

**AGREEMENT
BETWEEN THE METROPOLITAN COUNCIL
AND _____
FOR TRANSIT CONVENIENCE/PREPAID FARE REIMBURSEMENTS**

THIS AGREEMENT is made and entered into by and between the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota, (“Council”), and _____, a transit operating entity of _____ (“Provider”).

WHEREAS:

1. The Metropolitan Council is authorized by Minnesota Statutes, section 473.408, to establish and administer fare structure in the Twin Cities Metropolitan Area, referred to as the “region” in this agreement.
2. The regional fare structure provides regional fare levels and regional fare tools, such as prepaid fare media, for the use of all regional public transit providers to accept as payment for rides.
3. The Provider is a regional public transit provider that provides public transit service subject to the regional fare structure.
4. The Council’s Metro Transit division administers all Convenience/Prepaid Fare programs for the region and is the recipient of all Convenience/Prepaid Fare revenue.
5. Convenience/Prepaid Fare revenue is distributed on a per ride reimbursement basis to eligible providers in an equitable manner as determined by the Council.
6. The purpose of this Agreement is to define the terms and conditions under which the Council, through its Metro Transit division, will distribute Convenience/Prepaid Fare revenues to the Provider, including fares that are eligible for reimbursement, the reimbursement value per ride of various Convenience/Prepaid Fares, data collection requirements, and required methods for the reimbursement process.

NOW, THEREFORE, the above-named parties hereby agree as follows:

1. **Definition of a Convenience/Prepaid Fare.** A Convenience/Prepaid Fare is defined as a fare prepaid by a customer prior to a transit ride. A Convenience/Prepaid Fare allows a customer to board a regional transit vehicle by using the prepaid fare media, in whole or in part, instead of cash for payment of the transit fare.
2. **Types of Convenience/Prepaid Fares; Reimbursement Value.** At the time this agreement is entered into, the region uses the following types of Convenience/Prepaid Fares:

- tokens
- stored value cards
- stored ride cards
- Period Passes (i.e., 31 day pass, 7 day pass, day pass)
- MetroPasses
- U-Passes
- College Passes
- Mobility Smart Cards
- Mobility Flash Pass
- Mobility Magnetic Pass
- Young Adult Ride Card
- Employee Pass
- Ramp and Ride
- Student Pass
- Coupons (i.e., mass marketing, jury duty, single/free ride coupons)

Tokens, stored value cards, stored ride cards, MetroPasses, U-Passes and Mobility Passes are sold at a discount from their face cash value and thus have a reimbursement value per ride equal to the discount applied to the per ride face cash value. The following two elements are considered in determining the reimbursement value per ride: (1) the fare in effect at the time of usage and (2) the fare product. For most fare products, the reimbursement value per ride rate is the discounted value of the fareset. The current reimbursement value per ride of Convenience/Prepaid Fare rides is set forth on **Exhibit A**, the Convenience Fares Reimbursement Tracking Form, which is attached hereto and incorporated herein by this reference.

3. Fare Adjustments. If the Council adjusts regional fares during the term of this agreement, it shall prepare a revised **Exhibit A** reflecting any changes in the reimbursement value per ride of various classes of rides in accordance with the methodology described in Section 2 above. The Council shall provide written notice and a copy of the revised **Exhibit A** to the Provider. The revised exhibit, including the reimbursement value per ride of each type of ride, shall be effective upon the effective date of the fare change and without formal amendment of this Agreement.

4. New Convenience/Prepaid Fare Tools. Periodically, new Convenience/Prepaid Fare tools are developed for the region by the Council. The reimbursement value per ride for any such new Convenience/Prepaid Fare Tools will be determined by the Council using the methodology described in Section 2. Distribution of revenues from any such new Convenience/Prepaid Fare tools developed for the region during the term of this agreement shall be governed by the provisions of this Agreement. In the event the Council develops a new Convenience/Prepaid Fare tool as described in this section, the Council shall provide written notice and a copy of the revised Exhibit A, and instructions for the public availability and validity of the new fare tool, to the Provider no less than 30 days before the effective date of the tool. The revised exhibit, including the reimbursement value per ride of the new fare tool shall be effective 30 days from the receipt of a revised Exhibit A by the provider and without formal amendment of this Agreement. In the event a new fare tool is made available with less than 30

days notice, the provider, at its sole option, may, until the 30 days have been completed, either deny the use of the fare tool and require an alternate method of payment, or accept the fare tool for proper payment and be reimbursed the full cash value for the ride taken, or accept the fare tool at the proposed reimbursement value.

