

**AMENDMENT NO. 9**  
**TO CONTRACT NO. MS214-09**  
**BETWEEN**  
**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY**  
**AND VEOLIA TRANSPORTATION MAINTENANCE AND INFRASTRUCTURE, INC.**  
**FOR TRACK, STRUCTURES AND RIGHT-OF-WAY MAINTENANCE SERVICES**

This Contract Amendment, effective September 1, 2014, is entered into by and between the SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (hereinafter "Authority") and Veolia Transportation Maintenance and Infrastructure, Inc. (hereinafter "Contractor").

**RECITALS**

**WHEREAS:**

- I. Authority and Contractor entered into an agreement for track, structures and right-of-of way maintenance services on October 16, 2008.
- II. Effective July 28, 2009, the Authority amended the contract under Amendment No. 1 to revise Article 6, Payment and Invoicing, to increase contract authority in an amount not-to-exceed \$17,772,596 for work to be performed during July 1, 2009 through June 30, 2010 as funded in the FY 2009/10 Operating and Capital Budgets.
- III. Effective December 16, 2009, the Authority amended the contract under Amendment No. 2 to revise Article 6, Payment and Invoicing, Paragraph 6.1, Compensation, to increase contract authority for FY 2009/10 in an amount not-to-exceed \$5,556,014 as approved by the Board at the December 2009 meeting and revise Appendix S.
- IV. Effective July 1, 2010, the Authority amended the contract under Amendment No. 3 to increase the FY 2010/11 contract funding authority by \$18,423,149 as approved at the June 25, 2010 Authority Board meeting.
- V. Effective July 1, 2011, the Authority amended the contract under Amendment No. 4 to revise Article 2.0, Scope of Services, Section 2.2.1 Inspections, Paragraph 2.2.1A., Virtual Inspections, to reduce the number of weekly inspections without increase in contract authority.

- VI. Effective January 1, 2011, the Authority amended the Contract under Amendment No. 5, to delete the Material Management scope of services and related positions and requirements of the Contract and to otherwise amend the Contract.
- VII. Effective July 1, 2011, the Authority amended the contract under Amendment No. 6 to increase the FY 2011/12 contract funding authority by **\$18,151,992** as approved at the June 10, 2011 Authority Board meeting.
- VIII. Effective April 12, 2013, the Authority hereby amended the contract under Amendment No. 7 to revise Article 6, Payment and Invoicing, to increase annual contract authorization by **\$4,300,000** for a not-to-exceed contract authorization of **\$20,485,710** as approved at the April 12, 2013 Authority Board meeting for work to be performed during July 1, 2012 through June 30, 2013 as funded in the FY2012/13 Operating and Capital Budgets.
- IX. Effective July 1, 2014, the Authority amended the contract under Amendment No. 8 to revise Article 6, Compensation to revise Appendix S as attached; and revise Article 7, Term of Agreement to exercise the four year option and extend the period of performance from January 1, 2015 to December 31, 2018, as approved at the February 14, 2014 Authority Board Meeting.
- X. The Authority hereby amends the contract under Amendment No. 9 to revise Article 6, Compensation to revise Appendix S as attached; and revise Article 5, Annual Budget to revise due dates for services plans and annual budgets.

NOW, THEREFORE, Authority and Contractor hereby amend the Contract as follows:

- I. Article 6, Compensation, Appendix S, is supplemented by Attachment 1, to reflect fixed unit rates for period January 1, 2015 through December 31, 2015.
- II. Article 5, Annual Budget, shall be deleted in its entirety and replaced with the following:

## **5. ANNUAL BUDGET**

### **5.1. PREPARATION OF PROPOSED SERVICE PLAN**

During the term of this Agreement and prior to October 1 of each year, Authority shall prepare and submit to Contractor a Service Plan(s) covering the next Fiscal Year(s). This Service Plan shall include a detailed description of the Services Authority expects Contractor to provide during the next Fiscal Year(s). These Services will form the basis for the Approved Budget(s) and the Service Plan(s).

## **5.2. PREPARATION OF PROPOSED BUDGET**

**5.2.1.** During the term of this Agreement and no later than October 20 of each year, or twenty (20) days after delivery of the Service Plan by Authority, Contractor shall prepare and submit to Authority a proposed budget, in a format to be determined by Authority, for provision of Services described in the Service Plan(s) for the next Fiscal Year(s). The proposed budget shall reflect actual operations and levels of Services being provided during the then-current Fiscal Year, except as modified for the coming Fiscal Year(s). The proposed budget shall:

