

COOPERATIVE AGREEMENT

This AGREEMENT, entered into on January 18, 1995, is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as STATE, the

CITY OF BIG BEAR LAKE, a body politic
and a municipal corporation of the State of California,
referred to herein as CITY, and

CITY OF REDLANDS, a body politic
and a municipal corporation of the State of California,
referred to herein as REDLANDS.

RECITALS

- (1) STATE has undertaken an extensive Compressed Natural Gas (CNG) Fueled Vehicle Project to implement a number of transportation management strategies aimed at reducing traffic congestion while improving mobility, safety, air quality and energy efficiency in a cost-effective manner and will provide funds for the purpose of implementing and monitoring project to reduce air pollution from motor vehicles.
- (2) STATE contemplates studying and monitoring PROJECT for purposes of statewide application of ridesharing and utilizing clean fueled motorized vehicles.
- (3) STATE augmented a Compressed Natural Gas (CNG) Fueled Vehicle Project by supporting efforts which focus on the Interstate 10/State Route 60 and Interstate 15/State Route 215 corridors in San Bernardino County, referred to herein as "PROJECT", and deposited with the CITY a fixed lump sum, referred to herein as "FUNDS" to be used for the purpose of purchasing natural gas vehicles.
- (4) STATE and CITY entered into an Agreement (Headquarters Document No. 8885), District Agreement 8-843, on June 2, 1993, said Agreement defining the terms and conditions of a project to purchase natural gas vehicles.

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- (5) CITY has determined that a city vanpool operation is not currently viable, and is willing to transfer two (2) natural gas vans to another public agency.
- (6) REDLANDS has agreed to accept the transfer of the two (2) natural gas vans from CITY for the purpose of a city vanpool operation to implement PROJECT.
- (7) This Agreement supersedes any prior Memorandum of Understanding (MOU) relating to PROJECT, and cancels District Agreement No. 8-843, Document No. 8885.
- (8) The parties hereto intend to define herein the terms and conditions under which PROJECT is to be developed, financed, and implemented.

SECTION I

CITY AGREES:

- (1) To transfer CNG vehicles from CITY to REDLANDS.

SECTION II

REDLANDS AGREES:

- (1) To implement PROJECT in accordance with the Compressed Natural Gas (CNG) Fueled Vehicle Project described in APPENDIX A, attached and made part of this Agreement.
- (2) To accept two (2) dedicated CNG original equipment manufactured commuter vans from CITY within thirty (30) days from full execution of this Agreement.
- (3) To provide STATE monthly progress reports after the transfer of vehicles by the 15th of each month through December 1995, and semi-annual progress reports through December 31, 1997. These reports will include efforts expended and underway, and related expenses during the current reporting period. These reports also will include the PROJECT effectiveness in reducing commuter trips, all maintenance and repair records, major fuel-related problems and issues and recommendations for future natural gas vehicle efforts within REDLANDS.

- (4) To assume ownership and liability responsibilities for all vehicles, and to maintain all vehicles at REDLANDS' own cost and expense, and make no claims against STATE for any portion of such expenses.
- (5) To notify STATE in writing thirty (30) days prior to terminating PROJECT before the date of December 31, 1997, and to provide a report explaining all reason for termination.
- (6) If REDLANDS terminates PROJECT after vehicles are transferred from CITY but before the date of December 31, 1997, REDLANDS will reimburse STATE for STATE's one hundred percent (100%) share of the vanpool vehicles at the current wholesale value or deliver to STATE the legal title to vehicles acquired through transfer under this Agreement free and clear of all encumbrances detrimental to STATE's present and future uses. Acceptance of said title by STATE is subject to a review in STATE's name to be provided and paid for by REDLANDS.
- (7) Upon the PROJECT termination date of December 31, 1997, REDLANDS will retain legal title to vehicles.

SECTION III

STATE AGREES:

- (1) To implement PROJECT in accordance with the Compressed Natural Gas (CNG) Fueled Vehicle Project described in APPENDIX A, attached and made a part of this Agreement.

SECTION IV

IT IS MUTUALLY AGREED:

- (1) REDLANDS and STATE will carry out PROJECT in accordance with APPENDIX A, attached and made a part of this Agreement, which outlines the responsibilities of the parties hereto. The attached APPENDIX may in the future be modified in writing to reflect changes in the responsibilities of REDLANDS and STATE. Such modifications shall be concurred

with by REDLANDS' representative and STATE's District Director for District 8 and become a part of this Agreement after execution by the respective officials of REDLANDS and STATE, as an amendment to this Agreement.

- (2) Neither STATE nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by REDLANDS under or in connection with any work, authority or jurisdiction delegated to REDLANDS under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, REDLANDS shall fully defend, indemnify and save harmless the State of California, all officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by REDLANDS under or in connection with any work, authority or jurisdiction delegated to REDLANDS under this Agreement.
- (3) Neither REDLANDS nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, STATE shall fully defend, indemnify and save harmless REDLANDS from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement.
- (4) No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
- (5) Operation of vanpools by REDLANDS using vans purchased with FUNDS will conform to the purpose of APPENDIX A and federal and state vanpool guidelines.