5. Regional Transfer Reciprocity. The Council’s regional fare structure provides for full regional transfer reciprocity among all regional transit providers subject to the regional fare structure. That is, all regional public transit provider issued transfers shall be accepted by all other regional public transit providers without charge and without seeking any reimbursement of Convenience/Prepaid Fare revenue for such transfers. The Provider agrees to implement regional transfer reciprocity in accordance with this section and no transfer rides shall be included in the Provider’s requests for reimbursement of Convenience/Prepaid Fare revenue. In order to implement this policy, when a Convenience/Prepaid Fare tool is used as a transfer, the Provider shall ensure that its farebox driver displays will read “TRANSFER” and that the farebox data system will classify the ride as a transfer.

6. Reimbursement for Convenience/Prepaid Fare Eligible Rides. Subject to the limitations and reductions provided for in this section and the regional transfer reciprocity provisions of Section 5, the Provider shall be reimbursed for the reimbursement value of all Convenience/Prepaid Fare eligible rides provided during a billing cycle.

a. Pre-sold Portion Limitation. The Provider may request reimbursement only for the pre-sold portion of a fare. For example, a customer boarding a peak express bus with a low denomination 31-day pass must supplement the ride with cash in the farebox. In such case, the Provider shall retain the cash amount and may only request reimbursement based on the pre-sold portion of the fare.

b. Reimbursement Reductions. The following percentage reductions will be applied to the gross amount of reimbursement to the Provider for Convenience/Prepaid Fare eligible rides provided during the billing cycle:

- 1.81% for commissions paid to outlets who sell Convenience/Prepaid Fares, and
- for any provider not involved in Motor Vehicle Excise Tax revenue sharing through the Regional Transit Fund, an additional 5.31% administrative fee.

7. Data Collection. The Provider shall base any application for reimbursement from Convenience/Prepaid Fare revenue reports from the regional fare data base. Using a standard report format created by the Council providers will request Convenience/Prepaid Fare reimbursement using electronically generated farebox and smart card data that includes ridership by fareset (fare in effect), ride type, Convenience/Prepaid Fare value and Convenience/Prepaid Fare type.

8. Reporting of Data and Requests for Reimbursement. The Provider shall use the Convenience Fares Reimbursement Tracking form shown on **Exhibit A**, or such other form as may be specified by the Council, in order to report Convenience/Prepaid Fare eligible rides

provided during a billing cycle and to request reimbursement of Convenience/Prepaid Fare revenue. The provider will complete the Convenience Fares Reimbursement Tracking form using electronically generated data from the regional fare data base. In addition:

- a. The provider will complete the Reimbursement Adjustments form, which is attached hereto as **Exhibit B**, based on other locally stored data to make adjustments to the total invoice amount. The “Adjusted Invoice Total” found on **Exhibit B** is equal to the payment request.
- b. If the ”Adjusted Invoice Total” on **Exhibit B** exceeds the total amount shown at the bottom of **Exhibit A** by:
 - a. 5.5% for calendar year 2011
 - b. 4 % for calendar year 2012
 - c. 3 % for calendar year 2013
 - d. 2 % for calendar year 2014 and all subsequent years

the provider must submit detailed documentation that supports the adjustments listed on **Exhibit B**.

