

**SECOND AMENDMENT AND EXERCISE OF SECOND OPTION RENEWAL
OF THE INTERLOCAL COOPERATION AGREEMENT
BY AND BETWEEN
THE CITY OF MCKINNEY, TEXAS
AND
DALLAS AREA RAPID TRANSIT MOBILITY SERVICES, LOCAL
GOVERNMENT
CORPORATION**

This Second Amendment and Exercise of Second Option Renewal (this "**Second Amendment**") of the Interlocal Cooperation Agreement is made by and between the City of McKinney, Texas, a home-rule municipal corporation ("McKinney") and Dallas Area Rapid Transit Mobility Services, Local Government Corporation ("LGC"). McKinney and LGC are referred to in this First Amendment individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the City of McKinney, acting for and on behalf of McKinney Urbanized Transportation District ("MUTD"), and Dallas Area Rapid Transit Mobility Services, Local Government Corporation entered into a Interlocal Cooperation Agreement dated November 15, 2021, to provide microtransit service in the McKinney Urbanized Area (hereinafter referred to as the "MUTD ILA").

WHEREAS, the Parties amended the MUTD ILA and exercised the first of two option terms by and through the First Amendment and Exercise of Option Term Renewal of the Interlocal Cooperation Agreement effective as of January 1, 2025 (the "First Amendment"), which MUTD ILA and First Amendment are hereinafter referred to as the "MUTD Agreement."

WHEREAS, the Parties desire to amend the MUTD Agreement and to exercise the second of the two successive one-year option terms.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to amend the MUTD Agreement as follows:

1. Scope of Services for Transit Services. The Exhibit "A" entitled "Scope of Services Transit Services" for the MUTD Agreement, as it was established by and through the First Amendment, is hereby deleted in its entirety and replaced with the attached Exhibit "A" that is also entitled "Scope of Services Transit Services."
2. Annual Budget Estimate. The Exhibit "C" entitled "Annual Budget Estimate" for the MUTD Agreement, as it was established by and through the First Amendment, is hereby deleted in its entirety and replaced with the attached Exhibit "C" that is also entitled "Annual Budget Estimate."

3. Renewal Term: The Parties hereby mutually agree to renew the MUTD Agreement for the second of two (2) additional successive one (1) year terms.
4. Effect of Second Amendment. Except as expressly provided herein, all other provisions of the MUTD ILA as amended by and through the First Amendment are incorporated into this Second Amendment, remain unchanged, are in full force and effect, and are hereby ratified and affirmed by the Parties. By their execution and delivery of this Second Amendment neither Party waives or releases any default hereunder.
5. Capitalized Terms. Capitalized terms used in this Second Amendment and not otherwise defined herein have the meanings assigned to them in the MUTD Agreement.
6. Entire Agreement. This Second Amendment together with the provisions of the MUTD ILA as it was amended by the First Amendment that are incorporated herein by reference represent the entire agreement between the Parties concerning the subject matter of the MUTD ILA as amended by the First Amendment and this Second Amendment and supersede any and all prior or contemporaneous oral or written statements, agreements, correspondence, quotations and negotiations.
7. Effective Date. This Second Amendment will be effective on January 1, 2026, thereby recognizing McKinney's exercise of the second of its two successive one-year option terms accepted by the LGC.
10. Current Funds. The party or parties paying for the performance of governmental functions or services shall make payments therefore from current revenues available to the paying party.
11. Incorporation. The recitals set forth above and the attached exhibits are incorporated herein.
12. Counterparts: Electronic Signatures. This Second Amendment may be executed in any number of duplicate originals, and each duplicate original will be deemed to be an original. This Second Amendment may be executed in any number of counterparts, each of which constitutes an original, and all the counterparts together constitute one and the same Second Amendment. Electronic copies of this Second Amendment and signatures thereon will have the same force, effect, and legal status as originals.

