

PARTNERSHIP AGREEMENT
Between CITY OF PALO ALTO
And METROPOLITAN TRANSPORTATION COMMISSION
For CLIPPER BAYPASS PILOT PROGRAM

THIS AGREEMENT is made and entered into as of the May 1, 2025, by and between the City of Palo Alto (herein called "Palo Alto"), and the Metropolitan Transportation Commission, a regional transportation planning agency established pursuant to California Government Code § 66500 *et seq.*, (herein called "MTC") ("Agreement"), both individually referred to as a "Party" and collectively referred to as "the Parties."

W I T N E S S E T H

WHEREAS, MTC seeks to increase transit usage by reducing fare barriers and improving coordination of fare policies across Bay Area transit operators; and

WHEREAS, MTC and Bay Area transit operators convened the Fare Integration Task Force as a special committee of the Clipper Executive Board to assess methods to improve coordination across transit fare policies; and

WHEREAS, on November 15, 2021, the Fare Integration Task Force adopted a Bay Area Transit Fare Policy Vision Statement which called for the "deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations;" and

WHEREAS, MTC created the Clipper BayPass Pilot Program in 2022 under the direction of the Fare Integration Task Force in order to deliver on the commitment to establish an institutional/employer pass pilot; and

WHEREAS, the Clipper BayPass Pilot Program is inviting employers/institutions to purchase the Clipper BayPass public transportation pass, which provides unlimited access to Bay Area transit services that accept Clipper, with the exception of cable car services operated by SFMTA; and

WHEREAS, Palo Alto is interested in providing the Clipper BayPass public transportation pass to its eligible member employees. Eligible member employees are defined as 1) those employees to whom Palo Alto provides the Caltrain Go Pass (Pilot Group A), and 2) all other eligible employees at defined worksite locations (Pilot Group B);

NOW, THEREFORE, the Parties hereto agree as follows:

1. SCOPE OF WORK

MTC agrees to provide the Clipper BayPass public transportation pass, as described and in quantities specified in Attachments A and B, to Palo Alto at the price of \$20 per month per eligible employee for Pilot Group A, and at the price of \$10 per month per eligible employee for Pilot Group B. Palo Alto shall perform the activities described in Attachments A and B.

2. TIME OF PERFORMANCE

The services described by this Agreement shall commence on or after May 1, 2025 and terminate on December 31, 2025, unless the Agreement is extended by duly executed amendment or earlier terminated, as hereinafter provided.

3. FUNDING AND METHOD OF PAYMENT

A. In order to participate in the Clipper BayPass program pilot, Palo Alto agrees to pay MTC in accordance with the amounts and processes specified in Attachments A and B.

All payment shall be submitted to MTC at:

Attn: Accounting Section
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

4. AMENDMENTS

Any changes in the activities to be performed under this Agreement shall be incorporated in written amendments, which shall specify the changes in Attachments A and B and any adjustments in the schedule and Payment amounts. All amendments shall be executed by the Palo Alto Project Manager, or a designated representative and MTC Executive Director, or a designated representative. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.

5. TERMINATION

Either party may terminate this Agreement due to the other party's substantial failure to perform as specified in this agreement upon thirty (30) days prior written notice. Either party may terminate this Agreement without cause upon ninety (90) days prior written notice. In the event of such termination, all Passes shall be deactivated immediately after the termination date. If either party terminates the agreement, MTC shall either invoice or refund Palo Alto as per the terms of termination specified in Attachments A and B.

6. RETENTION OF RECORDS

Palo Alto agrees to keep all records pertaining to the project being funded for audit purposes in accordance with generally accepted accounting practices for a minimum of four (4) years following the fiscal year of the last expenditure under this Agreement.

7. INDEMNIFICATION

Palo Alto shall indemnify and hold harmless MTC and its commissioners, directors, officers, agents and employees (each an "Indemnified Party") from any and all claims, demands, suits, loss, damages, injury and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of breach of this Agreement by Palo Alto or by any negligent or otherwise wrongful act or omission of Palo Alto, its officers, commissioners, directors, employees, agents, contractors and subcontractors, or any of them, under or in connection with this Agreement; and Palo Alto agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against MTC, its commissioners, directors, officers, agents, and employees, or any of them, arising out of such act or omission, and to pay and satisfy any resulting judgments.

