing of rail operations and maintenance activities for compliance with JPB, Federal, and State requirements; 24/7 response to all accidents or safety-related incidents; reporting officer for Federal and State reporting requirements; use of the Caltrain safety reporting software system (currently TransitSafe) for the purpose of entering safety-related information such as identified hazards, corrective actions, training records, accident/incident information, and audit reports (both internal and external); completion of an annual internal audit to determine compliance with the Caltrain SSPP; establishment and staffing of an EOC; participation in the Caltrain tri-annual SSPP third-party audit; coordination of required Emergency Response Drills with local agencies and in compliance with Caltrain's PTEP; coordination of Contractor Safety Committee and Safety Meeting requirements; participation in the Caltrain System Safety Review Committee; participation in the Caltrain Rules Committee; oversight of Contractor training requirements as identified in the Caltrain SSPP; handling of all environmental and employee health issues; and other duties as required by Agreement or as assigned. The Contractor's General Manager and senior Safety Officer shall be signatories to the Caltrain SSPP to indicate agreement and compliance.

The Contractor Safety Management Group responsibilities shall also include comprehensive oversight of Contractor roadway worker safety in accordance with the Caltrain On-track Safety Protection Plan. Responsibilities include RWP training of all Contractor maintenance employees, other contractors, and subcontractors; review of work plans for safety compliance; and field audits of maintenance and construction activities, particularly on nights and weekends when the bulk of the work is performed.

The Contractor Safety Management Group will participate, where practicable, in all audits by outside parties or agencies such as APTA, FRA, or CPUC. Following receipt of an audit report, the Contractor Safety Management Group will develop and submit to the JPB Safety Officer for approval a Corrective Action Plan within 10 business days for all deficiencies or recommendations that result from the audit. The Contractor Safety Management Group will be responsible for completion of the Corrective Action Plan.

2. Safety Action Plan

The Contractor shall provide for review and approval, a comprehensive Safety Action Plan that describes how the Contractor will comply with the Caltrain SSPP and is inclusive of employee, customer and operational safety, employee health and environmental safety. The Safety Action Plan must be submitted for JPB approval at least 60 days prior to the Service Date of the Agreement. The Safety Action Plan will be updated annually to be consistent with the most current version of the Caltrain SSPP and will be submitted to the JPB Safety Officer for review and approval no later than December 31 each year. The Safety Action Plan shall be created and published for Caltrain as a Caltrain-specific document. Investigation reports, forms and files shall be identified as Caltrain. Contractor's standard "corporate" safety program and forms shall not be used.

The Contractor's Safety Action Plan elements include, but are not limited to, General Safety Rules for Employees, an Accident/Incident Reporting program, a Hazard Identification and Management program (including "close calls"), a Passenger Train Emergency Preparedness Plan, a Safety Committee plan, a Substance Abuse program as specified by FRA regulations, a Fatigue Management program, an Hours Of Service management plan, employee certification programs, and an Operational Rules Testing program. All of these Safety Program elements will be in full compliance with FRA and CPUC regulatory requirements.

The Contractor shall perform an annual internal audit as directed by the JPB to determine compliance with the Caltrain SSPP. The Contractor shall prepare a written summary of findings, with a remedial action plan, for JPB review within 10 days of the completion of the internal audit. The Contractor shall implement corrective actions recommended by the internal audit or by third-party auditors, after review with and approval by JPB designated personnel. The Contractor shall invite and allow JPB management to participate in all safety-related reviews, including, but not limited to, efficiency tests, internal safety audits, and other reviews of a related nature.

3. Caltrain System Safety Program Plan

The Contractor shall comply with and support the most current Caltrain SSPP. Updates and modifications to the plan are made regularly, and the Contractor shall

participate with the JPB during annual update and review of the SSPP and comply with any and all changes to the plan. The Contractor shall also participate in the review and update of other safety-related documents as required by the JPB. The Contractor shall be a signatory participant in the Caltrain SSPP, and Contractor signatures shall indicate agreement and compliance with the SSPP. Furthermore, during Mobilization, the Contractor shall review and provide input into the Caltrain SSPP, and there shall be a joint review of the input to determine whether modification of the Caltrain SSPP is needed.

4. Roadway Worker Protection

All roadway workers, contractors and subcontractors of the Contractor or JPB shall be trained, qualified in, and work in compliance with the Caltrain On-track Safety Protection Plan and all applicable regulations contained in 49 CFR 214. All required RWP training shall be conducted by the Contractor and documented in the Caltrain safety reporting software system (currently TransitSafe) provided by the JPB. Auditing of the JPB's and Contractor's roadway workers, contractors, and subcontractors for compliance with the Caltrain On-track Safety Protection Plan and all applicable regulations contained in 49 CFR 214 shall be performed by the Contractor and JPB both jointly and independently. The Contractor shall participate in an annual review and update of the Caltrain On-track Safety Protection Plan and shall comply with all updates. Furthermore, during Mobilization, the Contractor shall review and provide input into the Caltrain On-track Safety Protection Plan, and there shall be a joint review of the input to determine whether modification of the Caltrain On-track Safety Protection Plan is needed.

5. Safety Committees

The Contractor shall maintain a safety committee program as described in the Contractor's Safety Action Plan and in compliance with the Caltrain SSPP. The Contractor Safety Management Group shall be responsible for auditing the safety committee meetings and may attend and participate at his or her discretion. Minutes of these meetings shall be forwarded each month to the JPB Safety Officer. The Contractor also shall participate in a monthly safety meeting with the JPB Safety Officer.

6. Emergency Operations Center

An Emergency Operations Center Plan to staff an EOC capable of independently sustaining and controlling Caltrain operations for a minimum of 72 hours during a civil emergency shall be submitted for JPB review and approval at least 60 days prior to the Service Date of the Agreement. National Incident Management System (NIMS) training from Federal Emergency Management Agency (FEMA) will be required for managers along with training on Standardized Emergency Management System (SEMS) from the California State Office of Emergency Services with emphasis on the differences and uses of each system. The EOC Plan will describe the minimum requirements for amenities to be provided at the EOC. The Contractor will be responsible for acquiring and installing the required amenities, and the Contractor Safety Management Group will be responsible for ensuring that EOC preparations are audited and compliant.

In addition, the Contractor shall plan for and staff the EOC for one field drill/exercise and one tabletop/EOC drill annually, coordinated with Caltrain and regional EOC activities as appropriate. The Contractor shall include outside agencies as necessary. The Contractor shall collaborate with JPB Safety and Protective Services during the planning stage of all emergency preparedness exercises and must submit an ICS compliant exercise plan for JPB approval no less than 60 days prior to any intended exercise.

7. Facility and Station Inspections

The Contractor shall conduct monthly inspections of all stations, employee layover facilities, sign up areas and offices and maintenance facilities. Inspections must be documented on JPB-approved checklists as defined in the current SSPP and will include corrective action plans and assignments of responsibility. Copies of inspection reports shall be forwarded to the JPB Safety Officer within three days of inspection, and findings of inspection shall be recorded by the Contractor in the Caltrain safety reporting software (currently TransitSafe).

8. Hazards Involving Projects

Where the JPB or Contractor determines an immediate and serious hazard exists, the Contractor or JPB representative has the authority to immediately contact the appropriate personnel to request that the hazardous conditions be corrected or hazardous practices halted. Should contact prove to be infeasible or unsuccessful, the Contractor or JPB representative shall have the authority to stop the project work. The JPB reserves the right to conduct unannounced inspections aimed at identifying and eliminating unsafe practices, operations, and conditions.

9. Injury Statistics

The Contractor shall furnish to designated JPB personnel a monthly report, including the number of FRA reportable employee injuries, in a format approved by the JPB.

10. Regulatory Agency Reporting

An Internal Control Plan for Accident and Incident Reporting as required by 49 CFR 225 shall be submitted for JPB review and approval at least 60 days prior to the Service Date of the Agreement. The Contractor shall be the Operating Railroad of Record for all incident and injury reports to regulatory agencies, including but not limited to FRA, CPUC and Cal-OSHA and in accordance with FRA regulations contained in 49 CFR 225. The Contractor shall also enter all incident and injury information into Caltrain's safety reporting software system (currently TransitSafe) within 48 hours of the incident. The Contractor shall designate a reporting officer as the primary contact for all reporting requirements, and the Contractor's reporting officer and JPB Safety Officer shall meet monthly to discuss the previous month's incidents and on-going issues involving reporting compliance.

11. Accident and Incident Investigation and Reporting

The Contractor shall immediately investigate all accidents, incidents, injuries to employees or passengers, or damage to Service Property or Service Equipment. The

Contractor shall immediately notify the designated JPB personnel of any such incidents. Contractor's responding managers shall be trained in and respond in accordance with ICS protocols, including integration with JPB Safety and Protective Services and Transit Police at any Unified Command (UC) Post established on scene. Investigations must be documented on appropriate forms as prescribed in the Contractor-provided Internal Control Plan for Accident and Incident Reporting. Completed investigative reports must include a brief narrative description of the accident/incident, a description of the immediate remedial actions taken by the Contractor, a Corrective Action Plan outlining steps the Contractor will take to prevent the occurrence of the accident/incident in the future, and any applicable supporting documents. Completed investigative reports must be forwarded to the designated JPB personnel within 24 hours of the time the event took place. In cases where it is not feasible to forward a completed report within 24 hours, a preliminary report must be forwarded. Follow-up reports must be made to the JPB when corrective actions are completed or changed. The Contractor also shall enter all investigative reports and pertinent information in the Caltrain safety reporting software system (currently TransitSafe).

The Contractor is responsible to ensure investigation and reporting requirements are included in any contracts or subcontracts entered into by the Contractor. The JPB Safety Officer shall approve these requirements. The Contractor is responsible for ensuring that all managers and all front-line employees have received NIMS training appropriate to their job classification and responsibilities. Accident and Incident investigation and reporting requirements are specified in the Required Reports and Notification section of the Scope of Services.

Nothing in this section shall relieve the Contractor from notification requirements found elsewhere in the Agreement that require notification of accidents, incidents, or hazards to JPB officers, including without limitation those found in the Scope of Services. Final closeout reports of accidents or incidents provided to the JPB shall contain summaries of discipline assessed, if any, and any recommended changes in operations, rules, standards or training resulting from the accident or incident investigation.

12. Event and Video Recorders

The JPB reserves the right to install video recorder camera systems in JPB rolling stock and fixed facilities. The JPB shall have full and complete access to and control of the following, without prior notification to the Contractor:

- Locomotive event recorders and locomotive event recorder data;
- Locomotive video recorder camera systems and video recorder data;
- Control system and signal system event recorders and recorder data; and
- Closed-circuit television (CCTV) systems at fixed facilities.

13. Revision of Safety Practices

The Contractor shall, with prior JPB written approval, revise its SOPs, emergency response practices, training techniques, or reporting practices if it is revealed to the Contractor through industry communiqué, employee communications, or JPB communication that such revisions will assist in the reduction or prevention of injury or loss of life to its employees, Caltrain passengers, JPB employees, the surrounding community, or Caltrain equipment or property.

2.2.K. ENVIRONMENTAL SERVICES

The Contractor shall operate, maintain, and service environmental systems located throughout the JPB Service Property. The Contractor shall provide and maintain, in the name of the Contractor or the Environmental Subcontractor whenever possible, the environmental plans, permits, certificates and licenses necessary to perform Services.

The Contractor, with the assistance of subcontractors, shall furnish all labor, materials, tools, and equipment to operate, test, service, maintain, and repair JPB environmental systems at facilities throughout the Service Property. The Contractor shall retain the services of a properly certified and licensed Hazardous Materials Disposal subcontractor and other properly qualified Environmental Subcontractors as needed to perform the specialized services included in this section.

The Contractor shall properly dispose of any waste or hazardous material generated while performing Services throughout the Service Property. Disposal and storage of waste and hazardous material shall be in accordance with all applicable Federal, State, and local regulations. The Contractor shall keep storage of waste and hazardous waste material on the premises to a minimum. The Contractor shall return the work area to its original conditions after conducting work efforts included in this section.

The Contractor shall monitor and notify the designated JPB personnel immediately by phone of any incident with possible environmental impacts, regardless of who the responsible party is, such as diesel fuel spills, motor oil spills, illegal disposal of hazardous material on Caltrain property, and spills from rail cars. This notification will not relieve the Contractor from its obligation to initiate and supervise cleanup and disposal of spilled material.