IN WITNESS WHEREOF, this Second Amendment is hereby accepted and agreed to by the following representatives of each Party who are duly authorized to bind the Parties:

[Signatures begin on following page.]

LGC:
Dallas Area Rapid Transit Authority Mobility Services,
Local Government Corporation

By: _____
Robert W. Smith
President

Date: _____

Approved as to Form:

By: _____
Nadine S. Lee
President & Chief Executive Officer
Dallas Area Rapid Transit

Date: _____

MCKINNEY:
City of McKinney, Texas

By: _____
Paul G. Grimes
City Manager

Date: _____

Attest:

By: _____
Empress Drane, TRMC
City Secretary
Tenitrus Bethel Parchman, TRMC
Deputy City Secretary

Date: _____

Approved as to Form:

By: _____

Mark S. Houser
City Attorney

Exhibit A

Scope of Services for Transit Services

Overall Intent

The intent of this Agreement is for LGC to provide or cause to be provided transit services for residents of the MUA who are 65 years or over, with disabilities, or low-income, and possibly later expanded to the general public through a contract with the City acting on behalf of the MUTD. This service will include wheelchair accessible dedicated vehicles and be supplemented by non-dedicated vehicles within established hours and days of service. LGC will provide supporting services to facilitate the implementation of the program and program compliance. This exhibit establishes a framework for the initiation of service. Changes required to meet the needs of the program may be made by mutual written agreement of the LGC President and the City Manager or their designees.

McKinney Roles & Responsibilities

Grant Management. McKinney will submit the project for inclusion in the Transportation Improvement Program (TIP), the Regional and State Transportation Program (STIP) and grant executed with the Federal Transit Administration (FTA). The City will coordinate with the North Central Texas Council of Governments (NCTCOG) for STIP approval.

Project Term. The project will commence on January 1, 2022, and continue through December 31, 2024, with the option to extend for two (2) additional successive one (1) year terms running between January 1, 2025 and December 31, 2025 (“Option Year One (1)”) and running between January 1, 2026 and December 31, 2026 (“Option Year Two (2)”).

Project Funding. McKinney will provide non-farebox funding to reimburse all expenses for the Agreement.

Project Administration. McKinney will comply with all FTA requirements necessary to seek, obtain, monitor, administer, audit, closeout, and provide all necessary reporting regarding the grant funding together with any subrecipient agreements with LGC necessary for the Project as a designated Direct Recipient under the rules promulgated by the FTA.

LGC Roles & Responsibilities

Overall Program Management. LGC will be responsible for the overall management of the program and the successful delivery of the Transit Services within this scope of services.

Interlocal Agreement (ILA)/Subrecipient Agreement. If necessary, LGC will be responsible for drafting a subrecipient agreement to be submitted to McKinney for review and approval. Once the ILA is executed, McKinney will retain one agreement and send copies of the executed document to LGC.

Invoicing. LGC will invoice McKinney for the service cost net of farebox revenue and provide the supporting documentation detailing all line-item charges on a monthly basis. The initial budget is

estimated to be an amount not to exceed Two Million One Hundred Seventy-Two Thousand Eight Hundred Sixty Dollars (\$2,172,860) for Option Year Two (2).

Marketing. LGC will develop marketing material such as collateral and flyers for MUTD. LGC will submit the Compensation/Marketing to McKinney for review and approval. The Parties acknowledge that marketing and communications regarding Transit Services may require the use of marks and logos that are owned by each of the Parties. The Parties agree to such limited use of their individually owned or registered marks, logos, and trade names in connection with providing and promoting the Transit Services under this Agreement.

GoPass Integration. In coordination with DART's Business Innovation team, LGC will work with any LGC Contractor to integrate their Application Programming Interface (API) with the GoPass application to support the online booking process.

Compliance Reporting. LGC will follow and support audit, TxDOT, FTA, and National Transit Database reporting and compliance requirements.

