

**Joint Board Meeting  
August 9, 2021**

**Operations Action Item:** Authorize the Regional Service Provider Agreement for Vending Machine Operations and Maintenance with Sound Transit, contingent on approval by the Sound Transit Board of Directors.

**Purpose:** To authorize the ORCA Agency parties to enter into a Regional Service Provider Agreement for vending machine operations and maintenance (RSP Agreement for VM O&M) with Sound Transit.

Under Section 4.4 of the Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System, dated June 13, 2019, *the Joint Board is authorized to make decisions to:*

*4.4.6 Authorize the ROOT Agency to enter into contracts and make changes to the same for designated Regional Service Providers. Provided, however, the Joint Board may delegate to the ORCA Director the authority to enter into contracts and make changes to same, within the limits established by the Joint Board and subject to the adopted Budget.*

**Background:**

- The ORCA Agencies agree that vending machine-owning ORCA Agencies should be party to this RSP Agreement for VM O&M, which are Kitsap Transit, Pierce Transit, and King County Metro.
- This RSP Agreement for VM O&M formalizes the operation and maintenance services Sound Transit provides to the vending machine-owning ORCA Agencies that own vending machines.
- The RSP Agreement for VM O&M provides for a service level agreement with Sound Transit's Transit Systems business unit to detail the responsibilities, processes, procedures, and service levels Sound Transit's Transit Systems business unit will provide during the term of this RSP Agreement for VM O&M. The Agreement authorizes the vending machine-owning ORCA Agency Business Managers to enter into those service level agreements.
- The ROOT will centrally manage the services of this agreement on behalf of the ORCA Agencies. This includes performance management and reporting, as well as overseeing the resolution of problems, some of which may be experienced by multiple ORCA Agencies.
- The Agency Business Managers approve the RSP Agreement for VM O&M.

**Funding:** Each ORCA Agency owning Vending Machines is responsible for funding their portion of these services, and the ROOT will bill each ORCA Agency accordingly.

**Recommendation:** The Agency Business Managers recommend that the Joint Board authorize the ORCA Agency parties to enter into the Regional Service Provider Agreement for Vending Machine Operations and Maintenance with Sound Transit.

## Regional Service Provider Agreement

### Vending Machine Operation and Maintenance Services

This Regional Service Provider Agreement (this "Agreement") is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021 (the "Effective Date") by and between the Kitsap County Public Transportation Benefit Area Authority ("**Kitsap Transit**"), the Pierce County Public Transportation Benefit Area ("**Pierce Transit**"), and King County ("**King County**"), individually referred to as an "ORCA Agency" and collectively known as the "**ORCA Agencies**", and the Central Puget Sound Regional Transit Authority a regional transit authority formed under the laws of the State of Washington ("**Sound Transit**").

#### Recitals

WHEREAS, the ORCA Agencies wish to establish Sound Transit as the Regional Service Provider for the operation and maintenance of all ORCA vending machines ("Vending Machines") by way of this Agreement; and

WHEREAS, the ORCA Agencies own respective properties (the "Properties" or "Property") where they wish to have Vending Machines operated and maintained; and

WHEREAS, the ORCA Agencies desire to have Sound Transit operate and maintain Vending Machines ("Services") at the Properties to provide service to its customers, and the ORCA Agencies are willing to reimburse Sound Transit at the rate agreed upon in the Agreement; and

WHEREAS, a Regional ORCA Operations Team ("ROOT") was established by the Interlocal Cooperation Agreement, dated June 13, 2019, for implementation, operation and maintenance of the regional fare payment system ("ORCA System") for centralized management and operations of the ORCA System that is operated and maintained by a systems integrator.

WHEREAS, the ROOT manages the next generation ORCA systems integrator contract ("SI Contract") by which Vending Machines and Vending Machine spare parts are priced and ordered.

WHEREAS, the ORCA Agencies have persons designated to act as the primary point of contact for the ORCA Agency and the persons authorized to speak for matters relating to the ORCA System ("Agency Business Managers").

WHEREAS, the ROOT monitors the performance and obligations of agreements with Regional Service Providers, in partnership with the Agency Business Managers.

WHEREAS, the Parties hereto acknowledge and agree that the performances required by the provisions of this Agreement will be undertaken in good faith, and with all Parties dealing fairly with each other.