1. Environmental Plans, Permitting and Reporting

The Contractor shall comply with and maintain current all appropriate plans, permits, certificates, and licenses relating to the Service Property and systems and facilities used in performing the Services, including, but not limited to, the following:

- National Pollutant Discharge Elimination System (NPDES) General Discharge Permits for the Gilroy Facility
- Storm Water Pollution Prevention Plans (SWPPP) and Related Notice of Intent (NOI) for CEMOF
- Spill Prevention Control and Countermeasures Plans (SPCC) for CEMOF

- Bay Area Air Quality Management District permits for diesel-powered backup generators at Diridon, CEMOF, the Center Control Facility (CCF), Backup CCF (BCCF), San Bruno Station, and San Francisco 4th and King.
- Municipal Sewer Discharge Permits, as required
- Aboveground Storage Tank Permits
- Hazardous Material Business Plan(s)
- Requirements related to fueling
- Department of Toxic Substances Control (DTSC) notifications and reporting

No later than 60 days prior to the Service Date of the Agreement, the Contractor shall submit for JPB review and approval an Environmental Compliance Program for Operations to manage the transfer, updating, implementing, and record-keeping for all plans, permits, licenses, and certificates. The Environmental Compliance Program for Operations shall include a listing of all required permits and a schedule for transferring those permits into the Contractor's name. Applicable permits will be transferred to the Contractor prior to the Service Date. The program shall be submitted in an electronic format and shall include, but not be limited to, compliance with all Federal, State and Local environmental laws and regulations.

The Environmental Compliance Program for Operations shall also specify the procedures to be followed during fuel handling activities within the Service Property, both for locomotives and on-track equipment. The JPB shall contract for the purchase of locomotive fuel, and the Contractor shall coordinate delivery requirements and supervise deliveries at San Francisco, San Jose and Gilroy. The Contractor shall monitor fuel deliveries at least once each month at each fueling location, document observations on a JPB-approved checklist and maintain them for not less than 36 months.

No later than 30 days prior to the Service Date of the Agreement, the Contractor shall submit for JPB review and approval a draft Emergency-Spill Response/SPCC plan, including a chain of command for spills throughout the Service Property, regardless of source. A final Emergency Spill Response/SPCC plan for each facility shall be adopted within 90 days of the Service Date. The plan shall be updated on an annual basis and provided to the JPB by the start of each Fiscal Year.

The Contractor shall complete periodic inspections, sampling, and reporting requirements necessary to maintain all environmental permits, certificates, licenses. Applications for permits, certificates, and licenses relating to the Service Property, Support Property and systems will be prepared and forwarded to the JPB 90 days prior to expiration. The Contractor shall maintain the tracking of permits, certificates and licenses.

The Contractor shall cooperate with the JPB in the procurement of any permits that must be obtained by either the JPB or Contractor, including without limitation, preparation of permit applications and preparing responses to questions and

comments on the permit applications. In general, the JPB will retain responsibility for modifications or improvements to the physical infrastructure of the Service Property as related to permits, certificates and licenses. The Contractor shall provide any recommendations, as appropriate, to facilitate compliance with environmental regulations, or the requirements of the permits, certificates, or licenses.

In compliance with Occupational Safety and Health Administration (OSHA) requirements, the Contractor shall maintain a Safety Data Sheet (SDS) center at each yard with SDS information for all chemicals used in the operation. The SDS center shall be at a mutually agreed upon location and available to all employees.

2. Air Emissions

The Contractor shall be responsible for all testing, monitoring, permitting and reporting related to requirements of the California Air Resources Board (CARB), the Bay Area Air Quality Management District (BAAQMD) and other regulatory agencies.

To help meet evolving air emission regulations, particularly in connection with fuel consumption and potential greenhouse gas or particulate emission issues, the Contractor must maintain fuel usage logs, which are to include total monthly fuel usage for all combustion units. A monthly report must be submitted to JPB that includes a copy of all fuel usage logs and calculates fuel usage for the past 12 months. Receipts and logs must be maintained on-site and available for inspection by any regulatory agency upon request. The log also shall include the name and signature of the responsible foreperson. This data will help the JPB and Contractor ensure compliance with regulations.

3. Regulated and Hazardous Waste and Material

The JPB shall be the generator for all waste related to routine maintenance or operations, and the Contractor shall be generator for waste related to spills or other occurrences related to the Contractors errors or negligence. Any regulated waste or spent hazardous materials located on the Service Property shall be disposed of in accordance with all applicable environmental regulations. The Contractor shall submit for JPB review and approval 60 days prior to the Service Date of the Agreement an Environmental Hazard Procedures Manual that addresses all uses of hazardous waste and materials on the Service Property. These procedures shall include, but not be limited to spill prevention and control (including a formalized description of the Contractor's emergency/spill response team and chain of command for all applicable Service Property locations), hazardous materials and medical waste handling, hazardous materials or waste generators (not limited in size), an emergency/spill response team and chain of command for all applicable Service Property locations. The procedures shall be developed in compliance with JPB policy and all applicable local, State and Federal environmental laws and regulations. All policies shall be developed and updated, and all Services provided by the Contractor shall be in compliance with applicable Federal, State and local environmental laws and regulations, applicable permits, and JPB policy.

The Contractor shall take immediate actions to comply with all applicable laws and regulations and permit conditions concerning the release of any contaminant on or along the Service Property without regard to source. The Contractor and

subcontractors shall comply with all written policies maintained by the JPB or applicable regulatory agencies pertaining to environmental compliance and response policies and procedures, including coordination with the JPB and its designated subcontractors or representatives. Extreme care must be used when fueling or changing fluids. The Contractor shall immediately inform the JPB of any hazardous material spills. The Contractor shall be fully responsible for the containment and cleanup of any contaminants spilled onto JPB or others' property. Any and all hazardous material spills on Caltrain property, including, without limitation, diesel fuel, motor oil, effluent from the Contractor or Caltrain facilities, solvents or cleaning solutions, etc., must be reported immediately to the JPB Safety Officer and JPB Engineer.

Storage of hazardous materials shall be limited to areas as indicated by the JPB and in compliance with codes and regulations. Where facilities for storage may not exist, the Contractor shall provide the needed facilities or store off-site. The Contractor shall minimize storage of waste, regulated and hazardous materials on the Service Property.

Disposal of any regulated materials such as petroleum-based products, antifreeze, oils, lubricants, paint, fluorescent light bulbs, railroad ties, drip pans, and batteries shall be through the services of a properly certified and licensed hazardous materials disposal contractor. Disposal of defective or obsolete batteries shall begin within one week of removal from service and completed within 60 days. Battery disposal and storage sites shall be in accordance with OSHA regulations. All Contractor-designated/utilized hazardous material disposal sites or disposal subcontractors shall be subject to the approval of the JPB. Oil and engine coolant and any other waste or hazardous material drainings shall be captured and disposed of in accordance with environmental regulations. The Contractor shall also provide for recovery of HVAC refrigerant.

The Contractor shall ensure that containers used for storage and transportations of waste materials meet applicable Federal, State, and local requirements for labeling, storage, disposal, and transportation of waste materials. The Contractor shall conduct any and all testing of waste materials to be transported and disposed off-site, if required, to determine proper and legal methods for transport and disposal. The Contractor shall only utilize appropriately licensed subcontractors to transport regulated or hazardous waste. Waste must be appropriately containerized for shipment. The Contractor shall produce hazardous waste manifest forms as required for the transportation and disposal of hazardous wastes under these specifications. The Contractor shall provide the appropriate copies of the completed hazardous waste manifest to the facility supervisor and to the JPB. Copies of all waste management documentation, including material handling, manifests, bills-of-lading, weight slips, and receiving facility receipts shall be kept on site and copy provided to the JPB.

Should the Contractor encounter previously unknown materials which the Contractor reasonably believes to be hazardous, the Contractor shall cease work in the affected areas and report conditions to the JPB.

4. Environmental Systems

The Contractor shall utilize qualified personnel, including subcontractors, to test, operate, maintain and service various environmental systems located throughout the Service Property. The environmental systems include Tank Systems, Oil/Water Separator Systems, stormwater systems, and subsurface disposal systems. Environmental services shall be directly performed and coordinated by qualified personnel or a qualified Environmental Subcontractor. Any spills or overloading of oil/water separators or other stormwater management systems due to services performed under the Agreement shall be rectified by the Contractor. Service of these systems shall be performed by the Contractor on an as-needed basis.

The Contractor shall provide copies of correspondence with Federal, State and local regulatory agencies regarding the environmental systems to designated JPB personnel. The Contractor shall notify the JPB immediately to report any malfunctions observed during work conducted. The Contractor shall provide written documentation to the JPB providing detailed information regarding the malfunction within three business days.

Malfunctions of environmental equipment or systems which can be rectified through minor repairs, must be repaired by the Contractor in a timely manner, so as not to result in non-compliance with any permit or permit conditions. The Contractor, and its Environmental Subcontractor, shall respond immediately upon becoming aware of a malfunction or to request by the JPB for emergency repairs.

5. Spare Parts

The Contractor must maintain spare parts in order to complete expedient repairs to environmental systems, and associated equipment and appurtenances whenever possible. The Environmental Subcontractor shall maintain an updated inventory of tools and parts recommended by the equipment manufacturers of the various environmental systems serviced. A copy of the inventory and spare parts and tools must be provided to the JPB and maintained at each facility and at the Contractor's local office or service facility. The Environmental Subcontractor must use new parts to make repairs and replacements to the JPB's environmental systems.

6. Emergency Response

The Contractor shall be prepared to respond to spills and environmental emergencies at all times regardless of cause. The Contractor shall retain an Environmental Subcontractor that shall respond immediately in the event of uncontained releases of hazardous materials or incidents involving biohazards, including fatal incidents or major injuries on Service Property. The Environmental Subcontractor also shall respond to emergency environmental services requests by the JPB or Contractor. Services provided by the Environmental Subcontractor shall include all labor, tools, equipment, materials, testing, and reporting associated with providing services.

7. Health and Safety Planning and Work Area Security

The Contractor shall adhere to all applicable health and safety laws and comply with appropriate work practices when performing maintenance activities or other Services

and shall ensure that work areas are secured when work is not being performed and otherwise secured during the work to prevent inadvertent access to work areas by unauthorized or unqualified persons. The Contractor shall develop and implement a Hazardous Materials Site Specific Health and Safety Plan (HMSSHASP) for all the Contractor personnel or subcontractor personnel working with or exposed to hazardous materials or other contaminated materials as part of their work. The plan shall be submitted for JPB review and approval within 30 days of the Service Date and shall include provisions related to the following:

- The Service Property is situated in an urban area proximate to many current and historic sources of hazardous material impacts to soil and groundwater. Metals (primarily lead and arsenic), petroleum hydrocarbons, and polynuclear aromatic hydrocarbons are known to be present in the ballast and sub-ballast within portions of the Service Property.
- Timber cross ties on the property contain creosote. New and used cross/switch ties may only be stored at locations approved by the JPB Engineer, who also must approve all Contractor subcontracts for disposal of used ties.
- Some bridges and structures requiring maintenance and or painting by the Contractor under provisions of the Agreement may have previously been painted with paint containing lead. The Contractor shall strictly adhere to all environmental, health and safety laws and regulations with regard to lead paint. Lead paint shall not be released to the environment as part of maintenance and painting activities. Common best management practices shall be followed during performance of this maintenance.

The plan also shall require compliance with the following general work practices:

- Do not smoke, chew gum, apply cosmetics or consume food and beverages in areas where hazardous materials are being handled.
- Wash hands thoroughly before eating, smoking, or drinking.
- Do not store food in areas where it may come in contact with hazardous materials, including soil and dust.
- To the extent practical, stay upwind from operations that emit vapors, gases or particulates.
- Clean clothing and footwear upon leaving jobsite and prior to entering any vehicle, mobile equipment, or office.
- Clean vehicle interiors and handheld tools as needed to prevent accumulation of particulates.
- Don gloves when handling soil or hand tools in contact with soil.

The HMSSHASP shall be prepared following the guidelines of the United States Department of Labor, OSHA 29 CFR 1910.

