ADDENDUM NO. 2

TCTA Transit Management and Operations Request for Proposals

Issued August 14, 2026

This Addendum No. 2, issued August 14, 2026, modifies the Request for Proposals as set forth below. Proposers shall acknowledge receipt of this Addendum in their proposals. Except as expressly modified by this Addendum or by Addendum No. 1, all other provisions of the RFP remain unchanged.

1. Revision to Section 8.3, Proposal Submission Requirements

Section 8.3 is revised to permit the following: A proposer submitting proposals for more than one service category may submit either separate technical proposals for each service category or one consolidated technical proposal covering multiple service categories.

A consolidated technical proposal must clearly identify the service categories included and organize all category-specific information in separately labeled sections. It must provide sufficient information for TCTA to evaluate the proposer’s qualifications, technical approach, staffing, resources, and ability to perform each service category independently.

A separate cost proposal is required for each service category. Each cost proposal must be complete and independently evaluable for the applicable service category. Costs for different service categories shall not be combined in the required standalone cost proposals.

A proposer may also submit optional bundled pricing reflecting efficiencies associated with an award of multiple service categories. Any bundled pricing must be clearly identified as optional and may not replace the required standalone pricing for each service category.

TCTA reserves the right to evaluate and award each service category separately, regardless of whether the proposer submits a consolidated technical proposal. All other proposal requirements remain unchanged.

2. Revision to Section 8.4 and Clarification of Pricing Structure

Notwithstanding any contrary reference in the RFP or Draft Agreement to a “fully burdened” vehicle service hour rate, proposers shall separately identify:

- a fixed monthly management, administrative, and overhead fee; and
- a separate vehicle service hour (VSH) rate for each service category proposed.

Costs included in the fixed monthly fee shall not also be included in any VSH rate.

For each contract year and option year, the cost proposal shall clearly show the fixed monthly fee and the applicable VSH rate for each proposed service category. Proposers may use their own cost proposal format, provided all required pricing elements are clearly identified and independently evaluable.

Each standalone service-category cost proposal shall identify the fixed monthly fee that would apply if that service category were awarded independently, together with the applicable VSH rate for that category. Optional bundled pricing may identify a combined fixed monthly fee and any pricing efficiencies applicable only if multiple service categories are awarded together.

A proposer is not required to submit pricing for a service category on which it is not proposing. Any reference in the RFP or Draft Agreement to a "fully burdened" VSH rate is superseded by the pricing structure stated above.

3. Performance Bond Requirement

The Draft Agreement is revised to remove the Performance Bond requirement.

In Draft Agreement Section 12.5, the phrase requiring the Contractor to "forfeit the Performance Bond to TCTA as provided herein" is deleted.

The Performance Bond listed as Exhibit D in the Draft Agreement's Exhibits Index is deleted, and the remaining exhibits shall be renumbered as appropriate in the final Agreement.

All other references to a Performance Bond in the RFP, Draft Agreement, and related exhibits are deleted.

No Performance Bond is required under this procurement or any resulting contract. Proposers are not required to submit a bond, surety commitment, letter of bondability, or other performance-bond documentation with their proposals.

4. Revision to Proposal Due Date

The proposal due date identified in Section 8.1, RFP Schedule, and elsewhere in the RFP is revised as follows: Previous proposal due date: August 14, 2026, at 5:00 PM Pacific Time. Revised proposal due date: September 18, 2026, at 5:00 PM Pacific Time.

All references in the RFP to the previous proposal due date are replaced by the revised date stated above.

5. Labor and Workforce

The current operation has experienced routine employee turnover. However, TCTA has not identified a sustained driver shortage, and no scheduled service has been canceled or reduced due to a driver shortage during the past twelve months. Proposers are responsible for proposing a staffing, recruitment, training, and retention approach sufficient to provide all services required by the RFP.

6. California Labor Code Section 1072 Declaration

The RFP requirement for a declaration "in the form required by TCTA" is clarified as follows: No separate TCTA form or template will be issued. Each proposer shall include in its proposal a signed written declaration stating whether the proposer will retain the employees of the prior contractor or subcontractor for a period of not less than 90 days, as provided by California Labor Code section 1072, if awarded the contract. The declaration must be signed by an authorized representative of the proposer. A proposer agreeing to employee retention in accordance with section 1072 will receive the preference required by that section.