Now, therefore, in consideration of the covenants and promises contained in this Agreement, and other valuable consideration, the Parties agree as follows:

1. Provision, Operation and Maintenance of Vending Machines. The ROOT will order Vending Machines from the SI Contract pursuant to requests by ORCA Agencies. Sound Transit will operate and maintain Vending Machines in their transit facilities where Vending Machines are installed ("Permitted Use Areas").
2. Service Level Agreement. The ORCA Agencies and Sound Transit will enter into a Service Level Agreement ("SLA") to establish and agree upon detailed roles, responsibilities,

processes, procedures, and performance requirements. The ORCA Director has the authority to centrally manage the SLA in coordination with the ORCA Agencies. The ORCA Agency Business Managers have the authority to execute and modify the SLA.

3. Use of ORCA Agency Power Supply and Power Facilities. If Sound Transit staff needs to access the power supply equipment at the Permitted Use Area, they will contact the appropriate ORCA Agency representative with adequate notice corresponding to the severity level. The ORCA Agencies' points of contact for these matters will be:

ORCA Agency	Name/Group, Title	Contact Information
<b>Kitsap Transit</b>	Scott Rider, IT Administrator	(360) 824-4921 Scott@kitsaptransit.com
<b>Pierce Transit</b>	Comm Center	Ask for Facilities or Communications: (253) 581-8109
	Aaron Lenk, Communications Systems Assistant Manager	(253) 606-3046
<b>City of Everett (for Everett Station)</b>	Joan Olsen, Facilities Supervisor	(425) 257-7788
<b>King County Metro</b>	Power and Facilities Work Center	Radio shop: (206) 263-1720 Email both: powerandfacilities.workcenter@kingcounty.gov trradiomaint@kingcounty.gov

4. Access, Entry. The ORCA Agencies will provide Sound Transit and its contractors and agents access to the Permitted Use Area, its utility facilities, information, and equipment as is reasonably necessary for Sound Transit to perform its obligations under this Agreement. Sound Transit staff may enter the Permitted Use Area to conduct its maintenance services, provided that such entry does not unreasonably interfere with normal operations. During the term of this Agreement, Sound Transit will comply with all applicable ORCA Agency instructions or rules regarding the use of the Permitted Use Area.

If Sound Transit must make emergency repairs to the Vending Machines, Sound Transit staff may enter the Permitted Use Area without prior notice (if required) to the ORCA agency and Sound Transit will notify the ORCA Agency of such emergency entry as soon as practical after completing the emergency repairs. Each ORCA Agency will provide Sound Transit with the appropriate need-based access to keys/badges and protocols for the areas related to Vending Machine servicing, as required by Sound Transit.

The ORCA Agencies may implement other reasonable conditions for Sound Transit staff entry and access to the Permitted Use Area upon ten (10) days prior written notice.

5. Ownership of Vending Machines. Vending Machines funded, ordered, and received by the ORCA Agencies will be owned by the ORCA Agency that funded the order and received them.
6. Vending Machine Operation and Maintenance Scope of Services. The Vending Machines will be operated and maintained by Sound Transit. Sound Transit will provide services to maintain the Vending Machine in good operating condition throughout the term of this Agreement in accordance with detailed requirements, processes, and procedures of the SLA.
  - a. **Field maintenance services** include regularly scheduled inspection of equipment to

assess Vending Machine condition and associated service checks to maintain optimal operation and performance (lifecycle maintenance). Work performed includes cleaning, loading paper stock and fare media, and correcting deficiencies found during inspection.