8. Training and Qualifications

The Contractor shall ensure that personnel executing Environmental Services are qualified to perform the services. Contractor and Environmental Subcontractor personnel who work on the Service Property providing Environmental Services must be trained in compliance with applicable regulations as required by OSHA, Cal-OSHA and the EPA.

2.2.L. TRAINING, QUALIFICATION AND PROFICIENCY TESTING

The Contractor, in accordance with JPB standards and Federal and State regulations and standards, shall develop and implement an ongoing comprehensive training and certification program (Training Program) for employees who are providing Services including, but not limited to, all craft and management employees. The Training Program shall be developed for JPB review and approval 90 days prior to the Service Date of the Agreement. Training shall include all Federally-mandated training and those elements required for the performance of duties in addition to specific areas of training for Caltrain operations, including ADA/PNA and system safety training for new hires consistent with current JPB programs. Training courses shall include provisions for refresher training. During Mobilization and throughout the term of the Agreement as part of the Training program, the Contractor shall deliver a schedule for training during a normal operating year, including the Contractor's estimate of staffing hours for each training program, by craft or skill position.

As part of the Training Program, the Contractor, in accordance with applicable collective bargaining agreements and in consultation with the JPB, shall develop, implement and administer an ongoing proficiency testing program for all crafts that ensures that Contractor employees have the knowledge and skills required to safely and competently administer their duties. Testing shall include equipment and procedures unique to Caltrain operations.

The Contractor shall also support additional trainings as directed by the JPB if needed to comply with any new Local, State or Federal regulations not previously defined in this Agreement.

All employees shall be trained to the extent necessary to be fully qualified and competent to perform their duties. Those who are identified as being deficient in knowledge or skills shall be required to promptly attend and pass courses of instruction specific to their craft or service area. Employees who refuse or decline training and fail to successfully pass certification tests shall not be allowed to hold a position where such certification is required. The JPB reserves the right as deemed necessary to qualify each employee proposed by the Contractor to perform work. The Contractor shall be required to remove from Caltrain service any Contractor personnel who fails to successfully complete training required in the approved Training Program. The Contractor may reinstate the removed Contractor personnel to Caltrain service once the employee successfully completes the required training. The JPB reserves the right to request evidence that the Contractor's employees and subcontractors who are providing Services are appropriately trained and certified and have completed appropriate efficiency and competency tests.

The Contractor shall accept previous training and certification of mechanical employees who have been issued training certification indicating that they are a "Qualified

Maintenance Person” as required by 49 CFR 238.109. The Contractor shall comply with JPB Training Program standards and shall require that all employees who perform safety-related inspections and tests of passenger equipment are trained, tested and certified in accordance with programs that comply with both 49 CFR 238.109 and current APTA requirements and guidelines.

The Contractor shall meet quarterly with the JPB to review the effectiveness of the approved Training Program. The Contractor shall also provide the JPB with a quarterly training report furnished to the JPB at least two weeks prior to the quarterly training review. The Contractor also shall provide monthly reports to the JPB on performance of efficiency testing as required by 49 CFR 217.

The Contractor is responsible for formulating and coordinating all training activities. The Contractor shall provide training within the JPB’s service area, unless prior written approval to hold training elsewhere is provided by the JPB. The Contractor shall schedule training activities so as to not interfere with its provision of services under the Agreement. The Contractor shall provide a schedule of all planned training and upon request shall make available to JPB employees and to third-party contractor personnel any training offered to or by its own personnel who are assigned to work on the Agreement. The Contractor shall provide at least fourteen days’ notice to the JPB of all training offered to or by the Contractor for its own personnel prior to the beginning of such training.

All training courses developed by the Contractor shall be specific to Caltrain and shall be submitted to the JPB for review and approval. Position titles described in this section and its exhibit may not exactly match the union craft and categories and positions required under the Agreement.

1. Training Courses to be Developed

The Contractor shall develop training courses and proficiency tests consistent with job requirements for the following functions and associated personnel:

- Transportation functions including engineer, conductor, fare inspector, operations/dispatch, public information clerk and customer service agent;
- Maintenance of equipment functions including carman, electrician, machinist, coach cleaner, and foreman;
- Maintenance of way functions including equipment operator, welder, laborer, and foreman;
- Track and signal and communication functions including supervisor, technician, inspector, foreman, maintainer, and signalman, in agreement with the qualifications and requirements contained in Exhibit E;
- Management positions associated with all of the functions listed above, including ICS and performance of efficiency testing; and
- Training, testing, and rules qualification for JPB staff, outside JPB contractors and JPB third-party contractors including all applicable FRA, GCOR, RWP, Test and

Maintenance Manual for Railroad Signals, Test and Maintenance Manual for Railroad Communications Systems, and other specialized classes.

2. Training Program Components

The Training Program shall include specific courses for each of the identified functional areas. Training should encompass management, frontline and non-frontline employees, refresher training, new hire training, system safety training and ADA training. Information developed for each course should include a course description, category of personnel required to attend, objectives, curriculum, frequency of training, proficiency required to obtain certification or qualification, and methods for addressing failures or retraining.

JPB and Contractor agree to incorporate Roundtable safety meetings to expose all employees to all safety elements in construction in field. Contractor agrees to conduct Roundtable meetings twice per year for all employees. The Roundtable meetings will serve to fulfill requirements associated with the 270, 240, and 243 CFR requirements. In addition, the Roundtable meetings can be used to satisfy recertification and/or training requirements for employees.

Behavior Pattern Recognition (BPR) and general Transit System Security Awareness as developed by National Transit Institute/Department of Transportation shall be included in the Training Program for the appropriate Contractor personnel as directed by the JPB.

2.2.M. CUSTOMER SERVICE

On a schedule to be mutually agreed upon by the JPB and Contractor, the Contractor shall implement the Customer Service programs delineated below.

1. Customer Service Training Program

The Contractor shall develop a customer service training program that addresses customer service issues needing attention by contract employees. As the guideline for this program, a Customer Service Plan shall be developed by the Contractor for JPB review and approval no later than 90 days prior to the Service Date of the Agreement. The plan shall describe the Contractor's strategy for improving the Caltrain customer experience and provide procedures and processes, including:

- Informational Onboard Announcements (Standard and Emergency);
- Bicycle Passenger Assistance;
- ADA Passenger Service;
- Communication/Interaction with Customers and Conflict Resolution;
- Complaint Investigation, Follow-up and Resolution;

- Fare Inspection and Enforcement;
- Station Services and Information;
- First-time Riders;
- Youth and Senior Riders; and
- Special Event Riders.

2. Internal Service Quality Monitoring

The Contractor shall develop, for JPB approval, and implement a management-riding program in which all Contractor managers ride trains, at a frequency specified in the program plan, to evaluate customer service. Contractor transportation managers shall ride as a routine part of their duties. Managers shall use a JPB-approved standardized evaluation form. The supervisory personnel shall evaluate all aspects of customer service related to the onboard experience including but not limited to: fare inspection, PNA/PWD policies and services, station and onboard announcements, train exterior and interior cleanliness, restroom conditions, station cleanliness, onboard and station personnel compliance with approved policies and procedures, and customer service delivery. The goal shall be to evaluate the performance of frontline personnel, the condition of equipment and stations, and the level of customer service being delivered.

3. Lost and Found

The Contractor shall offer responsive, reliable and secure service to Caltrain passengers who leave personal belongings on board a train and shall provide Caltrain customers the ability to report a lost item 24 hours a day and 7 days a week by calling Contractor's dedicated lost and found line. The Contractor shall develop for JPB approval, 30 days prior to the Service Date of the Agreement, a lost and found policy consistent with all applicable State and local agency statutes and requirements pertaining to public agency lost and found policies. The policy shall be implemented coincident with the Service Date of the Agreement.

4. Customer Service Responsibilities at Stations

The Contractor shall provide customer service staff at stations, in accordance with the station staffing requirements identified in Exhibit D, to dispense certain ADA and customer service functions, including, but not limited to:

- Opening and closing of platform doors
- Staffing of lost and found
- Changing signage
- Answering customer questions
- Making local announcements related to platform changes and service disruptions

- Generally providing crowd control and service announcements during emergencies and special events
- Gate checking tickets prior to boarding

5. Services to Bicycle Customers

The Contractor shall permit passengers to bring bicycles on all trains that are equipped with cars designed to handle bicycles in accordance with established JPB policies and SOPs developed by the Contractor. The parties recognize that there may be issues of customer service and on-time performance associated with carriage of high numbers of bicycles and will work collaboratively on the development and implementation of actions to ensure a high-quality service. The Contractor shall provide a management representative to the JPB Bicycle Advisory Committee that meets every two months for the purpose of understanding and reporting on issues relative to customers accessing the system with bicycles.

6. Complaint Investigation, Follow-up and Resolution

The Contractor shall designate a process and personnel sufficient to meet JPB requirements for handling customer comments and complaints. The process and personnel shall be presented for JPB approval with the Customer Service Plan.

The Contractor shall investigate passenger complaints and service-related observations by JPB staff or received by the JPB Customer Service Center and provide a written response within ten business days of receipt of the written complaint. A detailed database of customer correspondence shall be maintained to ensure responses are issued within eight business days, with a goal of responding to ADA complaints within five business days. A quarterly report shall be provided to the JPB. Regular meetings shall be held with management personnel to discuss the information, determine trends and identify and implement corrective actions. Each customer comment shall be thoroughly reviewed and corrective action taken as necessitated by the investigation. As warranted, remedial customer service training shall be provided to employees.

The customer service manager also shall maintain daily communication with trainmasters, station managers and frontline supervision regarding investigation and resolution of customer complaints.

7. Customer Service Improvement Team

The Contractor shall hold monthly meetings chaired by the customer service manager with trainmasters, station managers and frontline supervision to discuss customer concerns, trends, problem areas, ADA issues and the continuous improvement of the internal complaint handling process. The Contractor shall inform the applicable JPB managers of these meetings and arrange for them to attend.

8. Station/Onboard Information Postings

Up to 52 times per year (or weekly), the Contractor shall arrange to post, at all stations and in all railcars, sign and information notices provided by the JPB regarding Caltrain services and programs in order to provide information to customers.

2.2.N. PASSENGERS NEEDING ASSISTANCE AND PASSENGERS WITH DISABILITIES

The Contractor is required to comply with all Federal, State and Caltrain rules applicable to assisting PNAs or PWDs. All crew members are responsible for complying with the rules, including boarding and detaining passengers, use of manual and mechanical lifts, coordination with the CCF and the treatment of service animals. Train crews must be alert to any radio communication from the Engineer or other employees regarding assistance requirements or requests.

1. Conductor Responsibilities concerning PNAs/PWDs

Each Caltrain consist is equipped with at least one accessible car. Conductors must keep appropriate areas in those cars clear for PNA/PWD use and must be aware of and apply all fare policies with regard to PNAs/PWDs. Conductors must ask able-bodied patrons to vacate the priority seating areas of the train.

Conductors must interview and provide assistance to customers waiting in Boarding Assistance areas, on the PNA blue bench, or on the mini high accessible ramps on platforms. Conductors must advise the CCF and other crew members of the destination and type of assistance required by PNAs, once on board. Conductors must be trained in the safe operation and troubleshooting of all onboard mechanical and manual platform lifts and must provide reasonable assistance to PNAs in the boarding and detaining process and use good judgment in doing so.

The Contractor is required to provide a daily report on the status of elevators and escalators at JPB stations to be included as part of the Daily Operations Report. Additionally, conductors are responsible for reporting all elevator failures to the CCF and complying with all alternative instructions related to accommodating passengers. The following stations are equipped with elevators for ADA compliance:

- Bayshore (2)
- San Bruno (2) - when new station is completed
- Millbrae (2)
- San Mateo (2)
- Belmont (1)
- San Jose Diridon (1)
- Tamien (1)

Conductors must report all delays associated with the accommodation of PNAs to the CCF. Any boarding denials or other problems related to persons with disabilities must be reported to a transportation manager as soon as possible.

2. Engineer Responsibilities concerning PNAs/PWDs

Engineers will spot the head end of the train at the appropriate "SPOT CAB" sign on platforms, so as to ensure proper boarding of PNAs/PWDs.

3. Customer Service Agent Responsibilities

A Customer Service Agent (CSA) or other available Contractor personnel will be responsible for safely transporting PNAs between platforms at San Jose Diridon Station. This will be accomplished using an electric cart provided at the station.