7. Incumbent Workforce Information – Incentive and Bonus Programs

The incumbent-workforce information is supplemented to include the incentive and bonus programs provided to employees assigned to the TCTA operation during the past three years: the incumbent contractor offers an annual employee incentive program based on performance factors including safety, customer service, attendance, dress code, and administrative requirements. Eligible employees may receive an annual incentive bonus of approximately $300 to $500 based on years of service and performance, and the incumbent contractor reports having paid more than $5,500 in annual incentive bonuses. The incumbent contractor also offers driver recruitment referral and new-driver sign-on bonus programs, with bonus amounts varying based on the new employee's qualifications and certifications; in FY 2025/26, approximately $11,350 was paid through the combined referral and sign-on bonus programs.

This information describes historical programs established and administered by the incumbent contractor. It does not obligate TCTA or any successor contractor to continue or replicate those programs and does not modify the compensation requirements of the RFP. Each proposer remains responsible for proposing its own staffing, compensation, recruitment, and retention approach.

8. Current Transit Operations Contract

For informational purposes, TCTA is providing the current transit operations contract and all amendments in the Supplemental RFP Folders. The documents reflect the existing contractual arrangement and are provided solely as historical reference. They do not amend the RFP, establish requirements for proposers, or represent the terms that will necessarily be included in any contract awarded through this procurement.

9. First-Pickup No-Shows – Demand-Response Service

Draft Agreement Section 6.2.2 is clarified to provide that when the first scheduled passenger is a no-show, otherwise allowable direct travel from the operating facility to that scheduled pickup location will be treated as initial deadhead, subject to the monthly average limit of 15 minutes per vehicle per service day. Billable service time will begin at the scheduled pickup time after completion of the required no-show waiting period. Subsequent travel performed in accordance with the approved manifest will be treated as service time. Excess waiting time or unauthorized vehicle movements are not billable.

10. Proposed Microtransit Pilot – Scope and Pricing

TCTA has not established a final operating plan or implementation date for the proposed microtransit pilot. Funding is anticipated during FY 2026–27, but its timing and availability have not been confirmed. The pilot's service area, operating days and hours, fares, passenger eligibility, projected trips and vehicle service hours, deadhead treatment, peak vehicle requirements, assigned vehicles, technology platform, maintenance requirements, and allocation of responsibilities have not yet been determined.

Proposers shall provide the microtransit VSH rate requested in the Cost Proposal. However, proposers shall not include a specific quantity or cost of microtransit service in the base operating proposal unless otherwise directed by a subsequent addendum.

Proposers shall describe their experience and proposed approach to assisting TCTA with microtransit planning and implementation, including service design, technology, fleet, staffing, maintenance, launch preparation, public information, and performance monitoring.

Microtransit service is not guaranteed under the resulting contract. Any implementation will be subject to funding availability, TCTA approval, and execution of a Letter of Agreement or contract amendment establishing the final scope, service requirements, responsibilities, billable vehicle service-hour methodology, implementation schedule, and compensation.

11. Proposed Microtransit Pilot – Evaluation Framework

TCTA has not established final performance metrics, numerical thresholds, an evaluation period, or a decision schedule for the proposed microtransit pilot. These elements will be developed during pilot planning with assistance from the selected contractor and documented in the Letter of Agreement or contract amendment authorizing the service.

The evaluation framework is expected to consider passenger demand and productivity; operating costs and financial sustainability; service quality and reliability; accessibility and customer feedback; impacts on other TCTA services; funding availability; operational and technological feasibility; and consistency with TCTA Board priorities and community needs.

The applicable Letter of Agreement or contract amendment will establish the pilot's objectives, performance measures, reporting requirements, evaluation period, and decision process. Based on the evaluation and available funding, TCTA may continue, modify, expand, reduce, or discontinue the pilot. TCTA does not guarantee a minimum pilot duration or continuation of the service.

Proposers should describe their recommended approach to evaluating a microtransit pilot but should not assume that TCTA has adopted specific performance thresholds or guaranteed a particular operating period.