- i. **Preventative maintenance services** are scheduled maintenance based on manufacturer recommendations and the experience of Sound Transit.
  - ii. **Corrective maintenance services** include carrying out necessary activities to monitor, troubleshoot, correct, and test to place a Vending Machine back into service because of systems or components failure. Labor for repairs that will take less than four hours (not including travel time) are considered minor repairs and are in scope of this Agreement. If minor repairs made are due to vandalism or environmental damage, the cost of spare parts that are used during said minor repairs are the responsibility of the Vending Machine owner as described in Paragraph 7.c. below.
  - iii. **Paper stock and fare media (ORCA Card) stock replenishment services** include monitoring of ticket/receipt and ORCA Card stock levels, storage, distribution, and replenishment of stock in Vending Machines.
  - iv. **Vending Machine sticker/decals maintenance services** include monitoring the quality of VM stickers/decals and replacing them as needed.
- b. **Asset management services** include full vending machine spares, part and stock management, disposal (i.e. retirement process of assets), processing return material authorizations, and annual reporting.
- i. Sound Transit will store up to two full vending machine spares that are paid for by the other ORCA Agencies.
  - ii. If an ORCA Agency needs to replace a full vending machine and one is not available, Sound Transit may loan and transfer a Sound Transit-owned full vending machine for the affected ORCA Agency's use. An agreement for loan and transfer of equipment must be executed before a Sound Transit-owned full vending machine spare is installed at another ORCA Agency's property. The transfer of equipment from Sound Transit to another ORCA Agency may be subject to approval by the FTA.

## 7. Out of Scope Services.

- a. **Other maintenance services** may include consulting for site survey and full equipment replacement, installation services, or other Vending Machine operations and maintenance services as requested. The scope of these services is not included as part of this agreement. See Paragraph 8 below.
- b. **Signage.** The ORCA Agencies will, at its option and expense, prepare and install the signage to instruct customers on the location and use of the Vending Machines or any other signage the ORCA Agencies wish to install. Sound Transit is not responsible for maintaining any signage installed by the ORCA Agencies.
- c. **Vandalism and Environmental Damage.** Acts of vandalism and environmental damage, such as floods, fires, fall outside normal wear and tear of systems operating standards and may require increased resolution time. The labor for repairs due to vandalism or environmental damage that take longer than four hours are not in scope of this Agreement; however, Sound Transit will assess and recommend a path to resolution and may conduct the repairs by task order as described in Paragraph 8. All parts that are replaced due to vandalism or environmental damage are not in scope of this Agreement. The parts used to make these repairs will be pulled from the spare parts inventory, but it is the responsibility of the vending machine owner to pay for the cost of replacing the part. The ROOT will order the replacement parts and bill the ORCA Agency accordingly.

- d. **Revenue Servicing.** Revenue servicing of the cash/coin systems of the Vending Machines is directly managed by the ROOT in collaboration with Sound Transit. Sound Transit will notify the ROOT via email with any revenue servicing issues, and the ROOT manages service requests to the revenue servicing contractor in the event of coin replenishment, bill hopper retrieval and faulty hardware replacement. The revenue servicing contractor may contact Sound Transit directly should an issue arise during regular revenue servicing.
  - e. **Common Area Maintenance.** The Sound Transit maintenance technician may observe conditions that do not affect Vending Machine performance but requires attention by the affected ORCA Agency. These conditions may require biohazard remediation, area flooding, etc. Sound Transit staff will notify the appropriate ORCA Agency as a courtesy but is not responsible for any maintenance of the common area. If the Sound Transit technician determines that maintenance work cannot be completed due to site conditions that are the responsibility of ORCA Agency, the technician will indicate that with the notification. The affected ORCA Agency must provide an estimated timeframe for remedy so the technician may reschedule the maintenance activities.
  - f. **Internet and Network Connections.** The ORCA Agencies are responsible for establishing internet accounts to provide internet and network connections to the Vending Machines. If there is an issue with internet or network connectivity, Sound Transit will troubleshoot the issue and report unresolved issues to the ORCA Agencies for resolution. The ORCA Agencies will communicate with Sound Transit on estimated and actual time of resolution.
  - g. **Bench Repair.** Sound Transit is not responsible for repairing faulty parts or components of the Vending Machines. Sound Transit will troubleshoot to determine the root cause of issues and if a part or component is the cause Sound Transit will return the part or component pursuant to the process described in the SLA.
8. Costs of Vending Machine Operation and Maintenance. The ORCA Agencies will compensate Sound Transit the agreed upon fee (Exhibit A) for Services provided pursuant to this Agreement. The initial fee for Services is calculated based on historical data collected by Sound Transit. The Parties may evaluate the services and pricing on an annual basis, taking into consideration actual year-to-year costs and may renegotiate no more often than annually at either Party's request.