2.2.O. REQUIRED REPORTS AND NOTIFICATIONS

The Contractor shall submit the required reports and notifications to the JPB according to the frequencies specified below. The Contractor shall submit report formats to the JPB for approval in a timeframe mutually agreeable to the Contractor and JPB. Reports shall be in printed and electronic formats.

1. Annually

- a. By August 1 for the previous Fiscal Year:

Report of inventory of all JPB-provided materials, materials purchased by the Contractor, and spare parts priced at actual costs; fixed assets held by or under the control of the Contractor with values that exceed \$500; and complete description and explanation of required inventory adjustments in excess of \$5,000.

- b. By November 30, an annual Bridge Inspection Report, in accordance with FRA requirements. The Contractor shall complete the annual bridge inspection by no later than September 30 of each year.
- c. By February 15, an annual report of Contractor's Drug and Alcohol 219 program.
- d. By March 10, summary report of system-wide ridership count including on-off passenger counts by station and by train for seven consecutive days in late January (annual survey dates to be determined by the JPB). Summaries also shall be provided in required electronic format.
- e. Within 10 days of the completion of the annual internal safety audit, summary report of findings with a remedial action plan.

2. Semi-annually

On January 1 and July 1:

- a. Report of the highway vehicles used by the Contractor. Such record shall include the following information:

- Description of vehicle(s), including make and model;
 - Vehicle Identification Number (VIN);
 - License Plate Number;
 - Cost of each vehicle;
 - Ownership (owned or leased, Contractor or JPB);
 - Insurance status, including explanation of those not insured;
 - Location of vehicle;
 - Acquisition date;
 - Estimated useful life;
 - Department assigned;
 - Driver assigned;
 - Disposition date; and
 - Vehicles added to or deleted from the fleet over the last six months.
- b. Report of the Maintenance of Way Equipment, either owned or leased by the Contractor or JPB, used by the Contractor in performance of the work by type, equipment identification number, and owned or leased status.

3. Quarterly

Within 20 calendar days of the end of each quarter:

- Training report, including specific programs, person-hours, and employee performance issues addressed.
- Report containing results of the Drug and Alcohol 219 program.

4. Monthly

a. Within 20 calendar days of end of the prior month:

1. Statement of expenditures for the previous month and year-to-date vs. budget, including supporting documentation for expenditures. This report shall document expenditures vs. budget for each functional area/department (e.g., General and Administrative, Train Operations, Maintenance of Rail Lines, Maintenance of Equipment, etc.) and for each major category of expense (i.e., labor, materials, purchased services and other). The report shall include a variance analysis section that describes the reasons for any significant

variances from budget (either positive or negative) and any corrective actions proposed by the Contractor to eliminate negative (unfavorable) variances. Underlying documentation furnished with this statement shall include all information necessary to substantiate Contractor's costs including, without limitation, total system and cost center charges, by account, General Ledger Journals, material issues, equipment rental schedules and charges, and monthly hours/earnings records.

2. Material control information, by storehouse and stockpile location, together with supporting documentation as follows:
 - Billable and non-billable material charges;
 - Summary of transactions and beginning and ending perpetual inventory balances;
 - List of Detail Issues;
 - List of Detail Adjustments; and
 - List of Detail Receipts.
3. Material usage and scrap sales reports.
4. Additional Services statement of expenditures for the previous month and project-to-date vs. budget, including supporting documentation for expenditures. This report shall document expenditures vs. project budget for each major category of expense (i.e., labor, materials, purchased services and other). Underlying documentation furnished with this statement shall include all information necessary to substantiate Contractor's costs including, without limitation, material issues, equipment rental schedules and charges, and monthly hours/earnings records.
5. Additional Services - Cost Tracking Report, including the following information for each Work Directive:
 - Description of every open Work Directive;
 - Costs incurred during the most recent billing period;
 - Total costs incurred to date;
 - Not-to-exceed maximum (if any); and
 - Estimated cost to complete.

There shall be separate, though similar, reports for Construction Support and Operations Support.

6. Additional Services - Employee Utilization Report, including the following information for each Work Directive requested:
 - Number of employee-days worked for each of the preceding three billing periods;
 - Estimate of the number of employee-days that will be necessary over the next six billing periods to complete the existing and planned work; and
 - List of all employees (including those from subcontractors) that are performing work, the number of employees that worked nine hours or more during the most recent billing period, a list of Work Directives with the number of employee-work days where an employee worked nine or more hours during the most recent billing period, and the total number of employee-days worked to date.
 7. Additional Services - Materials Usage Report including detail of all materials used in execution of the Work Directive, the source of the material, the date material was incorporated within the railroad system, the location where the materials were installed, and the contractor that installed the material.
 8. Additional Services - Equipment Report, including list of all equipment and vehicles and the hours worked and on standby for each project.
- b. Within 10 calendar days of end of prior month:
1. Completed maintenance by equipment number, showing:
 - Wheels trued and changed during month
 - Major components changed out during month
 - Significant maintenance activity, including extraordinary material usage or component failure
 2. Anticipated maintenance for coming month by equipment number, showing:
 - Wheels to be trued and changed
 - Major components to be changed out
 3. Preventative maintenance for next 12 months and 4-year Clean Oil Test and Stencil (COT&S) Program by equipment number, showing:
 - Wheels to be trued and changed
 - Major components to be changed out

4. Equipment history file by equipment number, compiling:
 - Past repairs over last 12 months
 - Anticipated and preventative repairs for next month, next 12 months and 4-year COT&S Program
5. Report of the CEMOF maintenance performed for the previous month's completed maintenance on the facility and for the next month's maintenance that is scheduled.
6. Report of maintenance tasks performed at all stations for the previous month, categorized by type of activity and by station location, and including level of effort (in hours) expended on each activity and station and updates on pending work tasks and larger projects.
7. A rail, ballast, tie and switch tie installation report detailing the quantity of rail and ballast installed, the number of wood or concrete crossties installed, the number of switch ties installed, size, milepost to the nearest tenth mile, and track designation.
8. A statement describing the material usage by project control number, material ownership (Contractor, JPB or third party), and material class.
9. Engineering/maintenance work performed during the past month and planned for the next month, including comparisons of planned production vs. actual.
10. Curve Lubricator Report.
11. Updates to SOGR database.
12. In-service rail failures by location, failure type, rail size, and disposition/remediation.
13. Vegetation removal report (upon request).
14. Fencing repairs.
15. On track equipment maintenance records.
16. Record of FRA signal tests performed.
17. Report of replacement or repair of right-of-way signage.
18. Summary of right-of-way cleanup activities, including special cleanup projects, identification of new problem areas, etc.
19. Surfacing report, which accurately records by milepost and lineal foot the track footage tamped, regulated, and stabilized from records compiled on a daily

- basis. The report also shall include equipment hour readings, any downtime due to equipment breakdowns, the rail temperature at time of surfacing, and amount of raise.
20. Report on the performance of the employee efficiency testing program including information on distribution and type of tests, as well as failures.
 21. On-time performance and rolling stock availability.
 22. Complaint Report (from consumer reports received during month).
 23. Fare Inspection Activity Summary report of onboard fare instrument inspections, inspection rates, number of warnings and citations issued, inspection-related incidents, etc. in a format to be agreed upon between the parties.
 24. Counts of PNA/PWD boardings, including summaries by origin/destination stations.
 25. Injuries and fatalities (passenger, employee and third-party, including copies of FRA-required reports).
 26. Employee Injury Statistics Report, including Federal Employers' Liability Act (FELA) or worker's compensation claims filed/paid, the number of FRA reportable employee injuries per 200,000 person hours worked, organized by department (Operations, Maintenance of Equipment, Maintenance of Way, etc.), and trend analysis and recommendations for continuous improvement.
 27. Report of damage, by accident, vandalism or whatever reason, to any property used in providing the Services where such damage exceeds \$500.
 28. Monthly Miles and Hours Report, including separately identifying and summarizing statistics for scheduled vs. special service trains.
 29. Summary report of customer complaints, compliments, comments and correspondence. The report shall include train number, date of incident, type of comment (such as ADA, announcement, fare inspection, rude employees, etc.), location (if at a station), whether resolved or not, and length of time to resolve.
- c. Within 5 business days of the end of the prior month:
- Bicycle locker report listing total number of storage units by station location and the number of units leased, damaged, held for emergency use and available for lease.
- d. Within 5 days of the date of inspection:
- Report of the joint equipment maintenance inspection team signed by all participants.

- e. Within three days of the date of inspection:

Report of the monthly facilities and stations inspections.

5. Weekly

- a. By the following Monday:

- Track Trouble Log
- Signal Trouble Log

- b. By Monday for current week:

Work schedule to conform with SSWP requirements.

6. Daily

- a. By next day at 7:00 a.m.:

The Contractor shall provide a Daily Operations Report summarizing the following:

- Prior day's train operations (on-time performance)
- Delays (including estimated repair/opening times)
- Fleet status (including estimated repair/opening times, bad orders)
- Mainline track status (including estimated repair/opening times)
- Communications and signal trouble reports
- Facility status (including estimated repair/opening times)
- Station status
- Slow orders
- Special event activity
- Elevator status
- Incidents of any denied wheelchair boardings, including stations and reasons for denial
- Employee or passenger injuries
- Details of any accidents, incidents, or unusual occurrences during the previous service day

- Staff utilization that details exceptions to agreed-upon staffing levels for all assignments of Train and Engine crews, transportation managers, customer service agents, and dispatching center personnel

This report shall be sent electronically to JPB departments and individuals designated by the JPB.

7. Upon Request

a. By next day at 5:00 p.m.:

- Copies of Contractor-maintained "Trouble Log" reports which document any and all known unusual occurrences on the Caltrain system, including results of Contractor follow-up and closeout
- Accident/Incident reports status
- Post-incident employee statements
- Contractor's standard maintenance of equipment conditions, inspection, and test reports
- Any report capable of being generated by ROCS

b. Within two weeks of receipt of request:

- Report on internal service quality monitoring, including identifying trends and areas for improvement in onboard services and the customer experience.
- Report of all active bike locker tenants by location and locker number.

8. Event Reports

Those event reports specified below requiring "Immediate Notification" shall be furnished within two hours of incident.

a. Personal Injuries, Death, Occupational Illness, Loss of Consciousness, Use of Drugs or Alcohol

This category includes JPB, Contractor and JPB contractor employees; rail passengers; general public at grade crossings; and trespassers. Occupational illness includes inhalation, absorption, ingestion, direct contact, hearing loss, poisonous plants, sunstroke, bites from animals, insects or snakes, etc.

Immediate Notification (followed by complete record of all reports and correspondence within 24 hours):

- Death
- Injuries to employees, the general public, passengers, trespassers, or any other person on Caltrain property

- Assault with knives, firearms
- Occupational illness
- Loss of consciousness
- Alcohol and drug use

b. Property Damage

This category includes damage to JPB property or damage to property of others, whether it is on or off JPB property if the JPB, Contractor or JPB contractors are involved.

1. Immediate Notification (followed by complete record of all reports and correspondence within 48 hours)

FRA-reportable damage

2. Reporting Within 24 Hours (followed by complete record of all reports and correspondence within five days)

Damage which is not FRA-reportable

c. Theft

This category includes any theft or loss of JPB property or monies held by the Contractor.

Immediate Notification (followed by complete record of all reports and correspondence within 48 hours).

d. Other Incidents/Events

1. Major (Immediate Notification followed by complete record of all reports and correspondence within 24 hours)

- Fire
- Explosion/detonation
- Rupture
- Any incident with possible environmental impacts, such as diesel fuel spills, illegal disposal of hazardous material on Caltrain property, and spills from rail cars
- Flooding/washout
- Any accidents or incidents in connection with the Contractor or its subcontractors or JPB contractors, including incidents involving on-track

equipment or off-track vehicles

- Earthquake with property damage or injury
 - Bomb threats
 - Violation of operating or safety rules
 - Any “false clear” signals
2. FRA, CPUC or OSHA (Immediate Notification followed by complete record of all reports and correspondence within 48 hours)
- FRA, CPUC or OSHA violations
 - FRA, CPUC or OSHA visits
3. Minor (to be reported within 24 hours)
- Expulsion of a trespasser from right of way
 - Noise complaints by the public
 - Earthquake action with no property damage or injury

At a minimum, all incidents listed above shall be reported to the JPB as part of the daily log, as soon as the Contractor becomes aware of them.

e. Hazard of Accident

A Hazard of Accident is an incident where no injuries, death or property damage occurs but where a human, mechanical, signal or other malfunction creates a condition that could result in an accident. Hazards of Accident shall be reported immediately, with copies to designated JPB personnel.

f. Railroad Disruption

The Contractor shall conduct a debrief/critique of all railroad incidents with the JPB within 48 hours of a Railroad Disruption.