- a. Be consistent with the Service Plan(s) and requirements set forth at Appendix S
- b. Be based upon the FBLC rates proposed for years one through six, and appropriately inflated rates for subsequent years seven through ten
- c. Be based upon mutually agreed-upon quantities of material purchases and subcontracted services
- d. List all positions whose time will be chargeable during the coming Fiscal Year(s)
- e. Include a mutually developed list of expenditures relating to rental of Contractor-owned vehicles and equipment projected for the Fiscal Year(s)
- f. Specify the assumptions used in developing the proposed budget(s)
- g. Include Contractor's safety plan and associated costs
- h. Include the annual training plan and associated costs
- i. Include the annual plan for maintenance and support of both Authority and Contractor-owned equipment and vehicles
- j. Include the annual herbicide application program
- k. Include the annual rail flaw/defect detection and track geometry measurement programs
- l. Include a billing schedule for the applicable Fiscal Year(s)

**5.2.2.** The proposed budget(s) shall include the costs Contractor may incur in performing Ordinary Maintenance and Special Supplementary Maintenance. Contractor shall maintain the resources and capacity to perform Special Supplementary Maintenance, which is estimated at twenty percent of the Ordinary Maintenance budget. Authority shall develop and include estimates for Special Supplementary Maintenance in the Approved Budget(s). Expenditures for Special Supplementary Maintenance shall be authorized through the CTO process.

### **5.3. AUTHORITY REVIEW OF PROPOSED BUDGET**

No later than November 20 or thirty (30) calendar days after Contractor submits its budget(s) for each year(s), whichever is later, Authority shall present to Contractor its comments on the proposed budget(s), the Service Plan(s), and all other proposals Contractor has provided, which will specify the item(s), if any, to which Authority objects, and the basis for each objection. Authority and Contractor shall promptly enter into negotiations to resolve any objectionable items. The parties will complete the negotiations and resolve any outstanding issues by no later than April 1 of each year.

### **5.4. APPROVED BUDGET**

The final Approved Budget(s) shall include (1) an agreed-upon Ordinary Maintenance budget(s); (2) amounts for (a) Direct Costs for materials and subcontracted services, (b) rental of Contractor owned equipment and vehicles, (c) Contractor's annual safety and training programs; and (3) contract authority for (w) Special Supplementary Work, (x) Extraordinary Work, (y) Recollectable Work and (z) support for R&R and New Capital.

### **5.5. ADJUSTMENT OF FBLC AND EQUIPMENT RATES**

For the option years beyond the initial 6-year Agreement period, the FLBC and equipment rates incorporated into this Agreement as set forth on Appendix S, shall be adjusted annually effective at the beginning of the Fiscal Year based on the relationship of the then most recent Consumer Price Index (CPI) for the Los Angeles, Anaheim and Riverside areas issued each January 1<sup>st</sup>. This index will be compared to the CPI index published on January 1<sup>st</sup> of the prior year. This comparison will indicate the changes in material prices, wage rates and supplements combined, excluding fuel to be used in adjusting the approved FBLC and equipment rates. If the change in the CPI Index from one year to another is negative or zero then no annual adjustment shall occur. Adjustments will be made to the Direct Labor rate portion of the FBLC rates only.

### **5.6. BUDGET PLAN FOR FIRST YEAR OF AGREEMENT**

For the portion of the Fiscal Year remaining after the Effective Date of this Agreement, Contractor's budget plan will be based on one twelfth of Contractor's first year rates as proposed, times the remaining months in that Fiscal Year as amended prior to start of Services. Beginning with Fiscal Year 2019/10, Contractor and Authority shall establish the budget amount for the next full Fiscal Year(s) using the procedure described in Sections 5.1. through 5.5, above.

### **5.7. BUDGET AMENDMENT FOR UNFORESEEN EVENTS**

Upon the occurrence of events that were not reasonably foreseeable at the time of approval of the Approved Budget(s), and which will cause a material change in the assumptions used in developing the Approved Budget(s), the parties shall

agree upon amendments to the Approved Budget(s) for that Fiscal Year(s) to reflect those changes.

**5.8. BUDGET REVISIONS FOR COST OVERRUNS**


If Service costs are projected to exceed the Approved Budget in effect at the time Contractor performs such Services, such overruns must be justified and addressed appropriately prior to incurring any costs in excess of the Approved Budget. Contractor's failure to obtain Authority's approval of any costs in excess of the Approved Budget may result in Authority's rejection of such costs.

XI. As hereby amended, the Contract remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Contract Amendment to be executed as of the day first above written.

SOUTHERN CALIFORNIA  
REGIONAL RAIL AUTHORITY

VEOLIA TRANSPORTATION  
MAINTENANCE AND  
INFRASTRUCTURE, INC.

