



ADOPTED THIS THE 19th DAY OF AUGUST, 2013, BY A UNANIMOUS DECISION OF ALL MEMBERS OF CITY COUNCIL PRESENT AND ELIGIBLE TO VOTE.



MAYOR



CORPORATE OFFICER

Schedule "A"
To Bylaw No. 8527, 2013

PRINCE GEORGE

ANNUAL OPERATING AGREEMENT

Among

THE CITY OF PRINCE GEORGE

BRITISH COLUMBIA TRANSIT

And

PRINCE GEORGE TRANSIT LTD.

(as agreed to in the MOA)

APRIL 1, 2013 TO MARCH 31, 2014

INFORMATION CONTAINED IN SCHEDULE "C" – BUDGET AND SCHEDULE "D" – PAYMENT SCHEDULE IS SUBJECT TO FREEDOM OF INFORMATION & PROTECTION OF PRIVACY ACT.

CONSULT WITH BC TRANSIT PRIOR TO RELEASING INFORMATION IN THESE SCHEDULES TO INDIVIDUALS OR COMPANIES OTHER THAN THOSE WHO ARE PARTY TO THIS AGREEMENT.

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ANNUAL OPERATING AGREEMENT

BETWEEN: THE CITY OF PRINCE GEORGE
(the "Municipality")

AND: BRITISH COLUMBIA TRANSIT
(the "Authority")

AND: PACIFIC WESTERN TRANSPORTATION (DIVERSIFIED TRANSPORTATION)
LTD.
(the "Operating Company")

WHEREAS the Municipality and the Authority are authorized to contract for the provision of a Public Passenger Transportation System and share in the costs of providing same pursuant to the British Columbia Transit Act.

WHEREAS the Operating Company is authorized to operate, manage and maintain a Public Passenger Transportation System within the Prince George Transit Service Area.

WHEREAS the parties hereto have entered into a Master Operating Agreement effective which sets out the general rights and responsibilities of the parties hereto.

AND WHEREAS the parties hereto wish to enter into an Annual Operating Agreement which sets out, together with the Master Agreement, the specific terms and conditions for the operation of the Public Passenger Transportation System for the upcoming term.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and of the covenants herein contained, the parties covenant and agree with each other as follows:

SECTION 1 – DEFINITION OF TERMS

- 1.1 Definitions:** Unless agreed otherwise in the Annual Operating Agreement, the definitions set out in the Master Agreement shall apply to this Annual Operating Agreement including:
- (a) "Annual Operating Agreement" shall mean this Annual Operating Agreement and any Annual Operating Agreement Amendment negotiated and entered into by the parties subsequent hereto;
 - (b) "Master Agreement" shall mean the Master Operating Agreement, including any amendments made thereto;

SECTION 2 – INCORPORATION OF MASTER AGREEMENT

- 2.1 Incorporation of Master Agreement into Annual Operating Agreement:** Upon execution, this Annual Operating Agreement shall be deemed integrated into the Master Agreement and thereafter the Master Agreement and the current Annual Operating Agreement shall be read together as a single integrated document and shall be deemed to be the Annual Operating Agreement for the purposes of the British Columbia Transit Act, as amended from time to time.
- 2.2 Amendments to Master Agreement:** The parties agree to amend the Master Agreement as follows:
- (a) To remove Section 13 in its entirety and replace it with the following:

"SECTION 13 - INSURANCE

- 13.1 Insurance:** The Operating Company and the Authority shall purchase and maintain in force throughout the term of this Master Agreement, insurance policies covering the perils specified herein as set out below. As evidence of

insurance coverage, the Operating Company shall deposit with the Authority, copies of the insurance policies the Operating Company is required to purchase in accordance with this Master Agreement and the Annual Operating Agreement.

13.2 Minimum Insurance Coverage Requirements: The following insurance coverage shall be purchased and maintained throughout the term of this Master Agreement and the Annual Operating Agreement:

1. Vehicle Insurance:

a) The Operating Company shall purchase and maintain insurance on all vehicles used by the Operating Company in the operation of the Public Passenger Transportation System under this Master Agreement as follows:

i) Third party liability insurance of Five Million Dollars (\$5,000,000.00) per occurrence purchased from the Insurance Corporation of British Columbia.

b) The Authority shall purchase and maintain insurance on all revenue vehicles used by the Operating Company in the operation of the Public Passenger Transportation System under this Master Agreement as follows:

i) Third Party Liability insurance in excess of Five Million Dollars (\$5,000,000.00) to a minimum limit of Twenty-Five Million Dollars (\$25,000,000.00).

ii) Collision or upset insurance \$5,000.00 deductible.

iii) Comprehensive insurance covering hazards such as fire, theft, vandalism, glass breakage, falling trees, wind-storms, etc. \$500.00 deductible.