A Railroad Disruption is an incident involving first responders, the removal of any track from service, or annulment or termination of a train. Additionally, the JPB reserves the right to, at its discretion, request a debrief of any other Caltrain incident.

The Contractor shall utilize JPB-approved forms in such debriefs, with results being maintained in the CCF. JPB transportation and safety personnel will participate in these debriefs.

g. Rail Line Maintenance Events

- Within 24 hours, report defects indicated in an FRA or CPUC inspection and all rail failures, defects, replacements, thermite welds, and weld failures.
- Within 48 hours, report defect remedial action.
- Upon completion of ultrasonic detector car rail tests, report results.
- Daily reports of Ultrasonic rail detectors.
- Upon correction or following business day, report remedial action as results from Ultrasonic tests.
- Within one business day of testing or receiving testing results, report thermite weld tests. Immediately report any failures.
- Prior to start of spray program, report on the use of chemicals for vegetation control.
- Within seven calendar days of test completion, report results of track geometry test by exception and in total and an estimated correction date of deviations from maintenance standards. Immediately upon correction, report corrections of track geometry deviations.
- Upon the completion of inspection of bridges or fencing, report results within 14 days of completion, detailing deficiencies noted and plans and schedule for repair, if appropriate.
- Upon the completion of inspection of fencing, report results.

2.2.P. PERFORMANCE STANDARDS AND ASSESSMENTS

Assessment provisions for failure to perform to Agreement Standards or correct noted defects or failures apply to JPB requirements specified in sections noted below. The JPB shall give notice to the Contractor of Agreement performance failures or defects in writing. All written notices by the JPB shall include:

- Reference to specific Agreement Standards;
- Nature of specific failure or defect; and
- Such other information in the possession of the JPB which may assist the Contractor in verifying or correcting noted failure or defect.

Performance defects and failures will result in imposition of the assessments provided for, unless expressly waived or modified by the JPB due to extenuating circumstances beyond the reasonable control of the Contractor. Applicable assessments shall be deducted from Contractor's monthly compensation otherwise due under the Agreement.

1. Mobilization, Transition and Start-Up

In the event that the Contractor fails to complete Mobilization, Transition and Start-up within the approved schedule, the Contractor shall be subject to an assessment of \$750,000 for each month, including any portions of a month, that completion of such activities is delayed.

The Contractor may be granted an extension of time and not be assessed for delays caused by acts of God or of the public enemy, fire, floods, epidemics, quarantine, restrictions, strikes, labor disputes, shortage of materials and freight embargoes, or other causes deemed by the JPB to be beyond the reasonable control of the Contractor, provided the Contractor notifies the JPB in writing of the causes of delay within five calendar days from the beginning of any such delay. The JPB shall ascertain the nature of the delay and determine whether an extension of time is warranted, which determination shall be final and conclusive. The Contractor has the burden of proof that the delay was beyond its control.

The Contractor acknowledges and agrees that the Original Service Date was March 3, 2012 and that this Section 2.2.P.1 provides that the Contractor is subject to an assessment of \$750,000 per month for each month, including any portions of a month, that completion of Mobilization, Transition and Start-Up is delayed beyond this date. Amendment No. 1 revises the Service Date to May 26, 2012. Nevertheless, the JPB reserves all its rights under this Agreement to assess contract assessments accruing as of March 3, 2012.

In order to monitor and facilitate diligent work towards completion of Mobilization, Transition and Start-Up, with a Service Date of May 26, 2012, the Parties agree to engage in monthly executive-level meetings the specific purpose of which is to review progress of the Contractor toward timely completion of milestones as set forth in the Mobilization Payment Milestones and Schedule of Section 7.C.1 of the Agreement. Beginning in February 2012, such meetings will occur in person until completion of Mobilization, Transition and Start-Up. The JPB will be represented in these monthly meetings either by Gigi Harrington or Chuck Harvey. The Contractor will be represented in these meetings either by Robert Smith or Gerald Francis.

No later than three business days after each of these meetings, the JPB will inform the Contractor in writing whether it is satisfied with the Contractor's progress in achieving Mobilization milestones, as set forth in the Mobilization Payment Milestones and Schedule of Section 7.C.1 of the Agreement, and finds that the Contractor is working diligently to meet the May 26, 2012 Service Date. If the JPB determines, in the sole exercise of its judgment, that the Contractor's progress toward said milestones during the foregoing month has not been in conformance with the dates set forth in the Mobilization Payment Milestones and Schedule of Section 7.C.1 of the Agreement, it may levy an assessment accruing as of March 3, 2012.

2. Safety

The Contractor shall be subject to the following assessments related to Safety:

- For failure to comply with the provisions of Roadway Worker Protection, the assessment is \$1,000 per incident and \$1,000 per day of non-compliance.
- For failure to comply with the requirements for Employee Safety, the assessment is \$1,000 per incident or failure.

3. Passengers Needing Assistance and Passengers With Disabilities

Verifiable incidents of failure to adhere to the rules and standards for assisting Passengers Needing Assistance and Passengers With Disabilities shall be subject to assessment of \$5,000 per failure incident, unless expressly waived by the JPB owing to circumstances beyond the reasonable control of the Contractor.

4. Required Reports and Notifications

Notifications due immediately and not furnished within two hours of incident shall be subject to an assessment of \$1,000 per incident. Notifications due immediately include:

- a. Death
- b. Injuries to employees, the general public, passengers, trespassers, or any other person on Caltrain property
- c. Assault
- d. Occupational illness
- e. Loss of consciousness
- f. Alcohol and drug use
- g. FRA-reportable property damage
- h. Theft
- i. FRA, CPUC or OSHA violations
- j. FRA, CPUC or OSHA visits
- k. Major Incidents/Events:
 - Fire

- Explosion/detonation
- Rupture
- Any incident with possible environmental impacts, such as diesel fuel spills, illegal disposal of hazardous material on Caltrain property, and spills from rail cars
- Flooding/washout
- Any accidents or incidents in connection with the Contractor or its subcontractors or JPB contractors, including incidents involving on-track equipment or off-track vehicles
- Earthquake with property damage or injury
- Bomb threats
- Violation of operating or safety rules
- Any "false clear" signals

Failure to submit Completed (or preliminary where completed reports are not possible) investigative reports as described in section 2.2J (11) within 24 hours are subject to an assessment of \$1,000 per incident. Completed and/or preliminary investigation reports shall:

- Be inputted into the Caltrain reporting software system (currently IndustrySafe)
- Include an incident summary
- Include all employee witness statements when applicable
- Include all pertinent information

5. On-Call Additional Services Issued under Work Directives

Failure of flagmen, signalmen, Work Train crew or other construction support personnel to report for duty at the designated time and location shall be subject to an assessment of \$1,000 per incident. Contractor shall be responsible for all costs associated with failure to show and the corresponding construction contractor costs associated with the inability to perform work due to the failure to show of the Contractor. Contractor shall be subject to an assessment of \$10,000 per day.

6. Derailments

The Contractor shall be responsible for all costs associated with a derailment, inclusive of removal and repairs. The assessments include \$75,000 per derailment on mainline tracks and \$25,000 per derailment on non-mainline tracks. A derailment is defined as any wheel leaving the rail.

2.2.Q. ANNUAL BUDGET PROCESS

1. Preparation of Annual Budget

a. Preparation of Preliminary Service Plan

Prior to December 15 of each year during the term of the Agreement, the JPB shall prepare and submit to the Contractor a preliminary service plan, which shall include a detailed description of the Services the JPB expects the Contractor to provide in the next Fiscal Year, and will form the basis for an approved budget. It is recognized that said service plan will represent JPB staff recommendations which will be subject to subsequent review and approval by the JPB before a definitive service plan for the next Fiscal Year can be relied upon by the Contractor.

b. Preparation of Proposed Operating Budget

No later than January 31 of each year during the term of the Agreement, the Contractor shall prepare and submit to the JPB a proposed operating budget for provision of the Services described in the preliminary service plan for the next Fiscal Year. The proposed budget shall reflect actual operations, expense levels, and levels of Services during the then current Fiscal Year, except as modified by the service plan for the coming Fiscal Year. The proposed budget submission shall:

- Be consistent with the preliminary service plan;
- Specify the number of personnel, both management and non-management, including a list of all positions whose time will be chargeable directly during the coming Fiscal Year;
- Specify all elements of compensation;
- Specify the assumptions used in developing the proposed budget; and
- Identify and explain variances in the Contractor's proposed budget from the schedule of financial proposal forms submitted by the Contractor in conjunction with the RFP process that resulted in the award of the Agreement, and variances in the Contractor's proposed budget from the prior Fiscal Year, if applicable.

c. Preparation of Capital Budget

In addition to the Contractor's proposed operating budget, the Contractor shall also submit by January 15, a list of the Contractor's recommendations for procurements, renovations and other maintenance work for equipment and facilities utilized in the provision of the Services which is beyond the scope of the routine maintenance covered by the Agreement and estimates of costs associated with such projects. All projects are subject to JPB approval.

d. JPB Review of Proposed Operating Budget

By no later than February 28 of each year, the JPB shall present to the Contractor comments on the proposed budget submission which shall specify the line items or supporting documentation, if any, to which the JPB objects, and the basis for each objection.

e. Operating Budget Approval

The JPB and Contractor shall promptly negotiate with respect to any line items to which JPB objects and shall complete the negotiation process by no later than March 31 of each year. The JPB shall submit the proposed budget to its Board and receive approval by June 15. In some cases it may be necessary to continue negotiations beyond the March 31 deadline in order to consider service scenarios and balance a budget that can be funded by the JPB.

f. Operations without a Budget

If the Contractor and JPB are unable to agree on, or obtain approval of, a budget by the beginning of the next Fiscal Year under circumstances in which no change in the level of train service is directed and implemented, the JPB shall make payments to the Contractor pending completion of the negotiations and approval process which are equal to the average monthly payments made during the Fiscal Year just completed. If the Contractor and JPB are unable to agree on a budget by the beginning of the next Fiscal Year under circumstances in which the service plan contemplates a change in the level of service and the JPB has directed the Contractor to implement same, the JPB shall make payments to the Contractor based upon the Fiscal Year just completed, plus a reasonable adjustment amount for any service changes, as determined by the JPB. However, if the parties cannot reach agreement on a budget within 90 days after the start of the Fiscal Year, the JPB shall make a unilateral decision about the budget amount. Any appeal from the unilateral decision shall be resolved pursuant to the Claims and Disputes section of the Agreement.

2. Monitoring Adherence to the Approved Budget

The Contractor shall include with its monthly invoice to the JPB a statement, in a format subject to approval by the JPB, showing its costs for Services during that month in comparison with the Approved Budget amount for that month and for the Fiscal Year to date, along with an explanation of the reasons for the variance, if any, and of the actions the Contractor will take, subject to JPB approval, to bring any continuing variance back into conformity with the Approved Budget. The Contractor shall include with its statement of monthly costs the Contractor's internal cost center or other functional accounting reports and a copy of its general ledger entries for the month.

3. Budget Amendments for Unforeseen Circumstances

By January 20 of each year, the Contractor shall provide to the JPB a forecast of expected, actual expenses and variances from the Approved Budget for the remainder of that Fiscal Year. If forecast variances from the Approved Budget derive from the occurrence of events which were not reasonably foreseeable by and within the

reasonable control of the Contractor (e.g., storm damage, utility cost "spikes," major vandalism, etc.), the parties shall negotiate amendments to the Approved Budget for that Fiscal Year to reflect those changes, if said variances will cause costs to exceed the Approved Budget.

