

## INTERLOCAL AGREEMENT

This Interlocal Agreement (the "Agreement") is made between the local governments of Bedford, Euless, Grapevine, Haltom City, Hurst, Keller, and North Richland Hills (the "local governments") that jointly comprise an urban transit district (UTD) to operate a public transportation system within this UTD named the Northeast Transportation Services Urban Transit District ("NETSUTD").

### PREAMBLE

**WHEREAS**, the local governments agreed to create an urban transit district ("UTD") under Chapters 458 and 456 of the Texas Transportation Code called the Northeast Transportation Services Urban Transit District ("NETSUTD"); and

**WHEREAS**, federal and state urbanized public transportation funds may be used to provide transportation services within the described area; and

**WHEREAS**, the NETSUTD boundaries shall be within, but not wholly inclusive of, the Northeast Tarrant County area and may be changed in the future through growth of the area or withdrawal of a local government entity from this Agreement; and

**WHEREAS**, the NETSUTD is a political subdivision district under the laws of the State of Texas as defined by Chapters 458 and 456 of the Texas Transportation Code and Chapter 791 of the Texas Government Code; and

**WHEREAS**, the Agreement is made under the authority of the Interlocal Cooperation Act of 1971, as amended and codified in Chapter 791 of the Texas Government Code; and

**WHEREAS**, the governing bodies of the local governments have authorized their undersigned representatives to enter into this Agreement;

**THEREFORE**, for and in consideration of the mutual promises and covenants contained in this Agreement, it is agreed that:

### SECTION I. Purpose

The purpose of this Agreement is to provide for an on demand transportation service for the elderly and disabled to be operated within the Northeast Tarrant County area as recognized by the local governments, TxDOT, and the Governor of the State of Texas.

## **SECTION II. Creation of an Urban Transit District**

1. Northeast Transportation Services Urban Transportation District is hereby created as an urban transit district, and the geographical area to be served by the NETSUTD shall be within, but not wholly inclusive of, the northeast portion of Tarrant County including the corporate city limits of each participating local government, or as the area may be changed in the future by approval of the local governments.
2. NETSUTD shall supervise the performance of this Agreement and operate an on demand transportation service for the elderly and disabled within the UTD.

## **SECTION III. Governance**

1. The NETSUTD shall be exclusively governed by a board of directors (the "Board"). The City Council of each participating local government shall appoint one member to the Board which may be the City Manager, a member of City staff, or a member of the City Council.

The Board shall be authorized to oversee the operation and management of the provision of transportation services within the NETSUTD.

2. The Fort Worth Transportation Authority (the "Authority") shall be designated as the direct grant recipient authorized to be the liaison with all contractors and Federal and State regulatory agencies for all grants and contracts related to Federal and State funding on behalf of the Northeast Transportation Services Urban Transit District. The President/CEO of the Fort Worth Transportation Authority, or designee, is authorized to execute all Federal and State grants and contracts related to Federal and State Funding on behalf of the Northeast Transportation Services Urban Transit District. The NETSUTD Board must authorize all contracts and grants on behalf of the Northeast Transportation Services Urban Transit District.

## **SECTION IV. Rights and Duties**

1. Management and Operation of the System
  - a. The Board shall select an Independent Contractor ("Contractor") to manage and operate an on demand transportation service for the elderly and disabled which includes all properties, equipment, facilities, routes, and services now or hereafter existing for such purposes.
  - b. The Board shall establish operational and performance standards for the transportation service including but not limited to usage, on-time pick up, mileage, and priorities of service.
  - c. The Contractor shall submit quarterly operational and performance standard reports to the Board.
  - d. The Contractor shall employ, furnish, and supervise employees necessary for the operation of this system.

- e. The Contractor shall assume the active direction of the system including transportation, maintenance, schedule preparation, accounting, purchasing and contracting, public relations, and human resources.
- f. The use of public streets within the geographical area of the local governments shall be subject to the control of the local governments and such local governments may require the Contractor to comply with city ordinances.
- g. Contractor shall submit a NETSUTD budget for approval by the local governments on an annual basis in the same form and manner as required for City Departments. The budget shall include a general budget for cost to be allocated between the participating local governments.
- h. Contractor shall maintain complete and accurate financial records of each expenditure. An audit of the funds and activities under this contract shall be made annually. The auditors performing the above described audit shall have access to and the right to examine all records and accounts and such other Contractor records and accounts as may be reasonably necessary to conduct and complete the audit.
- i. The Contractor shall comply with all applicable laws, regulations, ordinances, rules, guidelines, and requirements of the United States and the State of Texas and the local governments within which it provides on demand transportation service.

## 2. Routes, Schedules, and Fares

- a. The Contractor shall manage, supervise, and operate the on demand transportation service in an efficient and economical manner. Contractor may operate on demand transportation service directly or by subcontract.
- b. The service shall be operated on the schedule and with fares approved by the Board.

## 3. NETSUTD to Seek Grants

- a. The local governments designate the Authority to pursue and apply for appropriate grant funding to support the NETSUTD transit system. The Authority may designate one or more persons to be solely responsible for executing grant agreements and receiving and managing grant funds.
- b. On behalf of the NETSUTD, the Authority shall be responsible for complying with the obligations and responsibilities under all grants and all accompanying certifications, assurances, and agreements made or given by the Federal Transit Administration, or the Texas Department of Transportation or other entity.