Eligibility Certification. LGC will certify the eligibility of future applicants based on the current policy established by the MUTD. Certification will be conducted via mail, website, email, fax, or phone. As needed, LGC will assist future applicants by providing information on how to apply and provide the potential applicant's contact information for LGC to follow up. LGC will maintain all eligibility documentation for up to three (3) years at the conclusion of the Agreement. Additional on-site eligibility opportunities will be coordinated with McKinney staff. LGC plans to report on the number of eligible customers registered during the monthly meeting.

Customer Service. LGC will ensure the LGC Contractor will provide a phone number and dashboard for the receipt of customer requests. Customer shall submit complaints to LGC via call center, mail, email, or website.

Dedicated and Non-Dedicated Service. LGC will contract with an LGC Contractor to implement both a wheelchair accessible dedicated and non-wheelchair accessible non-dedicated service. This program will consist of the following elements together with the associated costs and expenses:

- **Trip Dispatch.** LGC shall provide or cause to provide dispatch services during operating hours.
- **Service.** LGC shall send or cause to send clean and safe vehicles to the requested locations within promised time windows. This will include mobility device accessible vehicles if requested. Service will be provided from 6:00 a.m. - 8:00 p.m., Monday through Friday, and 8:00 a.m. - 8:00 p.m., Saturday and Sunday excluding major holidays.
- **Fares.** In Option Year Two (2), the base fare will be Five Dollars (\$5) based on trips that are up to seven (7) miles in distance. If trips are greater than seven (7) miles, a mileage-based calculation will be used to determine the fare. Fares will be capped at Seventeen Dollars (\$17) for trips that are twenty-three (23) miles or greater.

[Remainder of page intentionally left blank.]

Collin County (MUTD) Transit 2026 Rates											
Distance (mi.)	Rate	Distance (mi.)	Rate	Distance (mi.)	Rate	Distance (mi.)	Rate	Distance (mi.)	Rate	Distance (mi.)	Rate
≤7	\$5.00	10	\$7.25	13	\$9.50	16	\$11.75	19	\$14.00	22	\$16.25
8	\$5.75	11	\$8.00	14	\$10.25	17	\$12.50	20	\$14.75	23 +	\$17.00
9	\$6.50	12	\$8.75	15	\$11.00	18	\$13.25	21	\$15.50		

- **Vehicle Maintenance.** LGC shall ensure or cause to ensure dedicated vehicles will be cleaned, fueled, maintained, and repaired to Original Equipment Manufacturer (OEM) specifications.
- **Reporting.** LGC shall provide or cause to provide reports regarding, but not limited to, request times, latitude and longitude coordinates for origin and destination of trip(s), fare, pick-up time, time of arrival at destination and boarding cancellations, no drivers available, travel distance, and wait time.
- **Vehicles. During Option Year Two (2).** LGC shall provide or cause to provide dedicated service using LGC Contractor-provided wheelchair accessible dedicated vehicles and supplement the service with non-accessible non-dedicated vehicles such as a Transportation Network Company (“TNC”). Based on demand and utilization, LGC may assess and adjust capital needs including vehicles with prior approval of McKinney.
- **Vehicle Operating Hour Definition.** Service begins at 6:00 a.m. and ends at 8:00 p.m. on weekdays excluding major holidays and operates from 8:00 a.m. through 8:00 p.m. on weekends. LGC may adjust vehicle operating hours with prior approval from McKinney, to accommodate ridership and project needs.
- **Support to McKinney and MUTD.** LGC will plan weekly meetings with McKinney and the MUTD and regulatory agencies. Additional meetings may be arranged upon request to ensure the success of the program.

Compensation

McKinney will review all FTA subrecipient requests for reimbursement under this Agreement in accordance with the requirements established by the FTA. LGC will review any requests for reimbursement received by LGC from any LGC Contractor that has been designated an FTA subrecipient using the approved FTA Subrecipient Invoice Review Checklist attached hereto as Exhibit E.