4. Costs in Excess of the Approved Budget

If at any time during the Fiscal Year while monitoring progress and budget adherence the Contractor reasonably believes that the actual total Direct Costs plus corresponding General and Administrative Overhead costs charged by the Contractor in the Fiscal Year will exceed the corresponding total budgeted amounts in the Approved Budget, the Contractor shall notify the JPB of the estimated amount of the potential overrun of costs. The Contractor also shall recommend to the JPB corrective measures, including position freezes, cost savings/cuts, and JPB approval of purchases, which will enable annual costs to stay within budget as required by the JPB. Except in an emergency, unauthorized costs incurred over the Approved Budget shall not be reimbursed unless prior-approved in writing by the JPB. In no event will the Performance Fee be increased based on any overrun in Direct Costs and corresponding General and Administrative Overhead costs.

The Contractor shall have no liability for any overruns to the Approved Budget to the extent the Contractor follows the procedures for overrun notification and approval outlined in this section or the Contractor can reasonably demonstrate that such overruns were the result of budget assumptions as to utilization of personnel and equipment (including rolling stock, vehicles, or Maintenance of Way work equipment) on JPB Construction Support services which were dictated by the JPB. However, notwithstanding the indemnity obligations of the JPB set forth in the Agreement, the JPB shall have no obligation for payment of such costs should the overrun be due to the unapproved actions or inactivity of the Contractor.

2.2.R. PERFORMANCE FEE PROGRAM

The JPB will collaborate with the Contractor to safely and cost-effectively manage and deliver all of the components of the Scope of Services with a high degree of quality and customer service. These components include: the dispatch and operation of the railroad; the maintenance of all Service Equipment and Service Property including track, structures, signals, stations and all related facilities; and the provision of On-call Additional Services. In order to encourage the Contractor to perform in the areas that are of highest importance and criticality, the JPB has provided the basic structure for a Performance Fee program that it believes will achieve this goal.

1. Performance Fee Structure

The Performance Fee structure contains metrics that are weighted to emphasize areas that are of the highest importance to the JPB. The metrics are outcome-based, clear and measurable. The structure allows for qualitative assessment in areas that are not conducive to quantitative assessment. Many of the areas of emphasis described below are interdependent, which is by design, and reflects the interdependencies of all functions in the Caltrain operating environment.

2. Performance Fee Metrics

The JPB expects the following areas of measurement to form the basis of the Contractor's Performance Fee Program.

a. Business Management, Cost Control and Staffing (35 points)

This metric is the highest weighted area and includes an evaluation of the delivery and implementation of management deliverables, including but not limited to required plans, reports, submittals, and notifications in a complete and timely manner that is in conformance and compliance with the terms of the Agreement. This area also will reflect the degree to which subcontracts have been successfully managed. With respect to cost control, this metric measures the Contractor's ability to accurately project budgets, control costs and implement programs that promote cost savings and efficiency.

This area also measures adequacy and quality of overall staffing levels and staff retention. Attention will be paid to vacancy rates and retention levels for management, supervisory, and Critical Skill Positions. Of key importance is minimizing the time that positions, particularly Critical Skill Positions, remain vacant.

Performance that receives the highest level of Performance Fee in the business management and cost control category will have the highest rankings from JPB management in terms of quality of service and product, completeness, timeliness of reports submittals and notifications and Contractor management performance that motivates staff of all levels to deliver a safe and high-quality service.

Performance that receives the highest level of Performance Fee in the staffing category will closely control staffing levels such that all service is operated in the manner described by the Agreement and will maximize the retention of well-qualified individuals at all levels of craft and management and fill vacancies in an expeditious manner.

b. Safety Measures (20 points)

Safety is a major priority for Caltrain, which has a long and successful safety record owing to the quality of its training programs and vigilance in managing the service. The fee for safety measures will be earned based on the Caltrain standard of injuries per 200,000 hours worked and number of FRA-reportable incidents/accidents and rule violations.

Safety performance of the highest level will receive the highest Performance Fee. There is an expectation that there will be no rule violations, and there will be no fee earned for this category for any quarter during which an FRA rule violation occurs.

c. On-time Performance (15 points)

Caltrain customers have a high expectation for reliability and on-time performance (OTP). Ridership and resulting revenue are driven by Caltrain's consistently high

OTP, which is measured according to adherence to the public timetable. The JPB standard for OTP is measured as being within 5 minutes of the scheduled arrival/departure time at time-designated time points.

d. Customer Service (10 points)

Customer service is to be measured by an onboard survey to be administered on a semi-annual basis. The survey measures cleanliness of the onboard environment and the station environment, the availability of information in all forms and the treatment of customers by all Contractor frontline personnel including Conductors, Fare Inspectors, Ticket agents and all others that they may encounter. The survey typically is comprised of multiple questions and the results are tabulated into a composite score ranging from 1-5.

Another measure of customer service is the number of complaints received by the JPB and the Contractor related to customer interactions.

e. Equipment-Related Delays (10 points)

The Contractor shall manage the deployment and maintenance of the existing Caltrain fleet so as to minimize delays due to mechanical issues to the highest degree possible.

f. Track-Related Delays (5 points)

The Contractor shall maintain the track and structure infrastructure in a manner that is compliant with all regulations and further maximizes customer ride quality consistent with all related requirements of the Agreement.

g. Communications and Signal-Related Delays (5 points)

The Contractor shall maintain the communications and signal infrastructure in compliance with all regulations at a level of high availability that allows the service to operate with high reliability consistent with all related requirements of the Agreement.

2.2.S. ON-CALL ADDITIONAL SERVICES ISSUED UNDER WORK DIRECTIVES

On-Call Additional Services (Additional Services) may include but are not limited to the provision of labor, materials, equipment and other services necessary to provide Caltrain services or maintain Service Property and Service Equipment in a State of Good Repair. Services may be known and planned for in advance as part of the JPB's long and short-term improvement plan or may arise from an urgent need that cannot be delayed.

Additional Services will be requested by the JPB in the form of a Work Directive. Such services whether performed by the Contractor or subcontractor shall follow the JPB's Work Directive process set forth below. The JPB will regularly meet to discuss pending and anticipated Work Directives. The terms and conditions of the Agreement apply to each Work Directive which will also contain specific requirements pursuant to requested Additional Services. A designated JPB representative will act as the Project Manager for the duration of each Work Directive.

Any work performed by the Contractor prior to receipt of a Work Directive issued by the JPB shall be considered as unauthorized work, and the Contractor shall not be entitled to compensation for said services. In an urgent situation, the JPB may issue a written order to the Contractor prior to actual receipt of a Work Directive. In those cases, the JPB will, as soon as practicable, issue a Work Directive for the ordered work.

The JPB reserves all rights to perform any and all of the work with its own forces or with other contractors retained by the JPB or third parties. The Contractor shall fully cooperate with such other forces to the end that any delay or hindrance to their work will be avoided. The suspension of work or termination of a Work Directive shall be governed by Section 22 of the Agreement.

The JPB reserves the right to modify the Work Directive process throughout the term of the Agreement. The Contractor shall be provided with further details of the Work Directive process during the mobilization period of the Agreement.

1. Work Directive Process

The JPB shall issue a Work Directive Proposal Request (WDPR) to the Contractor which may include plans, specifications, and estimates of various quantities of work to be performed or materials to be furnished by either the JPB or Contractor, and a list of deliverables to be supplied by the Contractor. The WDPR will outline the desired timeline for the work to be completed, if known, or request a schedule and estimated milestones for the period of performance from the Contractor. The JPB may require the Contractor to prepare submittals or work plans, which shall indicate the Contractor's planned method for fulfilling the terms of the WDPR. Said submittals or work plans shall be subject to the JPB's approval prior to the Contractor's commencement of work.

If a WDPR contains insufficient or incomplete detail, the Contractor shall ask for clarification from the JPB of any such needed detail as directed in the WDPR. If clarification is not or cannot be provided in a timely manner, the Contractor is to follow the best general practice and is to use only materials and workmanship of the first quality. Before submittal of a Work Directive Proposal, the Contractor shall carefully examine the WDPR including any plans or specifications referenced therein, as well as the site of the work contemplated.

The WDPR will state the length of time the Contractor has to respond to the JPB with a proposal for the work. This proposal also will contain details including, but not limited to, a cost estimate for the work, the amount of hours and a schedule to perform the services, the resources to be deployed, the Contractor's approach to performing the work, and a proposed Fixed Fee rate. Upon receipt of the proposal the JPB shall evaluate it and confer with the Contractor as necessary until the JPB is satisfied that the work will be completed as requested. The JPB may request the Contractor to submit a revised proposal.

In the event the parties are unable to agree upon the estimated costs of the Additional Services within 30 days after the proposal is received by the JPB, the Contractor shall, at the direction and approval of the JPB, promptly proceed to implement the Additional Services pursuant to the JPB's final cost determination for the Additional Services, which determination may be submitted to a dispute resolution process. The Contractor

shall not be required to perform any Additional Services which are outside the scope of the Work Directive Proposal or for which the Contractor is incapable of obtaining adequate resources to perform the work after demonstrating diligent and reasonable efforts to do so. Any dispute resolution decision shall apply retroactively to the date on which the change was implemented. In the event the JPB requests major permanent increases or reductions in the services provided (or a combination of increases and reductions), the parties shall jointly evaluate ways in which the Contractor's resources can be redeployed to assure an efficient change in the services provided.

The JPB shall issue a Work Directive to the Contractor that contains details of the services or materials to be provided. The Contractor's commencement of work shall be conclusive evidence that the Contractor has investigated and is satisfied as to the site conditions to be encountered, the character, quality, and scope of work to be performed, the quantities of materials to be furnished, and the requirements of the Work Directive.

2. Compensation

The Contractor shall be compensated for each Work Directive pursuant to the terms of Section 7, Compensation, of the Agreement. During the progress of each Work Directive, the Contractor shall carefully monitor its incurred costs in the performance of the work, shall keep full and complete records of such costs and shall submit those records to the JPB on a monthly basis as set forth in Section 8, Manner of Payment, of the Agreement.

3. Progress of Work

The Contractor shall submit to the JPB within the time specified in the Work Directive a practicable progress schedule for the Contractor's work. If the Work Directive does not specify, the Contractor shall still submit a progress schedule no later than 20 days of the issuance of the Work Directive. In the event of significant changes, from whatever cause, to the Contractor's work during the performance of the work, the JPB may request the Contractor to revise the progress schedule to reflect the current plan for the work.

The Contractor's progress schedules shall be prepared by using critical path method software. Schedules shall show the order in which the Contractor proposes to carry out the work, the dates on which the significant features of the work will start (including procurement of materials and equipment), and the anticipated dates for completing those significant features.

The Contractor shall perform its work so as to not cause delays to work performed on JPB's construction and third-party projects. The Contractor shall take immediate and appropriate steps to remedy delay to the satisfaction of the JPB.

During the progress of each Additional Services project, the Contractor shall notify the designated JPB personnel when the project expenses it expects to incur under the Work Directive within the next 15 days, when added to all costs previously incurred, will exceed 80% of the authorized amount indicated in the Work Directive. Except in an emergency, unauthorized expenses incurred over the authorized amount shall not

be reimbursed unless prior-approved in writing by the JPB. An approved, amended Work Directive with new cost estimate shall be required in order to increase the authorized project amount for any Additional Services project.

The Contractor will be granted an extension of time for any portion of the delay in completion of the work if the delay was not within the control of the Contractor (e.g., caused by acts of God or of the public enemy, fire, floods, earthquakes, epidemics, quarantine restrictions, strikes, labor disputes, shortage of materials and freight embargoes, changes in scope, etc.) provided that the Contractor shall have first notified the JPB in writing of the causes of delay within 15 days from the beginning of that delay.

No extension of time will be granted for any delay caused by a shortage of materials unless the Contractor furnishes to the JPB documentary proof that the Contractor has made every effort to obtain the materials from all known sources within reasonable reach of the work in a diligent and timely manner, and further proof in the form of supplementary progress schedules that the inability to obtain the materials when originally planned, did in fact cause a delay in final completion of the entire work which could not be compensated for by revising the sequence of the Contractor's operations.

4. Substitutions for Equipment

The Contractor may request, in writing, permission from the JPB to use equipment of a different size or type in place of the equipment specified in a Work Directive. Before granting the request, the JPB may require the Contractor to furnish, at the Contractor's expense, evidence satisfactory that the equipment proposed for use by the Contractor is capable of producing work equal to, or better than, that which can be produced by the equipment specified and at a reasonable cost. Permission to use alternative equipment in place of equipment specified will only be granted where the equipment is new or improved and its use is to be in furtherance of the purposes of this section.