8. NOTICES

Except for invoices submitted by Palo Alto pursuant to Article 3, all notices or other communications to either party by the other shall be deemed given when made in writing and delivered, mailed, or emailed to such party at their respective addresses as follows:

To MTC: Attention: Thalia Leng
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
Email: tleng@bayareametro.gov

To Palo Alto: Maria Patino
City of Palo Alto
Office of the City Clerk: City Hall, 7th Floor
250 Hamilton Avenue
Palo Alto, CA 94301
Email: maria.patino@cityofpaloalto.org

9. ASSIGNMENT

Neither party shall assign, transfer or otherwise substitute its interest or obligations in this Agreement without the prior written consent of the other party.

10. CONFIDENTIALITY

10.1 In this Article 10, Confidentiality, the Party disclosing information shall be referred to as the “Disclosing Party” and the Party receiving information shall be referred to as the “Receiving Party”. As used herein, “Confidential Information” shall mean any non-public, confidential or proprietary information disclosed by a Party in discussions between the Parties relating to the purpose, whether disclosed orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential” or “proprietary” including, without limitation: data, notes, drafts, assessments, analyses, evaluations, and reports related to the travel patterns, home and work locations, commute mode choices, and parking activities of Palo Alto employees.

10.2 Exclusions.

“Confidential Information” shall not include information that: (a) is or becomes known or available to the public, other than through a breach of an obligation hereunder by the Receiving Party; (b) is lawfully acquired by the Receiving Party from a third party without breach of a confidentiality restriction; (c) the Receiving Party can demonstrate by written proof was (i) already in its possession at the time it was disclosed hereunder by the Disclosing Party or (ii) was independently developed by the Receiving Party without use of the Disclosing Party’s

Confidential Information; (d) has been approved for disclosure by the Disclosing Party; or (e) has been provided by Disclosing Party pursuant to the required deliverables referenced in Attachments A, Scope of Work.

10.3 Confidentiality Obligation.

Receiving Party will hold and maintain Disclosing Party's Confidential Information in confidence, exercising at least the same degree of care as Receiving Party customarily exercises to protect its own like information, but no less than reasonable care. Without the prior written consent of Disclosing Party, Receiving Party will not: (a) disclose any portion of the Confidential Information to any person or entity other than its directors, officers, employees, agents or consultants (each a "Representative") who reasonably need access to the Confidential Information to fulfill the purpose and is bound to protect its confidentiality including, with respect to agents and consultants, by written agreement on terms substantially similar to this Agreement; or (b) use Confidential Information except as reasonably required in furtherance of the purpose. Receiving Party shall take reasonable steps to ensure compliance with this Agreement by its Representatives, and agrees that it is responsible to Disclosing Party for any action or failure to act by any Representative that would constitute a breach of this Agreement. Notwithstanding the foregoing, disclosure of Confidential Information by a Receiving Party shall not be precluded if such disclosure is required by a valid law, including the California Public Records Act, regulation, subpoena, demand, order or other process of a court or government entity, provided that Receiving Party provides prompt written notice to the Disclosing Party sufficiently in advance to permit the Disclosing Party to contest the disclosure or seek an appropriate protective order.

10.4 Remedies.

Without prejudice to the rights and remedies otherwise available to Disclosing Party, Disclosing Party may be entitled to equitable relief by way of injunction if there is a breach or threat of breach of any of the provisions of this Agreement by the Receiving Party. The Parties acknowledge and agree that damages may not be an adequate remedy in the event of a breach of this Agreement.

11. LAWS AND REGULATIONS


Palo Alto shall comply with any and all applicable laws, statutes, ordinances, rules, regulations, and procedural requirements of any national, state, or local government, and of any agency of any such government, including but not limited to MTC, that relate to or in any manner affect the performance of the Agreement, which shall include, but not be limited to California Streets & Highways Code Section 31490 and any others relating to the handling of private and/or personally identifiable information.

12. ENTIRE AGREEMENT: MODIFICATION

This Agreement, including any attachments, constitutes the complete agreement between the parties and supersedes any prior written or oral communications. Palo Alto represents that in entering into the Agreement it has not relied on any previous representations, inducements, or understandings of any kind or nature. This Agreement may be modified or amended only by written instrument signed by both Palo Alto and MTC. In the event of a conflict between the terms and conditions of this Agreement and the attachments, the terms of this Agreement will prevail.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the day and year first written above.