If requested by the ORCA Agencies, the cost of out of scope services will be negotiated upon the need of the Vending Machine owner and the availability or technical capability of Sound Transit to do the work. Agreement for out of scope services must be made by mutually agreed task order. The ROOT will facilitate and coordinate the negotiation of task orders between the ORCA Agencies and Sound Transit. If Sound Transit cannot conduct the repairs for any reason, the ROOT is responsible for identifying and contracting a third-party to conduct the repairs, in partnership with the Vending Machine owner and with technical input from Sound Transit. Task orders will be billed as agreed to within the task order in the manner described in Paragraph 9 Payment Procedure.

9. Payment Procedure. On a quarterly basis or at other intervals mutually agreed to by the parties, and unless the Parties agree to a different payment procedure, Sound Transit will submit to the ROOT, an invoice for the amounts due for services rendered under this Agreement with the supporting documentation agreed to by the Parties. The ROOT will utilize its established regional billing process to bill each ORCA Agency and remit payment to Sound Transit. At the request of the ORCA Agencies or the ROOT, Sound Transit will submit supporting documentation including, but not limited to documentation of materials and services satisfactorily rendered, copies of original bills, invoices, expense accounts, and other

supporting data retained by Sound Transit. Each invoice will reference this Agreement and Agreement numbers.

Attention of	Preferred invoicing method
ROOT Tim Bowen, Deputy Director – Regional Fare System Operations	<a href="mailto:invoices@myorca.com">invoices@myorca.com</a>

Payments will be made to Sound Transit at:  
LB#1100  
Central Puget Sound Regional Transit  
PO Box 35146  
Seattle, WA 98124-5146

10. Designated Representatives. The ORCA Agencies and Sound Transit will each designate a representative (“Designated Representative”) who will be responsible for coordination of communications between the Parties and will act as a central point of contact for the performance of the obligations of this Agreement. The Designated Representatives may be changed by written notice to the other Parties during the term of this Agreement. Each Party’s Designated Representative is named below with the individual’s contact information.

ORCA Agencies:

Tim Bowen, Deputy Director – Regional Fare System Operations  
Regional ORCA Operations Team (ROOT)  
401 S. Jackson St.  
Seattle, WA 98104  
Phone: 206-903-7780  
Email: [timothy.bowen@soundtransit.org](mailto:timothy.bowen@soundtransit.org)

Sound Transit:

Byrl Eddy, Transit Systems Operation Manager  
Sound Transit, Transit Systems Division (Sound Transit)  
401 S. Jackson St.  
Seattle, WA 98104  
Phone: 206-903-7802  
Email: [byrl.eddy@soundtransit.org](mailto:byrl.eddy@soundtransit.org)

11. Term. This Agreement shall be for a term beginning on the Effective Date and shall remain in effect thereafter unless the Parties mutually agree otherwise; provided, however, that either Party may terminate this Agreement in accordance with the provisions of Paragraph 12 below.

12. Termination.

- a. Termination for Convenience. Any Party may terminate this Agreement for convenience. The Party terminating the Agreement will give written notice of intent to terminate at least 6 months prior to the date of termination.
- b. Termination for Non-Appropriation of Funds. Upon written notice, any Party may terminate this Agreement for non-appropriation if expected or actual funding is withdrawn, reduced or limited in any way. The terminating Party shall be liable only for payment for services provided prior to the date of termination.

13. Rights and Duties of Parties Upon Termination. Any costs incurred by Sound Transit prior to proper notification of termination will be borne by the ORCA Agencies in accordance with the terms of this Agreement. The right of entry and permitted use granted under this Agreement

will terminate upon termination of this Agreement by expiration or for Termination for Convenience of a party.