12. Potential Award to Multiple Contractors

The RFP is clarified to provide that a proposer may submit a proposal for one or more of the service categories identified in the RFP. Each proposer shall describe its approach, qualifications, staffing, pricing, resource needs, and assumptions for the service category or categories it proposes to provide.

Proposers are not required to develop or assume a specific multi-contractor operating structure. TCTA has not predetermined how responsibilities or shared resources would be allocated if service categories are awarded to more than one contractor.

If TCTA determines that negotiations with more than one proposer are necessary to provide the full complement of required services, TCTA will negotiate with the affected proposers to establish an integrated operating structure. Those negotiations may address: allocation of operational and support responsibilities; management authority and coordination procedures; performance standards, reporting, and accountability; insurance, indemnification, and liability; use and maintenance of TCTA vehicles and facilities; dispatch and customer-service responsibilities; technology, data access, and system integration; and allocation of other shared resources.

The final allocation of responsibilities and resources will be based on the proposals received, the services assigned to each contractor, and subsequent negotiations. The agreed structure will be documented in the resulting contracts, exhibits, or other written agreements before operations begin. TCTA does not guarantee that services will be awarded to more than one contractor.

13. Emergency Operations

TCTA cannot estimate or guarantee the number of emergency-operation hours that may be required during any contract year. Proposers shall not include an assumed quantity of emergency-operation hours in the base service price.

The contractor shall be willing and reasonably prepared to support emergency operations when requested by TCTA, subject to available personnel, vehicles, and other necessary resources.

Minor or limited emergency operations will be compensated at the applicable vehicle service hour rate proposed for the type of service provided.

Major or extended emergency operations may require staffing, vehicles, equipment, supervision, scheduling, reporting, or other resources beyond the contractor's normal operating responsibilities. TCTA will address the scope, responsibilities, compensation, and other applicable terms for such operations separately through a written authorization, Letter of Agreement, or contract amendment. When circumstances require an immediate response, the parties shall document the applicable terms as soon as practicable after the work is authorized.

TCTA will determine whether requested emergency operations will be treated as minor or major based on the nature, duration, scale, and resources required. TCTA does not guarantee any minimum volume of emergency work.

14. Major Repairs and Catastrophic Component Failures

The maintenance provisions of the RFP and Draft Agreement are clarified as follows:

The contractor shall be responsible for all required preventive maintenance, routine and recurring repairs, ordinary component replacement, inspections, adjustments, servicing, and other work necessary to keep TCTA vehicles safe, reliable, and in proper operating condition. The contractor shall also be responsible for repairs resulting from inadequate or untimely maintenance, improper operation, negligence, misuse, failure to follow applicable maintenance standards, or failure to identify and report a developing condition in a timely manner.

TCTA acknowledges that some vehicles may remain in service beyond their expected useful life or anticipated replacement date. The contractor shall not be solely responsible for the cost of a catastrophic component failure or major capital repair caused by age and normal wear when the contractor demonstrates that the vehicle was properly maintained and operated.

For purposes of this provision, a major repair or catastrophic component failure may include the failure or required replacement or rebuilding of an engine, transmission, differential, major drivetrain or propulsion component, or another unusually costly component that is not reasonably treated as routine maintenance. Routine brake, suspension, lift, accessibility-equipment, and similar maintenance and repairs remain the contractor's responsibility unless TCTA determines that the work constitutes an exceptional age-related capital repair.

TCTA may assume or share the reasonable cost of an eligible major repair through direct payment, reimbursement, separately authorized contractor labor, or another allocation agreed to in writing. In determining responsibility, TCTA may consider vehicle age, mileage, useful-life status, maintenance history, warranties, cause of failure, remaining service life, repair cost, replacement timing, and findings from an independent inspection or fleet assessment.

Except when immediate action is required to protect safety or prevent further damage, the contractor shall notify TCTA of the condition, provide supporting maintenance records and a repair estimate, and obtain written authorization before performing work for which TCTA payment or cost sharing is requested. Emergency repairs shall be reported to TCTA as soon as practicable.

