



Los Angeles County

Service Authority for Freeway Emergencies

SAFE BOARD  
MAY 25, 2000

**SUBJECT: MEMORANDUM OF UNDERSTANDING (MOU) WITH THE PUBLIC TRANSPORTATION SERVICES CORPORATION (PTSC)**

**ACTION: AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE PTSC**

### **RECOMMENDATION**

Authorize the Chief Executive Officer to execute a Memorandum of Understanding (MOU) between SAFE and PTSC to allow SAFE to obtain administrative support services from PTSC.

### **ISSUE**

SAFE is a legally independent authority, which requires certain administrative support services from PTSC to fulfill its statutory obligations. SAFE currently has no agreement with PTSC from which the services can be obtained and is unable to provide these services on its own. The execution of the MOU with PTSC is therefore needed to ensure and formalize the terms and conditions under which SAFE shall obtain administrative support services from PTSC.

### **OPTIONS**

The Board has the option of not authorizing the execution of the MOU. This option is not recommended as it may negatively impact the ability of SAFE to obtain the appropriate level of support services required to fulfill its statutory obligations. SAFE will still need to obtain administrative support services from PTSC but without the MOU will have no formal framework with which to obtain and reimburse PTSC for any services.

### **FINANCIAL IMPACT**

The MOU will provide SAFE with improved fiscal control by providing a framework to negotiate the level of service and the cost of the services to be provided. As SAFE may require varying levels of services each fiscal year, the actual financial impact of the MOU will be dependent upon the final negotiated costs of the services to be provided each fiscal year. The annual level of support and its associated costs will be presented to the Board for approval each year as part of the fiscal year budget approval. Upon Board approval of the budget, the fiscal year level of service and associated cost will become an amendment to the MOU.

## **BACKGROUND**

SAFE is required to manage, install, operate and maintain the Los Angeles County Kenneth Hahn Call Box System. In order to meet its statutory requirements SAFE needs to obtain certain administrative support services it currently does not possess. Services such as accounting, procurement, human resources and other support services, including dedicated program management staff, is needed. These services are readily available through the PTSC. The MOU will enable SAFE to obtain these services from PTSC and will provide SAFE with auditable records to ensure an adequate fiscal management and to reinforce its position as an independent authority. The MOU will also provide a level of formality and security to the relationship between SAFE and PTSC.

## **NEXT STEPS**

SAFE will finalize the execution of the MOU with PTSC. SAFE will monitor the services and the cost of the services provided by PTSC and ensure that the terms and conditions of the MOU are followed.

## **ATTACHMENT**

- A. Memorandum of Understanding between the Los Angeles County Service Authority for Freeway Emergencies and the Public Transportation Services Corporation.

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Program Manager



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**ATTACHMENT A**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE LOS ANGELES COUNTY  
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES  
AND  
THE PUBLIC TRANSPORTATION SERVICES CORPORATION**

This MEMORANDUM OF UNDERSTANDING (hereinafter called "MOU") is made and entered into on this \_\_\_ day of \_\_\_\_\_, 2000 by and between the LOS ANGELES COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (hereinafter called "SAFE") and the PUBLIC TRANSPORTATION SERVICES CORPORATION (hereinafter called "PTSC").

## RECITALS

Whereas, the Los Angeles County Service Authority for Freeway Emergencies (SAFE), an independent California local motorist aid authority created in 1988, exists under the authority of Division 3, Chapter 14, Sections 2550 et. seq. of the California Streets and Highways Code;

Whereas, pursuant to the California Streets and Highways Code section 2557, SAFE is responsible for the implementation, maintenance, operation and administration of a motorist aid system on the network of freeways, highways, expressways and unincorporated county roads located within Los Angeles County;

Whereas, the Public Transportation Services Corporation (PTSC) is a public entity organized pursuant to California Public Utilities Code Sections 30253 and 130051.11 and California Corporations Code Sections section 5110 et. seq. in part to provide certain support services to public agencies;

Whereas, SAFE desires to receive certain support services from the PTSC as described and provided herein and is willing to reimburse the PTSC for the reasonable and negotiated cost of providing such services;

NOW, THEREFORE, SAFE and PTSC hereby agree as follows:

1.0     Intent

It is the intent of this MOU to set forth the terms and conditions under which PTSC will provide administrative support services to SAFE. Certain services are logically provided by the PTSC because of economies of scale, interagency proximity, or because the PTSC has internal expertise which would be more costly for SAFE to obtain elsewhere.

2.0     Scope of Agreement

This MOU shall enable the PTSC to provide cost reimbursable services and support to SAFE until such time as this MOU is amended or terminated.

3.0     SAFE Responsibility

SAFE shall maintain sole responsibility for the implementation, operation, maintenance and administration of the motorist aid programs/projects SAFE administers.

4.0     PTSC Responsibility

The PTSC shall be responsible for providing cost reimbursable services and support necessary and agreed upon in this MOU pursuant to Section 5.0. PTSC shall be responsible for providing said services and support in a professional and timely manner.

## 5.0 Services

The PTSC agrees to provide SAFE with reimbursable support services on an annual basis as requested and agreed upon under the provisions of this MOU.