2. Physical Assets Leased from the Authority :(where applicable)

a) The Authority shall purchase and maintain insurance on all Physical Assets leased from the Authority, pursuant to the terms of the individual lease agreements with the Operating Company and respecting said Physical Assets.

b) Without limiting the generality of the foregoing, such insurance shall be in the name of the Authority and shall include a waiver of subrogation against the Operating Company. The insurance shall be in accordance with the laws in force and in effect in the Province of British Columbia and Canada.

c) The amount of such insurance for the respective categories of Physical Assets shall be not less than as follows:

i) Buildings and Structures Including Leasehold Improvements. The Authority shall purchase and maintain insurance on all buildings and structures on a standard all risk form including boiler explosion, flood and earthquake where applicable, in an amount not less than the full replacement value thereof as determined by the Authority.

ii) Other Chattels and Equipment. The Operating Company shall purchase and maintain insurance on all chattels and equipment not otherwise insured under this Schedule against loss or damage from all risks, in an amount not less than the full replacement value thereof.

d) The Authority may, in its sole discretion, self-insure part or all of the insurance requirements hereunder.

3. Physical Assets Owned by the Operating Company or Leased from a Party other than the Authority

a) The Operating Company shall purchase and maintain insurance on all Physical Assets owned or leased by them from a party other than the Authority, to the same extent as specified in Section (2), above, except that contrary to Section (2) the Operating Company shall determine the full replacement value thereof.

4. Comprehensive General Liability Insurance:

a) The Authority shall take out and maintain comprehensive general liability insurance (CGL) covering the operation of the Public Passenger Transportation System specified in Schedule "B" of the Annual Operating Agreement on an occurrence basis in an amount not less than Twenty-Five Million Dollars (\$25,000,000.00). Such insurance shall include the Operating Company and the Municipality as an additional insured party and further, the policy shall apply

to each insured in the same manner and to the same extent as if a separate policy has been issued to each of the insured parties.

b) The Authority's CGL does not extend to cover non-transit activities a company may be engaged in. If the Operating Company performs work outside of the terms of this Master Agreement and/or the Annual Operating Agreement, the Operating Company will require separate insurance coverage for that work which provides a waiver of subrogation in favour of BC Transit.

5. **Additional Covenants:**

a) The Operating Company covenants that it shall not knowingly permit, suffer, allow or connive at the use or operation of any vehicle in respect of this Master Agreement by any person, or in any way, or for any purpose, contrary to the provisions of this Master Agreement or the provisions of the Insurance (Vehicle) Act or any other applicable legislation and related regulations. The Operating Company shall indemnify and save harmless the Authority from any breach of this covenant.

b) It is mutually understood and agreed that the responsibilities to acquire and maintain policies of insurance pursuant to this Master Agreement and/or the Annual Operating Agreement shall be restricted and limited to the provisions of this Section 13."

SECTION 3 – TERM AND RENEWAL

3.1 **Term and Renewal:** The term of this Agreement shall be from April 1, 2013 to March 31, 2014 except as otherwise provided herein. It is acknowledged by the parties that in the event of termination or non-renewal of the Annual Operating Agreement, the Master Agreement shall likewise be so terminated or not renewed, as the case may be.

SECTION 4 – SCHEDULES

4.1 **Schedules:** The schedules attached hereto shall form part of the Annual Operating Agreement and be binding upon the parties hereto as though they were incorporated into the body of this Agreement.

- a) Schedule "A" – Transit Service Area
- b) Schedule "B" - Service Specifications
- c) Schedule "C" - Budget
- d) Schedule "D" – Payment Schedule
- e) Schedule "E" – Tariff-Fares

SECTION 5 – MISCELLANEOUS PROVISIONS

- 5.1 **Amendment:** This Annual Operating Agreement and the Schedules attached hereto may be amended only with the prior written consent of all parties.
- 5.2 **Assignment:** This Annual Operating Agreement shall not be assignable without the prior written consent of the other parties.
- 5.3 **Enurement:** The Annual Operating Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors.