TCTA's participation in a repair shall not apply when the failure was caused or materially contributed to by inadequate maintenance, improper operation, negligence, misuse, or the contractor's failure to report a known or developing condition.

Proposers shall not include an unlimited allowance for unidentified catastrophic failures attributable to vehicle age or deferred replacement in their base maintenance price. Proposers shall clearly identify their pricing assumptions regarding routine maintenance, major repairs, and catastrophic component failures.

15. Facility Documentation

The RFP is supplemented to add the following facility documentation, available in the Supplemental RFP Folders: (1) a hand-drawn sketch of the general layout of the transit operations facility, and (2) a video walkthrough of the facility. Neither document is to scale, reflects exact dimensions, or identifies the locations of IT or communications closets or infrastructure.

TCTA does not currently have a professional floor plan or documented IT infrastructure conditions available for the facility.

16. Clarifications to Exhibit C – Performance Standards and Liquidated Damages

Exhibit C and the related performance provisions of the Draft Agreement are clarified as follows:

A. Multiple Liquidated-Damages Provisions

Liquidated damages shall not be cumulative when the same incident could reasonably constitute a violation of more than one liquidated-damages provision. TCTA will apply the single provision most directly applicable to the incident. Separate incidents or independently occurring violations may be assessed separately.

B. On-Time Performance and Early Paratransit Pickups

For Fixed Route service, a vehicle is considered on time when it departs a TCTA-designated timepoint no more than one (1) minute before and no more than five (5) minutes after the scheduled departure time. Monthly Fixed Route on-time performance shall be calculated using observed departures at TCTA-designated timepoints, excluding approved Exempt Events and other documented circumstances determined by TCTA to be outside the contractor's reasonable control.

For Dial-A-Ride service, the approved pickup window is the thirty-minute (30-minute) pickup window established for the passenger's scheduled trip. A pickup is considered on time when the vehicle arrives at the scheduled pickup location within the approved pickup window. Monthly Dial-A-Ride on-time performance shall be calculated using scheduled passenger pickups for which service is provided, excluding passenger cancellations, no-shows, approved Exempt Events, and other documented circumstances determined by TCTA to be outside the contractor's reasonable control.

A Dial-A-Ride pickup occurring before the approved pickup window shall not count against on-time performance when the passenger voluntarily agrees to board early. A passenger is not required to board before the approved pickup window begins. An early vehicle arrival does not begin the required passenger wait period and may not be used as the basis for a no-show determination.

On-time performance for Fixed Route and Dial-A-Ride shall be calculated separately.

C. Preventive-Maintenance Liquidated Damages

Preventive-maintenance liquidated damages may be assessed per vehicle and per missed preventive-maintenance occurrence, up to the amount established in Exhibit C. A continuing delay in completing the same preventive-maintenance occurrence constitutes a single violation and shall not result in separate daily or monthly assessments. Separate missed preventive-maintenance occurrences may be assessed separately.

D. On-Time-Performance Liquidated Damages

The five-percent cap identified in Exhibit C applies only to monthly on-time-performance liquidated damages for the affected service and shall be calculated using that service's applicable monthly vehicle-service-hour charges.

On-time-performance liquidated damages shall be measured separately for Fixed Route and Dial-A-Ride services.

On-time-performance liquidated damages shall not apply to the proposed microtransit pilot or to Special Services. Performance expectations applicable to those services may be established through an approved service plan, Letter of Agreement, contract amendment, or individual service authorization.

E. Reporting Violations

Late-report and inaccurate-report liquidated damages shall not be assessed concurrently for the same report. TCTA will apply the provision most directly applicable to the deficiency.

For purposes of the reporting requirements:

- A “material error” includes a knowing or intentional misrepresentation, concealment, falsification, or omission that significantly affects the accuracy or usefulness of a required report.

- A “minor error” includes a typographical, mathematical, formatting, or similar inadvertent error that does not materially affect the substance or usefulness of the report.

Minor errors may be corrected without liquidated damages within a reasonable correction period established by TCTA after notice. The correction period shall reflect the nature and complexity of the error. Failure to correct an identified error within the established period may be treated as a failure to submit an accurate report.