14. Property Damage. Sound Transit will take reasonable steps to protect the Properties from damage and will be responsible for any damage caused by its employees, contractors or agents performing permitted activities under this Agreement. ORCA Agencies will take reasonable steps to protect the Vending Machines from damage and will be responsible for any damage to the Vending Machines caused by its employees, contractors, agents, invitees, or vandalism.
15. Safety. Each Party will each take reasonable precautions for the safety of employees and will each comply with all applicable provisions of federal, state, and local laws, codes and regulations to prevent accidents or injury to persons on, about or adjacent to the premises where work is being performed.
16. Indemnification. The Parties have established Regional Service Provider indemnification in the 2019 ILA.
17. Insurance. Prior to Sound Transit's entry onto ORCA Agency Property and Permitted Use Area for the installation, operation, maintenance and repair of the Vending Machines, Sound Transit will submit to the ORCA Agencies evidence that Sound Transit has obtained appropriate and sufficient insurance coverage to protect the ORCA Agencies and Sound Transit from any claim, liability, costs or damages resulting from entry upon the Property and Permitted Use Area for the operation and maintenance of the Vending Machines by Sound Transit, its employees, agents or contractors.  
Certificates of Insurance will be provided to the ORCA Agencies certifying to the coverage of all appropriate insurance during the term of this Agreement. All Certificates of Insurance will name the ORCA Agencies as an additional insured. The insurance coverage required of Sound Transit, its employees, agents or contractors will include at a minimum; A) Commercial General Liability covering bodily injury including death, personal injury, property damage, Employers' Liability and contractual coverage endorsements, with limits of at least \$2,000,000 per occurrence. B) Commercial Auto Liability coverage for bodily injury and property damage, with a limit of at least \$1,000,000 per accident. C) Worker's Compensation coverage will be shown where applicable and will comply with State of Washington Labor and Industries requirements. Certificates of insurance submitted to the King County will reference the number and title of this Agreement.
18. Assignment. This Agreement and the rights, duties and obligations hereunder may not be assigned, transferred, or otherwise conveyed by any Party, without the prior written consent of the other Parties.
19. Availability of Records. Sound Transit will provide all accounting records or other documents needed to satisfy requests from the ORCA Agencies for information to comply with the ORCA Agencies' audit requirements. All records in support of all costs incurred and actual expenditures kept by Sound Transit will be maintained in accordance with procedures prescribed by the Washington State Auditor's Office. The records will be open to inspection by the ORCA Agencies during normal business hours and will be retained and made available for such inspection for a period of not less than three years from the final payment of any funds under this Agreement. Copies of said records will be furnished to the ORCA Agencies upon request.
20. Audit. If an audit is requested by any of the ORCA Agencies or required by any applicable federal, state or local agency requirements, Sound Transit will cooperate fully with the ORCA Agency's auditor or an independent auditor chosen and retained by the ORCA Agency.

21. Disputes. The Parties will work collaboratively in accordance with the following steps to resolve disagreements arising from activities performed under this Agreement. Disagreements will be resolved promptly and at the lowest level of authority appropriate. The Designated Representatives will use their best efforts to resolve disputes and issues arising out of or related to this Agreement.

Each Designated Representative will notify the other Parties and the other Designated Representative in writing of any problem or dispute the Designated Representative believes needs formal resolution. This written notice will include: (1) a description of the issue to be resolved; (2) a description of the difference between the involved Parties on the issue; and (3) a summary of steps taken by the Designated Representative(s) to resolve the issue. The Designated Representatives for the Parties involved in the dispute will meet within three (3) business days of receiving the written notice and attempt to resolve the dispute. In the event the Designated Representatives cannot resolve the dispute (and that dispute is not subject to some other formal appeal process), the ORCA Director of Regional Fare Systems or his/her designee and the Director Operations Engineering and Technology or his/her designee of the Sound Transit Operations Department or his/her designee will meet within seven (7) business days of receiving notice from a Designated Representative and engage in good faith negotiations to resolve the dispute.

The Parties agree that they will have no right to seek relief under this Agreement in a court of law until and unless each of these procedural steps is exhausted; provided that if any applicable statute of limitations will or may run during the time that may be required to exhaust the procedural steps set forth above, an action may be filed.

22. Notice. All notices or requests required or permitted under this Agreement will be in writing, will be personally delivered by email, or sent by certified mail, return receipt requested, postage prepaid, and will be deemed received three business days following the date when mailed or on the date when delivered or emailed. All notices or requests will be sent to the ORCA Agencies or Sound Transit addressed to the attention of the named Designated Representative.
23. Inclement Weather and "Acts of God". Sound Transit reserves the right to determine appropriate working conditions for field staff and adjust service response times to a reasonable timeframe due to times of inclement weather and Acts of God.
24. Good Faith. The Parties hereto acknowledge and agree that the performances required by the provisions of this Agreement will be undertaken in good faith, and with all Parties dealing fairly with each other.
25. Miscellaneous.
- a. Rights and Remedies. The rights and remedies of the Parties to this Agreement are in addition to any other rights and remedies provided by law, except as otherwise provided in this Agreement.
  - b. No Agency. No joint venture or partnership is formed because of this Agreement. No employees, agents, or subcontractors of one party will be deemed, or represent themselves to be, employees of any other party.
  - c. No Third Party Rights. It is understood and agreed that this Agreement is solely intended for the benefit of the Parties hereto and gives no right to any other third party. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties.