By March 15 of each year, SAFE and PTSC shall negotiate a mutually acceptable agreement outlining the level of support services to be provided by the PTSC and the cost of the services. PTSC shall provide SAFE with a detailed cost proposal for all support services requested by SAFE. The cost proposal shall include all direct and indirect costs necessary to provide the requested level of support, including the methodology used to derive these costs. The agreed upon level of support and costs shall be incorporated into SAFE's budget for approval by the SAFE Board. Upon approval by the Board, the level of service agreement shall become the baseline level of services to be provided by the PTSC for the ensuing fiscal year and shall become an attachment to this MOU.

SAFE reserves the right to request modification of the baseline level of service at any time to better address the needs of the SAFE. Any request for modification to the baseline level of service shall be in the form of a written notice to the PTSC.

If SAFE requests a reduction to the approved baseline level of service, PTSC shall honor the request and expeditiously discontinue all services affected. In no event shall SAFE reimburse PTSC for any affected service referenced in this paragraph more than 30 days from the date of the notice, except for PTSC documented costs to demobilize said services.

If SAFE requests an increase to the approved baseline level of service, PTSC shall review the request and within 15 work days from the date of the request, inform SAFE of its ability and incremental cost to provide the requested service. If SAFE and PTSC agree to the increased service level, contingent on SAFE and any other necessary Board approvals as required, the baseline annual service amendment shall be adjusted accordingly to reflect the additional service and cost. SAFE shall in no instance reimburse PTSC for any additional services provided which have not been approved in writing by SAFE prior to the PTSC providing the services. PTSC is under no obligation to provide SAFE with any additional support services not previously agreed upon.

## 6.0 Payment for Services and Support

The PTSC shall invoice SAFE quarterly for actual costs and expenses incurred by the PTSC as a result of the performance of the MOU. SAFE shall expeditiously review each invoice and shall reimburse the PTSC for all non-disputed and reasonable costs within 60 days for receipt of the quarterly invoice. In no instance shall SAFE incur or pay for costs in excess of those agreed upon in the baseline level of service, except as modified by subsequent written agreement.

In the event of a dispute, SAFE shall notify the PTSC of the nature of the dispute in writing. SAFE may refrain from paying any costs related to the dispute, until SAFE is satisfied that payment is warranted.

SAFE may, at the sole discretion and cost of the SAFE, conduct financial, compliance, and/or performance audits of the PTSC's work and charges related to this MOU, and, based upon the results, make adjustments to previous and future reimbursements to PTSC. PTSC shall provide all necessary documents needed to conduct these audits.

The PTSC shall provide SAFE with a written estimate of the costs anticipated to provide any occasional or one-time service or support and shall notify SAFE promptly of any increase in the estimate before the expenditure of any additional funds.

#### 7.0 Indemnification

Neither the PTSC nor any of its officers, agents, or employees shall be responsible for any damage or liability occurring solely by reason of anything done or omitted to be done by SAFE under or in connection with any work, authority, or jurisdiction performed by SAFE under this MOU. Pursuant to Government Code Section 895.4, SAFE shall fully indemnify and hold the PTSC harmless from any liability imposed for injury (as defined by Government Code 819.8) occurring solely by reason of anything done or omitted to be done by SAFE under or in connection with any work, authority, or jurisdiction performed by SAFE under this MOU and for which SAFE would otherwise be liable.

Neither SAFE nor any of its officers, agents, or employees shall be responsible for any damage or liability occurring solely by reason of anything done or omitted to be done by the PTSC under or in connection with any work, authority, or jurisdiction performed by the PTSC under this MOU. Pursuant to Government Code Section 895.4, the PTSC shall fully indemnify and hold SAFE harmless from any liability imposed for injury (as defined by Government Code 810.8) occurring solely by reason of anything done or omitted to be done by the PTSC under or in connection with any work, authority, or jurisdiction performed by the PTSC under this MOU and for which the PTSC would otherwise be liable.

Nothing in this MOU shall be construed to create any duty towards, or any rights in, any person not a party to this MOU; and neither this MOU nor any of the provisions hereof shall create or enlarge any obligation of either party imposed by law, as the same may now be imposed or limited or may be imposed or limited hereafter.

#### 8.0 Termination

This MOU shall remain in effect until terminated by either party with a minimum of sixty (60) days written notice.

9.0 Amendments

This MOU may be amended by mutual written consent of the parties hereto. This MOU shall not be amended or modified by oral agreements or understandings between the parties or by any acts or conduct of the parties.

Any and all support service requests agreed upon and approved pursuant to Section 5.0 shall become amendments to this MOU for the specific time period and/or fiscal year noted on the request.

10.0 Miscellaneous

The reimbursable cost of any service performed by the PTSC on behalf of SAFE under this MOU shall include SAFE-authorized direct and indirect costs (functional and administrative overhead assessment) attributable to the service, applied in accordance with the standard accounting procedures of the PTSC. SAFE must be notified in writing, and must concur, to any increase in the PTSC reimbursable costs.

This MOU constitutes the complete and entire agreement between SAFE and the PTSC and supersedes any prior representations, understanding, communications, commitments, permits, agreements or proposals, oral or written.

Upon completion of all work under this MOU, ownership and title to all materials, equipment, and appurtenances, e.g., computers, printers, supplies, etc., purchased with SAFE funds shall not pass to the PTSC but shall remain with SAFE. As between the PTSC and SAFE, SAFE shall be responsible for and maintain all such materials, equipment, and appurtenances.

LOS ANGELES COUNTY  
SERVICE AUTHORITY FOR FREEWAY  
EMERGENCIES

PUBLIC TRANSPORTATION  
SERVICES CORPORATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_