## 4. Contributions to the NETSUTD

- a. The local governments shall provide contributions to the NETSUTD to provide local funds to match Federal and State grants and as required for the approved NETSUTD annual budget (Section IV, Article 1.g.). In addition, the cities may provide other contributions, in funds or in-kind, to the NETSUTD for the enhancement of the system.
- b. If any funds or in-kind contributions are provided by a local government, said funds or in-kind contributions may be specified by the local government to be used solely to enhance

and support the transportation services in the contributing local government geographical area. NETSUTD shall maintain accounting records that will track how the funds are used to support the public transportation service in the contributing local government geographical area. The local governments shall have the right to inspect the financial records of the NETSUTD during regular business hours to assure compliance with this Agreement.

- c. It is understood that any local share contribution shall constitute a current expense of the local government during the year in which the contribution is made and shall not be considered or construed as a debt of the local governments in contravention of a constitutional, statutory, or charter provision.

#### 5. Contracting with the NETSUTD

NETSUTD may contract with local governments for the provision of support services such as fueling stations. The local governments may contract with the NETSUTD for services which the NETSUTD cannot provide through normal funding sources. The local governments may contract with NETSUTD for special services such as special event shuttle services that are not included in the day-to-day operations of the public transportation services and permissible according to Federal and State regulation. Each local government paying for such special services shall make these payments from current funds and the local governments hereby affirm that funds to pay such payments to the NETSUTD are available for the current fiscal year. NETSUTD's provision of any special contractual services shall not interfere with or reduce the quality of service being provided by the public transportation system within the NETSUTD.

#### 6. Specific Powers

- a. The NETSUTD shall have the powers of the UTD to operate the system including, but not limited to, the power to contract, to acquire and own real and personal property, and to accept and expend grant funds from governments, legal entities and individuals.
- b. The NETSUTD shall not have the power to tax, to obligate local governments, to assess local governments, or to adopt ordinances, laws, or regulations.
- c. The NETSUTD shall have the power to enter into agreements that exceed one year only with prior approval of all participating local governments.

#### 7. Legal Liability

- a. The NETSUTD shall be a government unit performing as an institution of the local governments and as authorized by Chapters 458 and 456 of the Transportation Code, and shall have the immunities and liabilities as provided under the Texas Civil Practices and Remedies Code.
- b. The Contractor selected by the NETSUTD shall, to the extent permitted by law and the Texas Constitution, indemnify NETSUTD and the local governments and hold them harmless from any claims, causes of action, damages, attorney fees, costs, suits, or liability. The Contractor shall obtain and maintain insurance, naming NETSUTD and the cities of Bedford, Euless, Grapevine, Haltom City, Hurst, Keller, and North Richland Hills as additional insureds, in an amount sufficient to cover the maximum joint and several

liability (if any) of all parties under the Texas Tort Claims Act (as amended) for all claims, suits, causes of action, damages, attorney fees, and costs, arising out of or related to acts or omissions in the maintenance or operations for the provision of transportation services. The Contractor shall obtain and maintain Workers' compensation insurance in an amount sufficient to cover the statutory requirements. The Contractor shall provide certificates of insurance to parties upon request.

8. Interruption of Service

The NETSUTD shall not be liable to the local governments for any failure, delay, or interruption of service or for any failure or delay in the performance of any duties and obligations under this Agreement or similar acts beyond the control of the NETSUTD.

9. Captions and Severability

- a. The descriptive captions of this Agreement are for informational purposes only and shall not limit nor affect the terms and conditions of the paragraphs.
- b. The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable, and if any designated portion is declared invalid, such invalidity shall not affect any remaining portions of this Agreement.

**SECTION V. Dissolution and Amendment**

1. Any local government may withdraw from this Agreement for the coming fiscal year upon written notice to the NETSUTD on or prior to July 1 of each year. Should a local government withdraw from this Agreement, the boundaries of the NETSUTD service area shall be revised the first day of the fiscal year (October 1) to exclude the corporate city limits of that local government. When a local government withdraws from this Agreement, the local government will forfeit its share of net assets and capital equipment acquired by NETSUTD with funds or matching funds provided through 49 United States Code, Section 5307 during the time in which the local government was a party to this Agreement.
2. The UTD, as a government unit, may be dissolved by withdrawal of all local governments. Upon dissolution, the net assets of the UTD shall be disposed in accordance with the agreement of the cities and laws of the State of Texas and the United States.
3. This Agreement amends and replaces in their entirety any prior Agreement among the local governments regarding the NETSUTD.
4. This Agreement may be amended by the approval of the City Councils of each participating local government.

**SECTION VI. Effective Date and Term**

1. This Agreement shall take effect when adopted by both the City Councils of each of the participating local governments.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duty authorized representatives.

SIGNED AND AGREED TO this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

**LOCAL GOVERNMENTS:**

**CITY OF BEDFORD**

By: \_\_\_\_\_  
Jim Story, Mayor

**CITY OF GRAPEVINE**

By: \_\_\_\_\_  
William D. Tate, Mayor

**CITY OF EULESS**

By: \_\_\_\_\_  
Mary Lib Saleh, Mayor

**CITY OF HURST**

By: \_\_\_\_\_  
Richard Ward, Mayor

**CITY OF HALTOM CITY**

By: \_\_\_\_\_  
Richard Hutchison, Mayor

**CITY OF NORTH RICHLAND HILLS**

By: \_\_\_\_\_  
Oscar Trevino, Mayor

**CITY OF KELLER**

By: \_\_\_\_\_  
Pat McGrail, Mayor