LGC Invoice to McKinney: LGC will invoice McKinney monthly by the 15th business day for the provision of Transit Services as defined. A sample invoice can be found in Exhibit F. McKinney will reimburse LGC within 30 days from the receipt of the invoice save and except for any amounts that may not be properly documented, which amounts are in controversy, or which amounts are in violation of any FTA requirements or other applicable law.

For adequate documentation, the invoice submitted to McKinney must have enough information so that someone unrelated to the Agreement and any grant received in support of the Provision of Transit Services could determine that the charges were appropriate. Such information would include documentation

such as progress reports or work statements, invoices for support services and materials, certification by LGC that the work has been satisfactorily rendered, copies of the original bills, invoices, expense account, and miscellaneous supporting data retained by LGC including, but not limited to work records, rates, material and equipment costs, and list of names, hours worked, and wage information. LGC will use the FTA Invoice Review Checklist as the coversheet for all invoices. LGC will invoice McKinney on the tasks listed below the cumulative amount of which expenses should not exceed the budgeted amount of Two Million One Hundred Seventy-Two Thousand Eight Hundred Sixty Dollars (\$2,172,860):

Dedicated Service Operation. Invoicing for LGC Contractor-provided dedicated vehicles will be at a rate of Forty-Four Dollars \$(44.00) per service hour. The LGC-provided or LGC Contractor-provided vehicles will be 2018 or newer Dodge or Chrysler minivan, i.e., Caravan or Pacifica, rear load with a capacity of one wheelchair and four (4) ambulatory passengers. The rate reflects a turnkey service that includes cleaning, maintenance, parts, storing, and fueling. LGC Contractor-provided vehicles will be branded to reflect MUTD service. The estimated budget in Exhibit C reflects the operation of four LGC-provided or LGC Contractor-provided dedicated vehicles and non-dedicated service.

Dedicated Vehicle Technology Fee. Invoicing for LGC Contractor-provided dedicated vehicle technology fee will be at a rate of One Dollar and Fifty Cents (\$1.50) per trip. The rate reflects a turnkey service that includes the driver application and tablet to display the manifest and turn-by-turn directions.

Non-Dedicated Service Operation. Invoicing for non-dedicated TNCs' services will have multiple components including a drop fee of Six Dollars and Twenty-Seven cents (\$6.27), plus a per-minute cost of Eighteen Cents (\$0.18), and a per-mile cost of Seventy-Five Cents (\$0.75) for each trip. Certain fees and cancellation penalties may apply. The invoice line item will be based on non-dedicated TNCs' service usage.

Non-Dedicated Vehicle Technology Fee - Invoicing for LGC Contractor-provided non-dedicated vehicle technology fee will be at a rate of One Dollar and Fifty Cents (\$1.50) per trip. The rate reflects a turnkey service that integrates with the Rideshare provider application.

Provided Platform Base Fee – Invoicing for LGC Contractor-provided platform will be at a rate of Two Thousand Five Hundred Seventy-Three Dollars (\$2,573) per month to cover the scheduling of trips, data reporting, and analytics.

LGC Call Center and Customer Support. Invoicing for the LGC Contractor-provided call center operation base fee up to eight thousand (8,000) minutes per month will be invoiced at a monthly rate of Ten Thousand Five Hundred Dollars (\$10,500). An overage fee per minute will be invoiced at a per minute rate of One Dollar and Thirty-Two Cents (\$1.32) per minute. The LGC call center will operate no less than the service operation hours (Weekdays 5 am to 9 pm; Weekends 7 am to 9 pm). The use of Artificial Intelligence (AI) will supplement the call center operation with a base fee of Three Thousand Seven Hundred Fifty Dollars (\$3,750) for 2,500 occurrences per month. AI Voice will be charged at a rate of One Dollar and Fifty Cents (\$1.50) per occurrence for each occurrence above the allotted two thousand five hundred 2,500 occurrences per month. LGC's use of AI shall be consistent and compliant with all requirements of Texas and United

States laws, statutes, rules, and regulations including all required disclosures regarding AI involvement and communications.