METROPOLITAN TRANSPORTATION
COMMISSION

DocuSigned by:

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Andrew B. Fremier, Executive Director

CITY OF PALO ALTO

Ed Shikada, City Manager

APPROVED AS TO FORM:

Jennifer Fine, Deputy City Attorney

ATTACHMENT A
PROGRAM SCOPE – PILOT GROUP A

CLIPPER BAYPASS PILOT PROGRAM

Program Duration

The services provided under this contract for Palo Alto's participation in Clipper BayPass Pilot Program will be in force for a duration of 245 days. Options to extend services under the contract beyond the 245 days may be discussed prior to the end of the current contract.

Clipper BayPass Capabilities

The Clipper BayPass Pilot Program utilizes the Clipper fare payment system product known as the "Events Pass". The Clipper BayPass Pilot Program provides individual participants with a transit pass good for unlimited travel on all transit services operated by the Operators that accept Clipper, except for Cable Car service operated by the SFMTA. The "Events Pass" can be activated on any existing physical or mobile Clipper Card.

Program Payment Components

Payment for Public Transportation Services

Palo Alto agrees to pay MTC a minimum total amount of \$59,520 to participate in the Clipper BayPass Program for 245 days. This minimum total payment amount is based on a price of \$20.00 per pass per month for a total of 372 passes. MTC will make available to Palo Alto one Clipper BayPass ("Pass") per eligible employee to whom Palo Alto provides the Caltrain Go Pass. The group of employees to whom Palo Alto provides the Caltrain Go Pass constitutes the minimum eligible pool (the "Pool") for the duration of the present contract period. Palo Alto and MTC have determined the minimum Pool for Pilot Group A for the duration of the present contract to be 372 employees as of December 12, 2024.

Additional Passes

Palo Alto will add eligible employees to whom Palo Alto provides the Caltrain Go Pass to the Clipper BayPass program Pool during the agreement. Passes shall be activated and valid from May 1, 2025 (or date of issue, if later) through December 31, 2025.

Palo Alto shall pay MTC a total of \$160 per Clipper BayPass for each member of the Pool from May 1, 2025 through December 31, 2025. If additional eligible Participants enter the Pool exceeding the 372 in the minimum Pool, then MTC shall issue additional Passes at the same annual price per pass of \$160 unless entry into the program occurs after July 1, 2025, in which case 50% of the annual per Pass price (i.e., \$120) shall be charged per additional Pass. There shall be no pro-rating of pricing beyond the mid-year 50% price.

Invoicing

MTC shall invoice Palo Alto for \$29,760 (i.e., 50% of the minimum total amount of \$59,520) to participate in the Clipper BayPass program upon execution of this Agreement. This payment will be referred to as the "Initial Payment – Pilot Group A". MTC will invoice Palo Alto for the remaining

50% of the minimum total amount on July 1, 2025. By no later than January 31, 2026, MTC shall invoice Palo Alto for any “Additional Passes” as defined herein.

Palo Alto shall remit all payments within thirty (30) days of receipt of invoice, including invoices for additional physical Clipper Cards. All payments shall be directed to:

Attn: Accounting Section
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

Roles and Responsibilities

MTC will be responsible for:

- Providing within 30 days of the start of the program, educational and promotional materials in a digital and physical format to help individuals understand the Clipper BayPass product.
- Making every reasonable effort to provide Palo Alto, within 15 days of a request, with the requested number of physical Clipper Cards at a cost to Palo Alto of \$3.00 per card.
- Providing aggregated reports of travel activity with the Clipper BayPass to Palo Alto.
- Managing evaluation activities including up to four, brief (~5 minute) participant surveys to be deployed electronically.

Palo Alto will be responsible for:

- Using the Clipper Portal to ensure that the Clipper BayPass product is active on all eligible employee Clipper Cards.
- Ensuring that BayPass is removed simultaneously from all employee Clipper Cards from which Go Pass is being removed. In other words, aligning Clipper BayPass deactivation processes with Caltrain Go Pass deactivation processes.
- Communicating to employees to promote the Clipper BayPass and educating them regarding its use. In its communications, including the materials that MTC will provide, Palo Alto clarifies the following program nuances to its employees:
 - The Clipper BayPass cannot be used on SFMTA Cable Cars;
 - The Clipper BayPass will become inactive if it is not used (i.e., tapped on Clipper Card reader on transit or at a transit stop) within 180 days of initial activation.
 - The Clipper BayPass is non-transferable, is only a valid fare when used by an eligible Palo Alto employee.
 - Ensuring that BayPass is removed from an employee’s Clipper card within three business days after their date of separation.
 - Communicating to employees that Caltrain Go Pass Terms and Conditions for use of the pass on public transportation also apply to their use of Clipper BayPass because BayPass is an add-on to, not a replacement for, the existing Caltrain Go Pass.
- Coordinating on a regular basis with the Clipper BayPass program team via virtual meetings.