If permission is granted, it shall be understood that the permission is granted for the purpose of testing the quality of work actually produced by the equipment and is subject to continuous attainment of results which, in the opinion of the JPB, are equal to, or better than, that which can be obtained with the equipment specified. The JPB shall have the right to withdraw permission at any time that the alternative equipment is not producing work that is equal, in all respects, to that which can be produced by the equipment specified. Upon withdrawal of permission, the Contractor will be required to use the equipment originally specified and shall remove and dispose of or otherwise remedy, at the Contractor's expense, any defective or unsatisfactory work produced with the alternative equipment.

Neither the JPB nor Contractor shall have any claim against the other for either the withholding or the granting of permission to use alternative equipment, or for the withdrawal of the permission.

5. Contractor-furnished Materials

Only materials conforming to the requirements of the Work Directive shall be incorporated in the work. The materials furnished and incorporated in the work shall be new, except as may be provided in the Work Directive. The materials shall be

manufactured, handled, and used in a workmanlike manner to ensure that the work is completed in accordance with the terms of the Work Directive.

Materials to be used in the work will be subject to inspection and tests by the JPB, and the Contractor shall furnish without charge any samples of such materials as may be required. The JPB may inspect, sample or test any materials at the source of supply or other locations, but the inspection, sampling or testing will not be undertaken until the Contractor has confirmed that the Contractor and supplier of the material will fully cooperate during the inspection, sampling and testing of such material. The Contractor shall provide the JPB with free access at all times to the material to be inspected, sampled or tested.

It is understood that the inspections and tests if made at any point other than the point of incorporation in the work in no way shall be considered as a guaranty of acceptance of the material. Moreover, such inspections and tests shall not lead to the continued acceptance of material presumed to be similar to that upon which inspections and tests have been made. Furthermore, it is expressly understood and agreed that JPB's inspections and tests shall not relieve the Contractor or the Contractor's suppliers of responsibility for quality control. The JPB assumes no obligation to inspect materials at the source of supply.

Any manufacturers' warranties, guaranties, instruction sheets and parts lists that are furnished with certain articles or materials incorporated in the work shall be delivered to the JPB before acceptance of the Work Directive. The JPB's reports and records of inspections made and tests performed, when available at the site of the work, may be examined by the Contractor.

6. JPB-furnished Materials

In the event that certain materials are to be furnished by the JPB, a reasonable amount of such materials will be available to the Contractor at no charge. The Contractor shall reasonably use such materials and shall use its best efforts to avoid any undue waste of the materials. The Contractor shall not use the JPB-furnished materials for any purpose other than as specified in the Work Directive.

Once the materials are delivered by the JPB for the Contractor's use, the Contractor shall be solely responsible for the materials, and shall pay all demurrage and storage charges. Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, any JPB-furnished materials lost or damaged from any cause whatsoever shall be replaced by the Contractor at the Contractor's expense, and those costs may be deducted at the JPB's sole discretion from any monies due or to become due the Contractor.

7. Property Rights in Materials

The Contractor shall have no right of property in the materials used after they have been attached or affixed to JPB property or after payment has been made by the JPB. All such material shall become the property of the JPB. All JPB-furnished material that is not used for the purpose stated on the Work Directive or is stored under either the control of the Contractor or JPB shall remain the property of the JPB.

8. Defective Materials

In the event that the JPB determines that any materials do not conform to the requirements of the Work Directive, such materials will be rejected whether in place or not. They shall be removed immediately from the site of the work, unless otherwise permitted by the JPB. No rejected material, the defects of which have been subsequently corrected, shall be used in the work, unless approved in writing by the JPB. Upon failure of the Contractor to comply promptly with any order, the JPB shall have authority to cause the removal and replacement of the rejected material and to deduct the cost thereof from any monies due or to become due the Contractor.

9. Certificates of Compliance

A Certificate of Compliance shall be furnished prior to the use of any materials for which the Work Directive requires that a certificate be furnished. In addition, when so authorized in the Work Directive, the JPB may permit the use of certain materials or assemblies prior to sampling and testing if accompanied by a Certificate of Compliance. The manufacturer of the material or the manufacturer of assembled materials shall sign the certificate and shall state that the materials involved comply in all respects with the requirements. A Certificate of Compliance shall be furnished with each lot of material delivered to the work and the lot so certified shall be clearly identified in the certificate.

All materials used on the basis of a Certificate of Compliance may be sampled and tested at any time. The fact that material is used on the basis of a Certificate of Compliance shall not relieve the Contractor of its responsibility for incorporating material in the work which conforms to the requirements and any material not conforming will be subject to rejection whether in place or not.

The JPB reserves the right to refuse to permit the use of material on the basis of the Contractor's failure to submit a proper Certificate of Compliance.

10. Inspection of the Contractor's Work

The JPB shall, at all times, have safe access to the entire work during Contractor's activities and shall be furnished with every reasonable facility for ascertaining that the Contractor's materials and workmanship are in accordance with the requirements and intentions of each Work Directive. All work done and all materials furnished by Contractor shall be subject to inspection and approval by the JPB.

The JPB's inspections shall not relieve the Contractor of any of its obligations. Work and materials not meeting such requirements shall be made good, and unsuitable work or materials may be rejected, notwithstanding that such work or materials had been previously inspected by the JPB or the payment thereof has been made. Upon completion of the work, the JPB will make a final inspection of the work. Before final inspection, the Contractor shall remove all refuse, excess materials, and equipment from the site, and the Contractor shall clean all ground occupied by the Contractor in connection with the work. All parts of the work shall be left in a neat and presentable condition.

11. Rejected or Unauthorized Work

The JPB shall have the right, but not the obligation, to suspend the Contractor's work in the event that there is a reasonable basis to conclude that Contractor's work is being performed in a deficient or unsafe manner. In such event, the Contractor shall immediately suspend its work at no additional cost to the JPB.

The Contractor shall fully remedy, remove, or replace all work that has been rejected, and no additional compensation will be allowed for such removal, replacement or remedial work. Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, any work performed beyond the scope of the Work Directive or without written authorization of the JPB shall be considered as unauthorized work and will not be paid for by the JPB. Upon order, any unauthorized work shall be remedied, removed, or replaced at the Contractor's expense. Upon failure of the Contractor to comply promptly with any order made pursuant to this section, the JPB may cause the rejected or unauthorized work to be remedied, removed, or replaced, and the JPB may deduct the costs from any monies due or to become due the Contractor.

12. Existing Utility and Non-railroad Facilities

The Contractor shall protect from damage utility and other non-railroad facilities that are to remain in place, be installed, relocated or otherwise rearranged. As a part of the railroad improvements, some or all of the utility and other non-highway facilities, both above ground and below ground, may need to be rearranged, including installation, relocation, alteration, or removal in advance of construction operations. Where the rearrangement will not be performed prior to construction operations, or where the rearrangement must be coordinated with the Contractor's construction operations, the existing facilities that are to be rearranged will be indicated in the Work Directive.

All rights are reserved by the JPB and the owners of facilities, or their authorized agents, to enter upon the right of way for the purpose of making those changes that are necessary for the rearrangement of their facilities or for making the necessary connections or repairs to their properties. The Contractor shall cooperate with forces engaged in this work and shall conduct its operations in such a manner as to avoid any unnecessary delay or hindrance to the work being performed by the other forces. Wherever necessary, the Contractor's work shall be coordinated with the rearrangement of utility or other non-railroad facilities, and the Contractor shall make arrangements with the owner of those facilities for the coordination of the work.

13. Underground Main or Trunk Lines

Attention is directed to the possible existence of underground main or trunk line facilities not indicated and to the possibility that underground main or trunk lines may be in a location different from that which is indicated in the Work Directive. The Contractor shall ascertain the exact location of those underground facilities, the location of their service laterals or other appurtenances, and of existing service lateral or appurtenances of any other underground facilities which can be inferred from the presence of visible facilities such as buildings, meters and junction boxes prior to performing work that may damage any of the facilities or interfere with their service.

If the Contractor cannot locate an underground facility whose presence is indicated in the Work Directive, the Contractor shall so notify the JPB in writing. If the Contractor discovers underground main or trunk lines not indicated in the Work Directive, the Contractor shall immediately give the JPB and the applicable utility oral and then written notification of the existence of those facilities. The main or trunk lines shall be located and protected from damage as directed by the JPB. The Contractor shall, if directed, repair any damage that may occur to the main or trunk lines. The reasonable cost of the repair work, not due to the failure of the Contractor to exercise reasonable care, will be paid for in accordance with the subsequently issued Work Directive. Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, damage due to the Contractor's failure to exercise reasonable care shall be repaired at the Contractor's cost and expense.

Where it is determined by the JPB that the rearrangement of an underground facility is essential in order to accommodate the railroad improvement and the Work Directive does not provide that the facility is to be rearranged, the JPB will provide for the rearrangement of the facility by other forces or the rearrangement shall be performed by the Contractor and will be paid for in accordance with a Work Directive. Should the Contractor desire to have any rearrangement made in any utility facility, or other improvement, for the Contractor's convenience in order to facilitate the Contractor's construction operations, and this rearrangement is in addition to, or different from, the rearrangements indicated in the Work Directive, the Contractor shall make whatever arrangements that are necessary with the owners of the utility or other non-railroad facility for the rearrangement and bear all expenses in connection therewith.

The Contractor shall immediately notify the JPB of any delays to the Contractor's operations as a direct result of any underground facilities that were not indicated in the Work Directive or that were located in a position substantially different from that indicated in the Work Directive, or as a direct result of utility or other non-railroad facilities not being rearranged as herein provided.

14. Preservation of Property

Due care shall be exercised to avoid injury to existing railroad improvements or facilities, utility facilities, irrigation systems, drainage, adjacent property, and trees, shrubs, and other plants that are not to be removed. Trees, shrubs, and other plants that are not to be removed, and pole lines, fences, signs, markers and monuments, buildings and structures, conduits, pipelines under or above ground, sewer and water lines, all railroad facilities, and any other improvements or facilities within or adjacent to the railroad shall be protected from injury or damage, and if ordered by the JPB, the Contractor shall provide and install suitable safeguards, approved by the JPB, to protect the objects from injury or damage.

Notwithstanding the indemnity obligations of the JPB set forth in the Agreement, if the objects are injured or damaged by reason of the Contractor's failure to use due care, they shall be replaced or restored at the Contractor's expense. The facilities shall be replaced or restored to a condition equivalent to or better than when the Contractor entered upon the work, or as good as required by the terms of the Work Directive. The JPB may make or cause to be made those temporary repairs that are necessary to restore to service any damaged railroad facility. The cost of the repairs may be

deducted from any monies due or to become due to the Contractor under the Work Directive.

END OF PART 2 – SECTION 2

PART 2 – SECTION 3 EXHIBITS

EXHIBIT A

BASIC SERVICE PLAN AND SPECIAL TRAINS

(As referenced in Part 2, Section 2.A.1)

1. Basic Service Plan

The following regularly scheduled one-way trips constitute the BSP effective October 1, 2012:

a. Weekday Service

A total of 92 trains as follows:

1. 86 trains operated between San Jose Diridon or Tamien and San Francisco
2. 6 trains operated between Gilroy and San Francisco

b. Saturday Service

36 trains operated between San Jose Diridon and San Francisco

c. Sunday Service

32 trains operated between San Jose Diridon and San Francisco

2. Special Trains

Additional Special Trains are anticipated as follows:

- a. 24 round trips per year for special event service
- b. Approximately 214 "Giants special" trips per year characterized by the following service requirements based on the baseball schedule: two northbound 5-car special trains shall operate during baseball season for weekday afternoon games, two southbound 5-car special trains shall be operated for weekday night games, and two northbound and two southbound 5-car special trains shall be operated for all weekend games regardless of afternoon or evening game time. Up to ten additional games may require another northbound and southbound train in addition to those above.
- c. Special Trains in excess of these numbers shall be provided as On-call Additional Services.