SECTION 6 – NOTICES AND COMMUNICATION

All notices, claims and communications required or permitted to be given hereunder shall be in writing and shall be sufficiently given if personally delivered to a responsible officer of the party hereto to whom it is addressed or if mailed by prepaid registered mail, to:

CITY OF PRINCE GEORGE
c/o Director, Transit Operations
1100 Patricia Boulevard
Prince George, BC V2L 3V9

and to: **BC Transit**
c/o Chief Operating Officer
520 Gorge Road East
Victoria, BC V8W 2P3

and to:

PRINCE GEORGE TRANSIT LTD.
c/o General Manager
1041 Great Street
Prince George, BC V2N 2K8

and, if so mailed during regular mail service, shall be deemed to have been received five (5) days following the date of such mailing.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals and where a party is a corporate entity the seal of such party has been affixed hereto in the presence of its duly authorized officer this day of .

THE CORPORATE SEAL OF THE CITY OF PRINCE GEORGE has been hereto affixed in the presence of:

THE COMMON SEAL OF BRITISH COLUMBIA TRANSIT has been hereto affixed in the presence of:

CHIEF OPERATING OFFICER

CHIEF FINANCIAL OFFICER

THE CORPORATE SEAL OF PRINCE GEORGE TRANSIT LTD. has been hereto affixed in the presence of:

SCHEDULE "A" - Transit Service Area Boundaries

The boundaries of the Municipal Transit Service Area shall be defined as follows:

The boundaries of the Prince George Transit Service Area shall be the municipal boundaries of the City of Prince George.

SCHEDULE "B" – Service Specifications

Prince George Base Budget Official AOA 2013/2014

Schedule 'B'

Effective Apr 01, 2013

Scheduled Revenue Service

13/14 Apr (Apr 01, 2013 to Apr 14, 2013)								
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Apr 01, 2013
Hrs/Day	221.37	221.37	221.37	221.37	225.77	135.34	52.70	221.37
Kms/Day	4,952.04	4,952.04	4,952.04	4,952.04	5,050.47	3,027.56	1,178.90	4,952.04

13/14 Apr to Sep (Apr 15, 2013 to Sep 02, 2013)								
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Jul 01, 2013
Hrs/Day	201.64	201.64	201.64	201.64	201.64	131.34	52.70	34.00
Kms/Day	4,510.68	4,510.68	4,510.68	4,510.68	4,510.68	2,938.08	1,178.90	760.58

13/14 Sep to Mar (Sep 03, 2013 to Mar 31, 2014)								
	Mon	Tue	Wed	Thu	Fri	Sat	Sun	
Hrs/Day	221.37	221.37	221.37	221.37	225.77	135.34	52.70	
Kms/Day	4,952.04	4,952.04	4,952.04	4,952.04	5,050.47	3,027.56	1,178.90	

Extra Revenue Service

	Apr, 2013	May, 2013	Jun, 2013	Jul, 2013	Aug, 2013	Sep, 2013	Oct, 2013	Nov, 2013	Dec, 2013	Jan, 2014	Feb, 2014	Mar, 2014
Extra Overload Hours	63.68					107.35	107.35	107.35	107.35	107.35	107.35	107.35
Extra Overload Kilometres	1,201.72					2,403.43	2,403.43	2,403.43	2,403.43	2,403.43	2,403.43	2,403.43
Extra School Service Hours	127.60	133.98	140.36			121.22	127.60	133.98	108.46	140.36	133.98	140.36
Extra School Service Kilometres	4,537.72	4,764.61	4,991.49			4,310.83	4,537.72	4,764.61	3,857.06	4,991.49	4,764.61	4,991.49

Adjusted Revenue Service

	Apr, 2013	May, 2013	Jun, 2013	Jul, 2013	Aug, 2013	Sep, 2013	Oct, 2013	Nov, 2013	Dec, 2013	Jan, 2014	Feb, 2014	Mar, 2014