ATTACHMENT B
PROGRAM SCOPE – PILOT GROUP B

CLIPPER BAYPASS PILOT PROGRAM

Program Duration

The services provided under this contract for Palo Alto's participation in Clipper BayPass Pilot Program will be in force for a duration of 245 days. Options to extend services under the contract beyond the 245 days may be discussed prior to the end of the current contract.

Clipper BayPass Capabilities

The Clipper BayPass Pilot Program utilizes the Clipper fare payment system product known as the "Events Pass". The Clipper BayPass Pilot Program provides individual participants with a transit pass good for unlimited travel on all transit services operated by the Operators that accept Clipper, except for Cable Car service operated by the SFMTA. The "Events Pass" can be activated on any existing physical or mobile Clipper Card.

Program Payment Components

Payment for Public Transportation Services

Palo Alto agrees to pay MTC a minimum total amount of \$35,120 to participate in the Clipper BayPass Program for 245 days. This minimum total payment amount is based on a price of \$10.00 per pass per month, for a total of 439 passes. MTC will make available to Palo Alto one Clipper BayPass ("Pass") per eligible employee at defined worksite locations. The group of employees to at these defined worksite locations constitutes the minimum eligible pool (the "Pool") for the duration of the present contract period. Palo Alto and MTC have determined the minimum Pool for Pilot Group B for the duration of the present contract to be 439 employees as of the 12th day of December, 2024.

Additional Passes

Palo Alto will add eligible employees to the Clipper BayPass program Pool during the agreement. Passes shall be activated and valid from May 1, 2025 (or date of issue, if later) through December 31, 2025.

Palo Alto shall pay MTC a total of \$80 per Clipper BayPass for each member of the Pool from May 1, 2025, through December 31, 2025. If additional eligible Participants enter the Pool exceeding the 439 in the minimum Pool, then MTC shall issue additional Passes at the same annual price per pass of \$90 unless entry into the program occurs after July 1, 2025, in which case 50% of the annual per Pass price (i.e., \$60) shall be charged per additional Pass. There shall be no pro-rating of pricing beyond the mid-year 50% price.

Invoicing

MTC shall invoice Palo Alto for \$17,560 (i.e., 50% of the minimum total amount of \$35,120) to participate in the Clipper BayPass program upon execution of this Agreement. This payment will be referred to as the "Initial Payment – Pilot Group B". MTC will invoice Palo Alto for the remaining

50% of the minimum total amount on July 1, 2025. By no later than January 31, 2026, MTC shall invoice Palo Alto for any “Additional Passes” as defined herein.

Palo Alto shall remit all payments within thirty (30) days of receipt of invoice, including invoices for additional physical Clipper Cards. All payments shall be directed to:

Attn: Accounting Section
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105

Roles and Responsibilities

MTC will be responsible for:

- Providing within 30 days of the start of the program, educational and promotional materials in a digital and physical format to help individuals understand the Clipper BayPass product.
- Making every reasonable effort to provide Palo Alto, within 15 days of a request, with the requested number of physical Clipper Cards at a cost to Palo Alto of \$3.00 per card.
- Providing aggregated reports of travel activity with the Clipper BayPass to Palo Alto.
- Managing evaluation activities including up to four, brief (~5 minute) participant surveys to be deployed electronically.

Palo Alto will be responsible for:

- Using the Clipper Portal to ensure that the Clipper BayPass product is active on all eligible employee Clipper Cards.
- Ensuring that BayPass is removed simultaneously from all employee Clipper Cards from which Go Pass is being removed. In other words, aligning Clipper BayPass deactivation processes with Caltrain Go Pass deactivation processes.
- Communicating to employees to promote the Clipper BayPass and educating them regarding its use. In its communications, including the materials that MTC will provide, Palo Alto clarifies the following program nuances to its employees:
 - The Clipper BayPass cannot be used on SFMTA Cable Cars;
 - The Clipper BayPass will become inactive if it is not used (i.e., tapped on Clipper Card reader on transit or at a transit stop) within 180 days of initial activation.
 - The Clipper BayPass is non-transferable, is only a valid fare when used by an eligible Palo Alto employee.
- Ensuring that BayPass is removed from an employee’s Clipper card within three business days after their date of separation.
- Coordinating on a regular basis with the Clipper BayPass program team via virtual meetings.