- d. Compliance with Laws. Sound Transit will comply, and to the best of its ability will ensure, that its employees, agents, and representatives comply with all federal, state, and local laws, regulations, and ordinances applicable to the work and services to be performed. The work performed by Sound Transit under this Agreement will comply with all applicable public works and procurement laws and regulations, including but not limited to bonding, prevailing wage, nondiscrimination, retainage, insurance, and workers compensation requirements.
- e. Governing Law and Venue. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of Washington. Any legal action brought resulting from this Agreement will be brought in the Superior Court of King County.
- f. No Employee Relationship. In performing work and services hereunder, Sound Transit and its employees, agents, consultants and representatives will be acting as independent contractors and will not be deemed or construed to be employees or agents of any of the ORCA Agencies in any manner whatsoever. No employee of any Party will hold himself / herself out as or claim to be an officer or employee of the other Party by reason of this Agreement and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the other Party. Each Party will be solely responsible for any claims for wages or compensation by its employees, agents, and representatives and will hold the other Party harmless there from.
- g. Waiver of Default. Waiver of any default will not be deemed to be a waiver of any subsequent default. Waiver of breach of a provision of this Agreement, including failure to require full and timely performance of any provision, will not be deemed to be a waiver of any other or subsequent breach and will not be construed to be a modification of the terms of this Agreement unless stated to be such in writing, signed by authorized parties, and attached to the original Agreement.
- h. Severability. If any term or condition of this Agreement or the application hereof to any person(s) or circumstances is held invalid, such invalidity will not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this Agreement are declared severable.
- i. Exhibits. All exhibits referenced in and attached to this Agreement are incorporated herein, except to the extent otherwise provided herein.
- j. Amendments. The Parties hereto reserve the right to make amendments or modifications to this Agreement by written amendment signed by authorized representatives of both parties. No addition or modification to this Agreement will be binding upon the Parties unless reduced to writing and signed by an authorized representative of each of the Parties.
- k. Entire Agreement. This Agreement, including its Recitals and Exhibits, embodies the Parties entire Agreement on the matters covered by it, except as supplemented by subsequent amendments to this Agreement. All prior negotiations and draft written agreements are merged into and superseded by this Agreement.
- l. Section Headings and Paragraphs. The headings and sections and paragraphs of this Agreement are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation of construction of the provisions of such sections or paragraphs.
- m. Authority to Sign. Each of the persons signing below on behalf of any party hereby represents and warrants that they are signing with full and complete authority to bind the party on whose behalf of whom they are signing, to each and every term of this Agreement.

**[SIGNATURES APPEAR ON THE NEXT PAGE]**

IN WITNESS WHEREOF the Parties hereto have signed this Agreement as of the day and year first above written.

**SOUND TRANSIT**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**KITSAP TRANSIT**

\_\_\_\_\_  
Signed

John W. Clauson  
\_\_\_\_\_  
Name

Executive Director  
\_\_\_\_\_  
Title

**PIERCE TRANSIT**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**KING COUNTY**

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Exhibit A – Pricing**

**All fees and rates (field maintenance services, asset management services, and fully burdened hourly rates) automatically escalate by 4% each year on April 1st.**

<b>Vending Machine O&amp;M Service Fees</b>	
<b>Service</b>	<b>Quarterly Cost per VM</b>
Field maintenance services	\$ 1,367
Asset management services	\$ 161
<b>Sub Total</b>	
	\$ 1,528
Overhead (15%)	\$ 229
<b>Total</b>	<b>\$ 1,758</b>

<b>Fully burdened Hourly Rates for Task Orders</b>	
	<b>Hourly Rate</b>
Field Technician – regular rate	\$ 90
Field Technician – overtime rate	\$ 135
Field Technician – holiday rate	\$ 180
Materials and equipment	Determined at time of request and incorporated into task order

Exhibit A