- c. Requests for reimbursement by the Provider shall be submitted on a calendar monthly basis. The Provider shall request reimbursement by submitting a Convenience Fares Reimbursement Tracking Form for the applicable billing cycle accompanied by an -invoice. The Provider shall submit the form and an invoice for each billing cycle no later than 90 calendar days after the end of the billing cycle.
- d. The forms and invoice shall be submitted to the following address or such other address as the Council may designate in writing to the Provider:

Metro Transit
560 Sixth Avenue North
Minneapolis, MN 55411-4398
Attn: Rich Moore
richard.moore@metc.state.mn.us

9. Council Review of Forms and Invoices; Payment. Upon receipt, the Council shall review the Provider’s Convenience Fares Reimbursement Tracking Form (**Exhibit A**), Reimbursement Adjustments (**Exhibit B**) and the invoice. The Council retains the right to request additional information prior to payment and to withhold payment until proper information is received from the Provider. The Council shall remit the undisputed amount of any invoice to the Provider within 30 calendar days from receipt of the invoice. Undisputed invoices that are not paid by the Council within 30 calendar days from receipt of the invoice are subject to a 1.5% late fee.

10. Maintenance of Records; Audit. The Provider agrees to maintain during the term of this agreement and for six years following such term, records and files related to the reimbursement requests made by the Provider under this agreement including, without limitation, the ridership on which the requested reimbursements are based and all documentation that supports adjustments shown on Exhibit B. During the time of such maintenance, authorized representatives of the Council, the Legislative Auditor, and the State Auditor shall have access to

all such records and files for the purpose of inspection, audit, and copying during normal business hours.

11. Relationship of Parties. Nothing in this Agreement shall be deemed or construed as creating the relationship of principal and agent, of partnership, or of joint venture between the parties.

12. Reservation of Rights. Nothing in this agreement shall be deemed or construed to modify or limit any statutory authority or legal obligations or responsibilities of the Council.

13. Duration of Agreement; Termination. Unless terminated earlier in accordance with this Section 13, this Agreement shall be effective from April 1, 2011 until December 31, 2015. Thereafter, subject to the termination provisions of this agreement, this fare reimbursement agreement shall automatically renew for subsequent one calendar year terms unless either party gives written notice to the other party, prior to the beginning of such subsequent calendar year, that it does not wish to renew the fare reimbursement agreement. This agreement may be terminated, at any time, with or without cause by either party, upon 30 calendar days' written notice to the other party.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized officers on the dates set forth below.

METROPOLITAN COUNCIL

By: _____
Regional Administrator

By: _____

Date: _____

Date: _____

By: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: _____
Office of General Counsel
Metropolitan Council

By: _____

Exhibit A (as of 12/31/2010)

Summary Farebox and Smart Card

Month/Year _____ Dec, 2010

Provider Name Sample

	----- Service Type Name -----					Smart card Downtown	Total
	Local Non rush	Local Rush	Express Non Rush	Express Rush			
Rides reimbursed at value per ride							
Farebox rides reimbursed per ride (from page 1)	0	0	0	0			0
Smart card rides reimbursed per ride (from page 2)	0	0	0	0		0	0
Total rides reimbursed per ride	0	0	0	0		0	0
Farebox per ride gross reimbursement value	\$ -	\$ -	\$ -	\$ -			\$ -
Smart card per ride gross reimbursement value	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Total per ride reimbursement value	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Deduct Retail Outlet Commission Fees at						1.81%	\$ -
Deduct Adm fees at (if not part of Motor Vehicle Excise Tax Revenue Sharing						5.31%	
Invoice Total - Net Reimbursement for Farebox Rides Reimbursed Per Ride							\$ -

Exhibit A (as of 12/31/2010)

Farebox Rides by Fare Instrument and Service Type--Original boardings only; no transfers