Vendor Management Fee – Invoicing for the LGC Contractor-provided management services is Ten Thousand Dollars (\$10,000) per month plus three and one-half percent (3.5%) of all costs of non-dedicated service providers and dedicated service providers. The rate reflects the turnkey service to manage the day-to-day operations, National Transit Database reporting, and customer relations.

ELERTS - The addition of ELERTS will be included in the GoPass application to allow customers to report issues they encounter while using the service. The annual cost of the service amounts payable to ELERTS Corporation is a one-time fee of Three Thousand Dollars (\$3,000) for setup and onboarding, and a Twelve Thousand Dollar (\$12,000) fee for a one-year service subscription for ELERTS. There is also a further cost of a Two Thousand Five Hundred Dollar (\$2,500) activation fee and a One Thousand Two Hundred Dollar (\$1,200) annual fee for Kuba to integrate the Software Development Kit (SDK) with GoPass.

Technology. Invoicing for Sixty Thousand Dollars (\$60,000) for DART GoPass mobile application licensing, technology integration, and support for Option Year Two (2). The technology fee will be invoiced in full amount at the first invoice. The technology cost is a fixed cost and LGC will provide McKinney with an LGC invoice as the documentation.

Project Management. The project management cost will be Ninety-Eight Thousand One Hundred Twenty-Three Dollars (\$98,123) in Option Year Two (2). The Project Management Fee is a fixed cost and includes a project manager priced at one-half (½) of salary and benefits and other DART staff support as required to fully perform this Agreement within the same fee.

DART Fee: Invoicing for DART business fee of One Hundred Twenty-Two Thousand Three Hundred Seventy-Eight Dollars (\$122,378) in Option Year Two (2). This is the flat fee charged by DART LGC for all non-service area contracts where the municipalities are not part of the DART service area.

G&A Cost: Invoicing which includes DART General and Administrative Costs which is 10% of all project costs listed above. Examples of these costs include Legal, Finance, Grants, Risk, Accounting, Executive Management, etc. These fees are required on all non- service area agreements where the LGC provides public transit services.

Farebox Revenue Credit: Farebox revenue received will be returned to McKinney as a credit subtracted from the monthly invoice. LGC will provide documentation of all farebox revenue collected.

The annual budget estimate for the Option Year Two (2) of Transit Services can be found in Exhibit C to this Agreement. All costs above, unless specified by year, are quoted for Option Year Two (2) and will escalate 5% each subsequent year save and except to the extent specifically shown otherwise in Exhibit C to this Agreement.

EXHIBIT B

Intentionally omitted and remains unchanged from the text of the First Amendment.

EXHIBIT C

Vendor Operations	Cost
Non-Dedicated Operation Fee	\$1,057,000
Non-Dedicated Cancellation Fee	\$10,200
Dedicated Operation Fee - Weekday	\$544,000
Dedicated Operation Fee - Saturday	\$30,100
Dedicated Operation Fee - Sunday	\$30,100
Dedicated Operation - Technology Fee	\$28,200
Non-Dedicated Operation Technology Fee	\$105,000
Platform Base Fee	\$33,500
Artificial Intelligence - Voice	\$48,800
Call Center - Base Fee	\$137,000
Vendor Management Fee	\$189,000
ELERTS	\$15,000
Kuba - ELERTS Integration	\$3,700
Total	\$2,231,600
DART LGC	Cost
GoPass Licensing Fee	\$60,000
DART Project Management Fee	\$98,700
DART LGC Fee	\$111,400
DART G&A	\$223,160
Total	\$493,260
Revenue/Promo	Cost
Farebox Revenue	\$(572,000)
MTF Promo	\$20,000
Total Program Cost	\$2,172,860