F. Customer-Service Violations

A serious customer-service violation may include conduct such as belittling, berating, insulting, harassing, threatening, or otherwise treating a customer in a demeaning or abusive manner. Depending on its nature and severity, a single incident may constitute a serious violation.

A repeated pattern of unresolved complaints exists when substantially similar, substantiated complaints continue after the contractor has been notified of the issue and provided a reasonable opportunity to investigate and take corrective action.

In determining whether a repeated pattern exists, TCTA will consider the frequency, similarity, severity, and timing of the complaints and the contractor's response. Multiple complaints arising from the same incident shall not, by themselves, constitute a repeated pattern.

G. Exempt Events

An Exempt Event is a sudden and unanticipated event outside the contractor's reasonable control that materially disrupts service or prevents a vehicle from continuing its assigned service.

Examples may include an unannounced road closure or emergency road work, a traffic collision blocking travel, a fallen tree, wildfire activity, or a similar condition that could not reasonably have been predicted or planned for.

Planned road work, previously announced closures, ordinary traffic congestion, staffing shortages, preventable vehicle failures, or other conditions the contractor could reasonably anticipate and address shall not ordinarily qualify as Exempt Events.

When a potential Exempt Event occurs, the contractor shall notify TCTA as soon as practicable and provide the location, nature of the event, anticipated service impact, and proposed operational response. The contractor shall document the event in the applicable operating report and provide reasonable supporting documentation when available.

TCTA will determine whether the event qualifies as an Exempt Event after consultation with the contractor and consideration of the available information.

H. Preventable Road Calls and Material Service Interruptions

A preventable road call is an unplanned request for mechanical assistance, towing, or a replacement vehicle during revenue service caused by a condition the contractor reasonably could have prevented through required inspections, preventive maintenance, timely repair, or proper vehicle operation.

A material service interruption occurs when the condition results in a missed trip, requires passengers to transfer to another vehicle, removes the vehicle from revenue service, or delays service by 15 minutes or more.

A road call shall not be considered preventable when it results from a documented latent defect, warranty-covered failure, collision, road debris, vandalism, or another condition outside the contractor's reasonable control.

A latent defect is a defect that was not reasonably discoverable through required inspections or preventive maintenance before the failure occurred.

The contractor shall provide reasonable supporting documentation when asserting that a road call resulted from a latent defect, warranty condition, or other circumstance outside its reasonable control.

I. Accident Preventability Determinations

An accident may be considered preventable when the driver or contractor failed to take reasonable precautions or reasonably could have avoided the accident through defensive driving, proper vehicle operation, required inspection or maintenance, or compliance with applicable laws, safety procedures, and operating policies.

A preventability determination shall not depend solely on whether the driver received a citation or was determined to be legally at fault.

Before TCTA makes a final preventability determination, the contractor shall be provided a reasonable opportunity to submit relevant information, which may include driver statements, accident or police reports, photographs, video recordings, witness statements, vehicle records, and other supporting documentation. TCTA will consider the available evidence and circumstances before issuing its final determination.

J. Conditions Outside the Contractor's Reasonable Control

TCTA will not assess liquidated damages or treat an event as a contractor performance failure to the extent that the event results from a documented and verifiable pre-existing condition, latent defect, warranty issue, unavoidable parts delay, accident-repair delay, Exempt Event, or other circumstance outside the contractor's reasonable control.

The contractor shall remain responsible for taking reasonable steps to mitigate service impacts and for providing timely notice and supporting documentation when requesting such treatment.

This provision does not excuse a condition caused or materially contributed to by inadequate maintenance, improper operation, negligence, misuse, staffing deficiencies, failure to take reasonable preventive action, or failure to timely identify and report a developing condition.

17. Facility Utilities

TCTA is responsible for facility utility charges for electricity, water, and existing TCTA-controlled telephone service at the transit operations facility. Proposers shall not include these utility costs in their proposed operating costs. The Contractor remains responsible for any contractor-selected or supplemental telecommunications, internet, networking, or other services and equipment not expressly provided by TCTA.

18. No Other Changes

Except as expressly modified by this Addendum No. 2 and Addendum No. 1, all other terms, conditions, and provisions of the RFP remain unchanged and in full force and effect.