By:   
Michael P. DePallo  
Chief Executive Officer

By: 

**APPROVED AS TO FORM:**

DON DEL RIO

  
General Counsel

EXEMPT LABOR RATES for Year 7

from Jan 1, 2015 to Dec 31, 2015

	Hourly Rates
Maintenance Contract Manager	\$164.31
Asst. Maintenance Contract Mngr.	\$140.84
Material Management Supervisor	\$99.76
Safety Manager	\$105.63
Training Manager for Contractor	\$134.97
Railroad Bridge Supervisor	\$117.36
Maintenance track supervisor	\$129.10
Office Engineer	\$152.57
Project Engineer	\$84.50
Administrative Office Manager	\$64.46
Administrative Assistant	\$36.84
IT programmer	\$129.10

NON EXEMPT LABOR RATES for Year 7

from Jan 1, 2015 to Dec 31, 2015

	RE rates	OT Rates	DT rates
Railroad Bridge Inspector	\$72.58	\$106.73	\$140.86
Railroad Bridge Repair Leader	\$61.31	\$86.31	\$113.63
Railroad Bridge Repairer / Carpenter	\$51.05	\$74.69	\$98.33
RR Equipment Operator I	\$56.62	\$82.79	\$108.94
RR Equipment Operator II	\$56.62	\$82.79	\$108.94
RR Track Equipment Repairer	\$61.31	\$86.31	\$113.63
RR Track Equipment Repairer Helper	\$56.62	\$82.79	\$108.94
Railroad Track Supervisor	\$72.58	\$106.73	\$140.86
Railroad Track Repair Leader	\$61.31	\$86.31	\$113.63
Railroad Track Repairer	\$51.05	\$74.69	\$98.33
Railroad Track Welder	\$55.58	\$81.29	\$106.97
Railroad Track Welder-Helper	\$51.05	\$74.69	\$98.33
Railroad EIC (Track Flagger)	\$61.31	\$86.31	\$113.63
Material Inventory Control Assistant	\$56.62	\$82.79	\$108.94

6 Equipment Rates for Year 7 From Jan 1, 2015 to Dec 31, 2015

- Notes:
1. The hourly rate is set at 15% of the Daily rate.
  2. The Daily rate is set at 25% of the weekly rate.
  3. The weekly rate is set at 28% of the Monthly rate.

4. The Authority will allow the Contractor up to 90 days to provide the requested Equipment.
5. The equipment quoted rates shall be based on a usage of 12 Months. The rate for equipment used for less than 12 Months is subject to adjustment by agreement.
6. All equipment shall initially be less than 2 years old unless otherwise agreed to by Authority.
7. Service will include all normal lubricants and parts required to maintain equipment operational condition.
8. Equipment maintenance cost shall be based on Blue Book methodology where applicable.