2013/2014 Calendar Specification

Period	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Exceptions	Total	Exception Days
Apr 01, 2013 to Apr 14, 2013	1	2	2	2	2	2	2	1	14	Apr 01, 2013 Easter Monday 2013 (Mon)
Apr 15, 2013 to Apr 30, 2013	3	3	2	2	2	2	2	0	16	May 20, 2013 Victoria Day 2013 (Mon)
May 01, 2013 to May 31, 2013	3	4	5	5	5	4	4	1	31	Jul 01, 2013 Canada Day 2013 (Mon)
Jun 01, 2013 to Jun 30, 2013	4	4	4	4	4	5	5	0	30	Aug 05, 2013 BC Day 2013 (Mon)
Jul 01, 2013 to Jul 31, 2013	4	5	5	4	4	4	4	1	31	Sep 02, 2013 Labour Day 2013 (Mon)
Aug 01, 2013 to Aug 31, 2013	3	4	4	5	5	5	4	1	31	Oct 14, 2013 Thanksgiving Day 2013 (Mon)
Sep 01, 2013 to Sep 02, 2013	0	0	0	0	0	0	1	1	2	Nov 11, 2013 Remembrance Day 2013 (Mon)
Sep 03, 2013 to Sep 30, 2013	4	4	4	4	4	4	4	0	28	Dec 25, 2013 Christmas Day 2013 (Wed)
Oct 01, 2013 to Oct 31, 2013	3	5	5	5	4	4	4	1	31	Dec 26, 2013 Boxing Day 2013 (Thu)
Nov 01, 2013 to Nov 30, 2013	3	4	4	4	5	5	4	1	30	Jan 01, 2014 New Years Day 2014 (Wed)
Dec 01, 2013 to Dec 31, 2013	5	5	3	3	4	4	5	2	31	Feb 10, 2014 Family Day 2014 (Mon)
Jan 01, 2014 to Jan 31, 2014	4	4	4	5	5	4	4	1	28	
Feb 01, 2014 to Feb 28, 2014	3	4	4	4	4	4	4	1	31	
Mar 01, 2014 to Mar 31, 2014	5	4	4	4	4	4	5	0	31	
Total	45	52	50	51	52	52	52	11	365	11 Exceptions

Monthly Summary

Month	Conventional Transit							
	Revenue Hours				Revenue Kilometers			
	Scheduled	Extra	Adjusted	Total	Scheduled	Extra	Adjusted	Total
April, 2013	5,386.34	181.28		5,567.62	120,492.30	5,739.44		126,231.74
May, 2013	5,172.24	133.98		5,306.22	115,702.88	4,764.61		120,467.49
June, 2013	4,953.00	140.36		5,093.36	110,798.50	4,991.49		115,790.00
July, 2013	5,206.24	0.00		5,206.24	116,463.46	0.00		116,463.46
August, 2013	5,101.94	0.00		5,101.94	114,130.28	0.00		114,130.28
September, 2013	5,249.86	228.57		5,478.43	117,439.26	6,714.26		124,153.52
October, 2013	5,639.90	234.95		5,874.85	126,164.44	6,941.15		133,105.59
November, 2013	5,336.90	241.33		5,578.23	119,386.35	7,168.04		126,554.39
December, 2013	5,249.86	215.81		5,465.67	117,439.26	6,260.49		123,699.75
January, 2014	5,644.30	247.71		5,892.01	126,262.87	7,394.92		133,657.79
February, 2014	4,975.79	241.33		5,217.12	111,308.32	7,168.04		118,476.36
March, 2014	5,606.57	247.71		5,854.28	125,418.86	7,394.92		132,813.78
Total	63,522.94	2,113.03	0.00	65,635.97	1,421,006.78	64,537.36	0.00	1,485,544.14

Schedule C

Prince George Conventional Transit

Official AOA
2013/2014

TRANSIT REVENUE	
Farebox Cash	\$519,613
Tickets & Passes	\$1,212,431
BC Bus Pass	\$218,436
Advertising	\$10,304
TOTAL REVENUE	\$1,960,785
EXPENDITURES	
Fixed Costs	
Variable Hourly Costs - Scheduled Service	
Variable Hourly Costs - Extra Service	
Variable Fuel Costs - Scheduled Service	
Variable Fuel Costs - Extra Service	
Variable Tire Costs - Scheduled Service	
Variable Tire Costs - Extra Service	
Fleet Maintenance	
Accident Repairs	
ICBC Insurance	\$104,390
Fleet Insurance	\$32,535
Information Systems	\$21,718
P.S.T.	\$29,262
TOTAL DIRECT OPERATING COSTS	\$5,803,388
Training (Education & Seminars)	\$9,080
Marketing	\$69,255
Municipal Administration	\$110,913
BCT Management Services	\$420,692
TOTAL OPERATING COSTS	\$6,413,329
Lease Fees - Vehicles (Local Share)	\$682,794
Lease Fees - Equipment (Local Share)	\$38,972
Lease Fees - PTIP (Local Share)	-\$100,577
TOTAL LEASE FEES - LOCAL SHARE	\$621,189
TOTAL COSTS	\$7,034,518
COST SHARING	
Municipal Share of Costs	\$4,040,135
Less: Total Revenue	\$1,960,785
Less: Municipal Administration	\$110,913
Net Municipal Share of Costs	\$1,968,437
Authority Share of Costs*	\$2,994,383
STATISTICS	
Scheduled Revenue Hours	63,522.94
Extra Revenue Hours	2,113.03
Scheduled Revenue Kilometres	1,421,006.78
Extra Revenue Kilometres	64,537.36
Total Passengers	1,983,002
<i>Conventional Passengers</i>	<i>1,983,002</i>