From Regional Fare Database Farebox Information

Month/Year ____ Dec, 2010

Provider Name Sample

<u>Rides reimbursed at value per ride</u>			----- Service Type Name -----				
	Input shaded areas						
	Fare Instrument Category	Farebox data Location	Local Non rush	Local Rush	Express Non Rush	Express Rush	Total
Rides	\$59-31 day pass	TTP 45	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 1.591	\$ 1.591	\$ 1.591	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	\$85-31 day pass	TTP 46	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.045	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	\$112-31 day pass	TTP 47	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Stored value card	TTPs 5,6,7,43	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	*Magnetic Metropass (temp card)	MetroPass					0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Employee Pass & Ramp and Ride	manual count	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Young adult 10 ride card	TTP 35	0	0	0	0	0
Rate per ride			\$ 0.682	\$ 2.045	\$ 0.682	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Mobility Flash Pass	TTP 22	0	0	0	0	0
Rate per ride			\$ 0.682	\$ 0.682	\$ 0.682	\$ 0.682	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Mobility magnetic pass	TTP 4	0	0	0	0	0
Rate per ride			\$ 0.682	\$ 0.682	\$ 0.682	\$ 0.682	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Magnetic cards not read by farebox	Star Key	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Tokens	TTP 29	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Coupons	Coupons	0	0	0	0	0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Rides	Reduced fare	Senior	0	0	0	0	0
Rate per ride			\$ 0.682	\$ 2.045	\$ 0.682	\$ 2.727	
Reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total Rides			0	0	0	0	0
Grand total farebox per ride gross reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -

* These rides are typically smart card rides, but in some circumstances rides are recorded on fareboxes

Exhibit A (as of 12/31/2010)

Smart Card Rides by Fare Instrument and Service Type--Original boardings only; no transfers

From Regional Fare Database Cubic Information

Month/Year , Dec 2010

Provider Name _____

Sample

Rides reimbursed at value per ride			----- Service Type Name -----					
	Input shaded areas		Local Non Rush	Local Rush	Express Non Rush	Express Rush	Downtown	Total
	Fare Instrument Category							
Rides	\$59-31 day pass	TTP 45	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 1.591	\$ 1.591	\$ 1.591		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	\$85-31 day pass	TTP 46	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.045		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	\$112-31 day pass	TTP 47	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Stored value card	TTPs 5,6,7,43	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Metropass	MetroPass	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Cpass	CPass	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Upass	UPass	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Ramp and Ride	Free Ride Fare Instr ID 22535 or 29185	0	0	0	0		0
Rate per ride			\$ 0.682	\$ 0.682	\$ 0.682	\$ 0.682		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Employee Pass	Free Ride Fare Instr ID 28929	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Young adult 10 ride card	TTP 35	0	0	0	0		0
Rate per ride			\$ 0.682	\$ 2.045	\$ 0.682	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Mobility Smart Card	TTP 4	0	0	0	0		0
Rate per ride			\$ 0.682	\$ 0.682	\$ 0.682	\$ 0.682		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Weekly Pass	Fare Inst ID 32001	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	High School Pass	TTP 34	0	0	0	0		0
Rate per ride			\$ 1.591	\$ 2.045	\$ 2.045	\$ 2.727		
Reimbursement			\$ -	\$ -	\$ -	\$ -		\$ -
Rides	Downtown	Downtown					0	0
Rate per ride							\$ 0.455	
Reimbursement							\$ -	\$ -
Grand Total Rides			0	0	0	0	0	0
Grand total smart card per ride gross reimbursement			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Exhibit B (as of 12/31/2010)

Month/Year _____ Dec 2010

Provider Name _____ Sample

	----- Service Type Name -----					Smart card Downtown	Total
	Local Non rush	Local Rush	Express Non Rush	Express Rush			
Total Regional Fare Rides	0	0	0	0		0	0
Provider Adjustment Rides	0	0	0	0		0	0
Total Rides for Reimbursement	0	0	0	0	0	0	0
Total Regional Fare Reimbursement	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Provider Fare Adjustment	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Total Fare For Reimbursement	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
					Deduct Retail Outlet Commission Fees at	1.81%	\$ -
					Deduct Adm fees at (if not part of Motor Vehicle Excise Tax Revenue Sharing	5.31%	
Adjusted Invoice Total - Net Reimbursement for Farebox Rides Reimbursed Per Ride						\$	-

A
B

AllowableThreshold Percentage Variance Per Section 8b 5.50%

Calculated Provider Fare Adjustment Percentage from above #DIV/0!

Is Detailed Documentation of Adjustment Needed #DIV/0!

B / A