Equipment Line No.	EQUIPMENT DESCRIPTION	Hour Rate Note 1	Day Rate note 2	Week Rate Note 3	Month Rate	Hour Service Rate
<b>WET Light Duty Trucks With Service &amp; Fuel Included</b>						
1	Chevy Tahoe or equivalent	\$26.85	\$178.98	\$715.93	\$2,556.88	
2	Chevy Trailblazer or equivalent	\$21.55	\$143.65	\$574.60	\$2,052.15	
3	Ford F-150 pickup truck (1/2 ton) or equivalent	\$25.40	\$169.35	\$677.42	\$2,419.34	
4	Chevy Ext. Cab 4 WD or equivalent	\$26.13	\$174.17	\$696.67	\$2,488.11	
5	Chevy Ext. Cab 2 WD or equivalent	\$26.13	\$174.17	\$696.67	\$2,488.11	
6	Ford F-250 pickup truck (3/4 ton) or equivalent with Hy-Rail	\$35.37	\$235.80	\$943.21	\$3,368.61	
7	Chevrolet 2500 Crew Cab Hi-Rail or equivalent	\$35.37	\$235.80	\$943.21	\$3,368.61	
8	Chevrolet 3500 pickup truck 6 passenger cab or equivalent	\$30.27	\$201.79	\$807.16	\$2,882.73	
<b>Heavy Duty Trucks and Equipment With Service</b>						
9	5-Yard Swivel Dump Truck with Hy-Rail	\$68.59	\$457.28	\$1,829.10	\$6,532.51	\$32.72
10	High Side 5 Cubic Yard Dump Trucks with trailer connections with bottom hinge tailgate.	\$38.77	\$258.46	\$1,033.84	\$3,692.29	\$12.85
11	Service Truck w/Tanks Reels (a Kenworth equivalent)	\$66.46	\$443.07	\$1,772.30	\$6,329.64	\$19.87
12	Hy-Rail Water Truck 2000 Gal. Cap	\$43.03	\$286.86	\$1,147.45	\$4,088.03	\$19.46
13	Welding van with lift gate and welder	\$36.64	\$244.26	\$977.04	\$3,489.41	\$14.42
14	Pettibone 441D w/ Hi-Rail (speedswing) or equivalent	\$67.73	\$451.53	\$1,806.11	\$6,450.39	\$35.15
15	26,000 Lbs. Hyd. Hi Rail Crew Cab w/ Crane	\$83.44	\$556.24	\$2,224.96	\$7,946.28	\$19.46
16	54,000 Lbs. Hyd. Hi Rail Crew Cab w/ Crane	\$102.67	\$684.49	\$2,737.97	\$9,778.48	\$21.44
17	Boom Truck w/ Lift Basket	\$86.99	\$579.93	\$2,319.72	\$8,284.72	\$32.49
18	Prentice Loader or equivalent	\$103.09	\$687.28	\$2,749.11	\$9,818.24	\$30.50
19	Ziemen Type Tilt Trailer for Tractor or equivalent	\$6.98	\$46.56	\$186.25	\$665.20	\$4.09
20	Pettibone Reachlift with 10,000 lb Capacity or equivalent	\$41.87	\$279.10	\$1,116.40	\$3,987.15	\$17.08
21	Multiple Tamper, Jackson 6700 or equivalent	\$226.99	\$1,513.27	\$6,053.08	\$21,618.14	\$75.84
22	Ballast Regulator Kershaw M70 or equivalent	\$95.86	\$639.05	\$2,556.20	\$9,129.28	\$40.90
23	Dynamic Track Stabilizer	\$352.76	\$2,351.70	\$9,406.81	\$33,595.76	\$76.25
24	Pandrol Jackson 3000 Track tamper or equivalent	\$106.51	\$710.06	\$2,840.22	\$10,143.65	\$25.09
25	Trackmobile 4250TM car mover or equivalent	\$93.81	\$623.43	\$2,493.71	\$8,906.12	\$30.38
26	Skid Steer Type equipped with 4/1 Bucket,	\$62.65	\$417.66	\$1,670.65	\$5,966.61	\$11.36
27	Mower Deck with the ability to attach Backhoe	\$10.44	\$69.61	\$278.44	\$994.43	\$16.61
28	Post Hole Digger with Attachments	\$0.34	\$2.27	\$9.09	\$32.46	\$4.67
29	Rubber Tired End Ldr. (equivalent to a CAT 966)	\$124.88	\$832.50	\$3,330.01	\$11,892.90	\$22.94
30	Rubber Tired End Ldr. (equivalent to a CAT 988)	\$162.27	\$1,081.78	\$4,327.13	\$15,454.05	\$49.15
31	Backhoe 4WD (equivalent to a CAT 916B)	\$44.73	\$298.22	\$1,192.89	\$4,260.33	\$13.63
32	Trackhoe (equivalent to a CAT 245)	\$173.56	\$1,157.04	\$4,628.15	\$16,529.12	\$73.88
33	2000 CAT D6RXL, OROPS, Topcon Ripper	\$52.33	\$348.90	\$1,395.59	\$4,984.27	\$30.53
34	Telesweld Dual Rail Heater with Track Vibrator	\$85.21	\$568.04	\$2,272.18	\$8,114.92	\$56.09
35	Set of rail carts for 1660Ft. CWR Stigs.	\$123.82	\$824.12	\$3,296.47	\$11,773.12	\$16.83
36	McGregor 300 Gallon Fire Fighter	\$1.07	\$7.10	\$28.40	\$101.44	\$7.60

Equipment Line No.		EQUIPMENT DESCRIPTION						
		Hour Rate Note 1	Day Rate note 2	Week Rate Note 3	Month Rate	Hour Service Rate		
37	Walk behind Spike puller	\$15.52	\$103.47	\$413.90	\$1,476.21	\$12.85		
38	Manually Propelled Tie Adzers	\$8.72	\$58.13	\$232.54	\$830.49	\$7.60		
39	Spike Puller ( self propelled )Nordoo Grabber	\$57.51	\$383.43	\$1,533.72	\$5,477.57	\$21.33		
40	Adzer ( self propelled / Ride on )	\$75.83	\$505.56	\$2,022.24	\$7,222.28	\$23.49		
41	Anchor applicator ( self propelled )	\$79.63	\$530.87	\$2,123.49	\$7,583.88	\$37.16		
42	Ballast cribber ( Kershaw 16-3 )	\$42.33	\$282.20	\$1,128.82	\$4,031.49	\$54.05		
43	Tie Borer (equivalent to a Geismar)	\$7.06	\$47.03	\$188.14	\$671.92	\$12.85		
44	Bolt Machine	\$49.39	\$329.24	\$1,316.95	\$4,703.41	\$12.85		
45	Double Wide Trailer with furniture				\$2,472.86			