EXHIBIT B

SERVICE EQUIPMENT FURNISHED BY THE JPB

(As referenced in Part 2, Section 2.D)

CALTRAIN'S EXISTING ROLLING STOCK					
Gallery Passenger Cars					
Car#	Type	# of Cars	Seats*	Year	Manufacturer
3800-3825	Gallery Trailer	26	144	1985	Nippon Sharyo
3826-3841	Gallery Trailer	16	148	1985	Nippon Sharyo
3843-3845 3847-3851	Gallery Trailer	8	148	1986	Nippon Sharyo
3842-3846	Gallery Trailer	2	148	1987	Nippon Sharyo
4000-4020	Gallery Cab Control	21	115	1985	Nippon Sharyo
4021**	Gallery Cab Control	1	92	1999	Nippon Sharyo
4022-4026**	Gallery Cab Control	5	92	2000	Nippon Sharyo
3852-3865**	Gallery Trailer	14	122	2000	Nippon Sharyo
Gallery Cars	Total	93	1009		
Bi-Level Passenger Cars					
Car#	Type	# of Cars	Seats*	Year	Manufacturer
112-113	Cab	2	142	2001	Bombardier
114-118	Cab	5	123	2002	Bombardier
119-120	Cab	2	123	2008	Bombardier
219-226	Trailer	8	148	2002	Bombardier
229-230	Trailer	2	148	2002	Bombardier
231-236	Trailer	6	148	2008	Bombardier
Bi-Level Cars	Total	25	832		
All Cars	Total	118	1841		
*Unless modified per instructions of JPB to accommodate bicyclists and disabled customers.					
**Equipped with onboard wheelchair lifts.					

Passenger Locomotives					
Loc#	Type	#		Year	Manufacturer
900-917	F40PH-2	18		1985	General Motors-EMD (see below for overhaul info.)

918-919	F40PH-2	2		1987	General Motors-EMD (see below for overhaul info.)
920-922	F40PH-2C	3		1998	Boise Locomotive Inc.
923-928	MP36PH-3C	6		2003	Motive Power Inc.
	TOTAL	29			
Locomotive Overhaul Explanation (Included in above Total)					
910 & 907	F40PH-2	2		1998	Overhauled Alstom Inc.
908-909 & 911	F40PH2	3		1999	Overhauled Alstom Inc.
900-906 912-917	F40PH-2CAT	13		1999	Overhauled Alstom Inc.
918 & 919	F40PH-2CAT	2		2000	Overhauled Alstom Inc.
	TOTAL	20			

JPB Existing Maintenance of Way Rolling Stock Support Equipment

Mark	ID No.	Type	#
JPBX	301-304	Flat Car	4
JPBX	701-712	Flat Car	12
JPBX	601-621	Hopper, Ballast	21
JPBX	851	Gondola	1
JPBX	881-883	Side Dump	3
JPBX	500-501	GP9 Locomotive	2
JPBX	503-504	MP15DC Locomotive	2
JPBX	505	Track Geometry Car	1
JPBX	598-599	Caboose	2

EXHIBIT C

RIGHT OF WAY CLEANUP “HOT-SPOTS”

(As referenced in Part 2, Section 2.E.3.g)

The following right of way “hot-spots” are designated by the JPB for frequent refuse and litter pickup:

- Seventh Street between King Street and Mariposa
- The northerly portal to Tunnel 1
- Area south of Tamien Station to MP 51.4
- The area between Tunnel 1 and Tunnel 2, including the 22nd Street Station
- Between Williams Avenue and Paul Avenue, including the front of Egbert Avenue and Carroll Avenue and the former Paul Avenue Station area
- Between Paul Avenue and Salinas Street, including embankments to Gould Street and Carr Street
- Area from South San Francisco Station to the extension of Grand Avenue
- Area in Downtown San Mateo between First Avenue and Ninth Avenue
- Area in Redwood City between Broadway and 5th Avenue
- Area in Palo Alto between Palo Alto Station and Stanford Station
- Area north of Santa Clara Station to De La Cruz overpass
- Area between San Carlos Street and Willow Street, San Jose Area south of Tamien Station to MP 51.4
- Blossom Hill Station parking lot

EXHIBIT D

STATION STAFFING REQUIREMENTS

(As referenced in Part 2, Sections 2.I & M)

1. San Francisco Station

Customer Service (one customer service agent – two shifts):

Monday – Friday: 4:15 a.m. - 8:15 p.m.

Saturday: 7:30 a.m. -11:30 p.m.

Sunday: 7:30 a.m. -11:30 p.m.

2. San Jose Diridon Station

No requirements.

EXHIBIT E

TRACK, COMMUNICATIONS AND SIGNAL PERSONNEL QUALIFICATIONS AND REQUIREMENTS

(As referenced in Part 2, Section 2.L)

1. Track, Communications and Signal Management Personnel

Management personnel shall meet or exceed the qualifications and experience requirements specified herein. Unless otherwise mutually agreed by the parties, the Contractor shall assign personnel to fulfill the positions stated below. The titles for the positions are descriptive, and it is recognized that persons performing like functions may have different titles in different organizations. Regardless of title, all management positions must be approved by the JPB Engineer.

In addition, all track managers shall be qualified to act as an Operator at manually controlled turnouts and take and give instructions for single tracking.

a. Assistant Superintendent Engineering (ASE)

The ASE must have ten years experience in the management and supervision of a Class 1 railroad or Heavy Rail transportation system, experience in track maintenance and construction, familiarity with FRA and CPUC regulations and AREMA Standards, ability to develop work plans and schedules, excellent communications and computer skills, ability to read and understand construction civil plans and Geometry car data, and ability to assist in the development and implementation of safety plans and procedures. The ASE shall be able to respond immediately to emergency or problem calls, 24 hours a day, seven days a week.

b. Assistant Division Engineer (ADE) – Track

The ADE must have ten years experience in the management and supervision of a Class 1 railroad or Heavy Rail transportation system, experience in track maintenance and construction, familiarity with FRA and CPUC regulations and AREMA Standards, ability to develop work plans and schedules, excellent communications and computer skills, ability to read and understand construction civil plans and Geometry car data, and ability to assist in the development and implementation of safety plans and procedures.

c. Assistant Division Engineer (ADE) – C&S

The ADE must have ten years Class 1 or commuter railroad signal experience, and three years in a supervisory capacity.

The ADE also must meet the following qualifications:

1. Knowledgeable in railroad signal/communication practices;

2. Knowledgeable and qualified on GCOR and physical characteristics of the property;
3. Knowledgeable in FRA and CPUC requirements;
4. Ability to troubleshoot any rail signal/communication problem and provide advice on how to repair same;
5. Ability to address any safety-related issue to verify a safe work environment;
6. Ability to make accurate cost-efficiency evaluations of work situations;
7. Ability to install, modify, upgrade, repair and test any signal/communication equipment
8. Demonstrate leadership qualities and organizational skills;
9. Ability to assess the need for and provide an accurate accounting of any material ordered for work;
10. Ability to review and verify the legitimacy of all labor and material cost documents;
11. Ability to create detailed technical records of proposed and completed work;
12. Ability to implement a proactive maintenance program; and
13. Ability to read, understand and direct work based on signal plans.

d. Senior Engineer Track and Structures

The Senior Engineer Track and Structures must have five years experience in the management and supervision of a Class 1 railroad or Heavy Rail transportation system, experience in track maintenance and construction, and familiarity with FRA and CPUC regulations and AREMA Standards.

e. Staff Engineer

The Staff Engineer must have five years experience in the management and supervision of a Class 1 railroad or Heavy Rail transportation system, experience in track maintenance and construction, and familiarity with FRA and CPUC regulations and AREMA Standards.

2. Communications and Signal Personnel

Communications and Signal personnel shall meet the requirements listed herein. The titles for the positions are descriptive, and it is recognized that craft positions performing like functions may have different titles in different organizations.

All signal personnel other than apprentice level shall be qualified under GCOR to obtain track and time, including Form B and Form C Track Bulletins. All personnel must have the ability to work out of doors in all weather conditions, climb irregular embankments and

ladders, lift objects that will not exceed OSHA weight standards, and distinguish colors. Personnel must display the ability to communicate in written and verbal English. Personnel whose duties require operation of a motor vehicle must maintain a valid California driver's license.

a. Signal Technician

The Signal Technician must have five years Class 1 or commuter railroad signal experience and meet the following qualifications:

1. Knowledgeable in railroad signal practices;
2. Knowledgeable and qualified on GCOR and the physical characteristics of the property;
3. Knowledgeable in FRA and CPUC requirements;
4. Ability to troubleshoot any rail signal problem to repair;
5. Ability to address any safety-related issue to verify a safe work environment;
6. Ability to make accurate cost efficiency evaluations of work situations;
7. Ability to install, modify, upgrade, repair and test any signal equipment;
8. Ability to make all adjustments to electronic equipment;
9. Demonstrate a high level of technical competence; and
10. Ability to read and understand signal plans.

b. Signal Inspector

The Signal Inspector must have five years Class 1 or commuter railroad signal experience and meet the following qualifications:

1. Knowledgeable in railroad signal practices;
2. Knowledgeable and qualified on GCOR and the physical characteristics of the property;
3. Knowledgeable in FRA and CPUC requirements;
4. Ability to troubleshoot any rail signal problem to repair;
5. Ability to address any safety-related issue to verify a safe work environment;
6. Ability to make accurate cost efficiency evaluations of work situations;
7. Ability to install, modify, upgrade, repair and test any signal equipment;

8. Ability to instruct others in the proper signal equipment installation and testing procedures; and
9. Ability to read and understand signal plans.

c. Signal Foreman

The Signal Foreman must have five years Class 1 or commuter railroad signal experience and meet the following qualifications:

1. Knowledgeable in railroad signal maintenance requirements;
2. Ability to complete all inspections and tests;
3. Ability to perform any installation, adjustment, modification or needed repairs of communications and signal equipment;
4. Knowledgeable and qualified on GCOR and the physical characteristics of the property;
5. Knowledgeable in FRA and CPUC requirements;
6. Ability to address any safety-related issue to verify a safe work environment;
7. Ability to make accurate cost efficiency evaluations of work situations;
8. Ability to install, modify, upgrade, repair and test any signal equipment;
9. Ability to instruct others in the proper signal equipment installation and testing procedures;
10. Demonstrate leadership qualities and organizational skills; and
11. Ability to read and understand signal plans.

d. Signal Maintainer

The Signal Maintainer must have three years Class 1 or commuter railroad signal experience and meet the following qualifications:

1. Knowledgeable in railroad signal maintenance requirements;
2. Ability to complete all inspections and tests;
3. Ability to perform any installation, adjustment, modification or needed repairs of communications and signal equipment;
4. Knowledgeable and qualified on GCOR and the physical characteristics of the property;
5. Knowledgeable in FRA and CPUC requirements; and

6. Ability to read and understand signal plans.

e. Signalman Apprentice

The Signal Apprentice must have two years Class 1 or commuter railroad signal experience and meet the following qualifications:

1. Ability to install and perform minor or major tasks on signal equipment;
2. Ability to assist in testing processes necessary to support the signal maintainers;
3. Class A California driver's license; and
4. Knowledgeable in FRA and CPUC requirements.

f. Communications Technician/Radio Technician

The Communications Technician/Radio Technician must have five years Class 1 or commuter railroad communications experience and meet the following qualifications:

1. Knowledgeable in railroad communications practices;
2. Possess an FCC or NABERS license as formal acknowledgement to qualify for the adjustment of radio transmitters;
3. Ability to install, modify, upgrade, troubleshoot and maintain any railroad associated communications equipment, including, without limitation, ATCS communications, voice radio, microwave systems, visual message systems, public announcement systems, and train control systems;
4. Ability to inspect and recommend equipment improvements;
5. Ability to coordinate any installation or maintenance operation;
6. Ability to assess the need for and provide an accurate accounting of any material ordered for the system;
7. Ability to create detailed technical records of proposed and completed work; and
8. Ability to review and verify the legitimacy of all labor and material cost documents.

3. Track Personnel

All track personnel shall be qualified under GCOR, RWP, SPTMC, Flag Protection, Radio Procedures and physical characteristics of the property. All track personnel must have the ability to work out of doors in all weather conditions, climb irregular embankments and ladders, lift objects that will not exceed OSHA weight standards, and distinguish colors. Personnel must display the ability to communicate effectively in written and verbal English. Personnel whose duties require operation of a motor vehicle must maintain an appropriate and valid California driver's license.

Foremen and equipment operators shall be qualified as required in the SPTMC. Under no circumstances are unqualified or inexperienced on-track equipment operators allowed to work on JPB main tracks except when accompanied in the cab at all times by an experienced operator or operator trainer and then only with JPB prior approval.

END OF PART 2 – SECTION 3