Information covered pursuant to
section 21(1) of the
FOI - POP Act

*Does not include Authority share of Lease Fees

Schedule "D" - Payment Schedule**Prince George Conventional Transit
2013/2014 AOA BUDGET**

Information covered pursuant to
Section 21(1) of the
FOI - POP Act

1) Payment Schedule

The Authority agrees to pay the Operating Company a monthly payment on the following basis:

a) for Specified Service in Schedule "B":

- i) for Fixed Monthly Payment; plus
- ii) per Revenue Hour; plus
- iii) per Revenue Kilometre for fuel for conventional transit service.
- iv) per Revenue Kilometre for tires for conventional transit service.

b) for Deleted Fixed Costs as outlined in Section 6 (2), an amount equal to 1/365 of the Fixed Monthly Costs amount contained in Schedule "C" shall be deducted for each day or part day.**c) for Added Service or Deleted Service within the regular hours of system operation specified in Schedule "B":**

- i) per Revenue Hour; plus
 - ii) per Revenue Kilometre for fuel for conventional transit service.
 - iii) per Revenue Kilometre for tires for conventional transit service.
- with allowance for wage premium payments (up to 1.5 times the regular Revenue Hour payment), if applicable, when service is added beyond the regular hours of operation.

d) for Maintenance:

- i) per hour for labour by a licensed mechanic for the maintenance of transit vehicles.

e) for fuel costs, in the event diesel fuel costs should exceed \$1.3000 / litre a payment will be made in accordance with Section 6 (3) of this agreement to compensate the Operating Company for the actual cost of all diesel fuel consumed to a maximum of litres for Scheduled Revenue Kilometres in Schedule "B". This maximum number of litres will be adjusted in proportion to Extra or Deleted Revenue Service Kilometres.**f) Prior to conducting a Special Group Trip, the Operating Company must apply for and receive from BC Transit, a pre-approval to conduct the trip, the cost recovery rates to be charged and the method of payment.**

Information contained in Schedule "C" - Budget and Schedule "D" - Payment Schedule is subject to the Freedom of Information and Protection of Privacy Act.

Consult with BC Transit prior to releasing information in these Schedules to individuals or companies other than those who are party to the Agreement.

SCHEDULE "E" – Tariff-Fares

Fares:
Effective as of September 1, 2010

a) <u>Single Cash Fares:</u>			
	i) Adult		\$2.25
	ii) Senior		\$1.75
	iii) Student		\$1.75
	iv) Child 4 years and under,		Free when accompanied by an adult.
	v) Accessible Transit Attendant		Free
b)	<u>10-Tickets:</u>	Adult	\$17.00
		Senior/Student	\$14.25
c)	<u>Day Pass</u>	Adult	\$5.00
		Senior/Student	\$4.50
d)	<u>Monthly Pass</u>	Adult	\$54.00
		Senior/Student	\$36.00
e)	<u>Semester Pass*</u>	Student	\$118.00
f)	<u>U-PASS (per semester)</u>		\$54.00
g)	<u>Pro Pass**</u>		\$46.35

Effective as of January 1, 2014

a) <u>Single Cash Fares:</u>			
	i) Adult		\$2.50
	ii) Senior		\$2.00
	iii) Student		\$2.00
	iv) Child 4 years and under,		Free when accompanied by an adult.
	v) Accessible Transit Attendant		Free
b)	<u>10-Tickets:</u>	Adult	\$22.50
		Senior/Student	\$18.00
c)	<u>Day Pass</u>	Adult	\$6.25
		Senior/Student	\$5.25
d)	<u>Monthly Pass</u>	Adult	\$57.50
		Senior/Student	\$48.00
e)	<u>Semester Pass*</u>	Student	\$125.00
f)	<u>U-PASS (per semester)</u>		\$57.50
g)	<u>Pro Pass**</u>		\$49.35
h)	<u>BC Bus Pass</u> valid for the current calendar year and available through the Government of British Columbia BC Bus Pass Program.		
i)	<u>CNIB Pass</u> Identification Card available from the local office of the CNIB.		
j)	<u>BC Transit Employee Bus Pass</u>		

* Available in three four-month semesters per year: September to December, January to April and May to August.

**** Available via monthly payroll deduction from employers with 8 or more employees**