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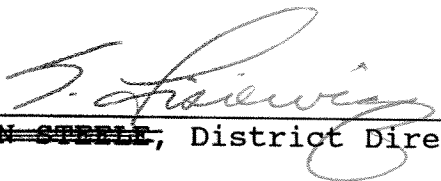
- (6) REDLANDS and STATE will retain or cause to be retained and will make available for audit or copying by REDLANDS, STATE or other government auditors for a period of three (3) years from date of termination of this Agreement, by written notice or termination of this Agreement by final annual report due December 31, 1997, all records and accounts relating to PROJECT.
- (7) The Contract Cost Principles and Procedures, 48 CFR, Chapter 1, Part 31, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants-in-Air to State and Local Governments are applicable to this Agreement.

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- (8) Unless earlier terminated by written notice, this Agreement shall terminate upon receipt and acceptance by STATE of final annual report due December 31, 1997 for PROJECT.

STATE OF CALIFORNIA
Department of Transportation

JAMES W. VAN LOBEN SELS
Director of Transportation

By 
~~KEN STEELE~~, District Director

APPROVED AS TO FORM AND PROCEDURE:

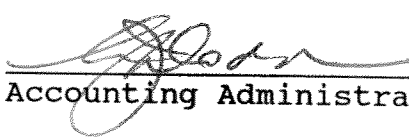

Attorney,
Department of Transportation

CERTIFIED AS TO FUNDS:

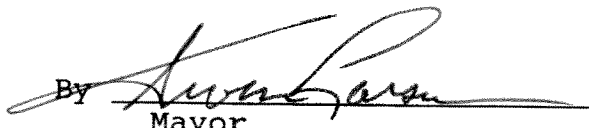

District ~~Resource~~ Manager

Budget

CERTIFIED AS TO PROCEDURE:


Accounting Administrator

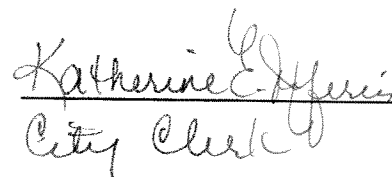
CITY OF REDLANDS

By 
Mayor

Attest: 
City Clerk

CITY OF BIG BEAR LAKE

By 
Mayor

Attest: 
City Clerk

APPROVED AS TO FORM AND
PROCEDURE:


Counsel *Best, Best & Krieger*

APPENDIX A

WORK PLAN FOR THE CITY OF REDLANDS
COMPRESSED NATURAL GAS FUELED VEHICLE PROJECT

OPENING STATEMENT

The following document summarizes a proposed work plan for the demonstration of City of Redlands Compressed Natural Gas (CNG) Fueled Vehicle Project.

The structure of the proposal contains the goals, objectives and requirements.

GOALS

PROJECT is to promote the use of cleaner fueled commuter rideshare vehicles as a traffic demand management strategy while working toward meeting federal and state energy goals and air quality standards. The commitment to purchase and operate these CNG vehicles in the City of Redlands is essential to maintain a high volume CNG fueling station.

OBJECTIVES

PROJECT is to transfer two (2) dedicated CNG commuter vans, original equipment manufactured from the City of Big Bear Lake to the City of Redlands, to be matched with vehicle(s) using twenty (20) equivalent gallons of CNG fuel daily, purchased or converted by December 30, 1997. Redlands may purchase two (2) compressed natural gas vans or any other vehicular equipment that uses twenty (20) equivalent gallons of CNG fuel daily. Another option is to convert two (2) of your existing fleet vehicles. The equipment purchase/conversion date must be by December 30, 1997.

REQUIREMENTS-VANS

The cost of acquiring a vanpool vehicle is eligible under the following conditions:

The vanpool vehicle is a four-wheeled vehicle manufactured for use on public highways for transportation of 7-15 passengers (excluding passenger cars which do not meet the 7-15 passenger criteria and buses); and

Provision is made for repayment of the acquisition cost to the project within the passenger-service life of the

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vehicle. Repayment may be accomplished through the charging of a reasonable user fee based on an estimated number of riders per vehicle and the cost of reasonable vehicle depreciation, operation, and maintenance. Repayment is not required under the following conditions:

When vehicles are purchased as demonstrator vans for use as a marketing device. Vehicles procured for this purpose should be used to promote the vanpool concept among employees, employers, and other groups by allowing potential riders and sponsors to examine commuter vans; or

When vehicles are purchased for use on a trial commuting basis to enable people to experience vanpooling first hand. The trial period must be limited to a maximum of two months. That part of the user fee normally collected to cover the capital or ownership cost of the van would be eligible for reimbursement as a promotional cost during the limited trial period. As with established vanpool service, all vehicle operating costs must be borne by the user(s) during the trial period.

PROJECT BUDGET

Estimated contribution: REDLANDS \$100,000