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DATE: August 12, 2016

TO: Board of Acquisition and Contract

FROM: Thomas J. Lauro, P.E.
Acting Commissioner, Department of Public Works and Transportation

SUBJECT: Authority to amend the County's agreement with Liberty Lines Transit, Inc., pursuant to which it was to provide professional management, operation, and maintenance services for a specified portion of the Bee-Line System, by modifying certain provisions regarding payments.
(Agreement No. DOTOP01-14)

By a resolution approved on December 12, 2013, your Honorable Board authorized the County of Westchester (the "County") to enter into an agreement with Liberty Lines Transit, Inc. ("Liberty"), pursuant to which Liberty was to provide professional management, operation, and maintenance services for a specified portion of the Bee-Line System, for a term from January 1, 2014 through December 31, 2018, in accordance with, and subject to, various terms and conditions contained within the agreement (the "Agreement"). The Agreement was subsequently executed.

Under the Agreement, the County has made payments to Liberty in advance of Liberty's performance of the work for which the payments were made, in order to ensure that Liberty had adequate cash flow to maintain its operations. The County recently received a Federal Transit Administration ("FTA") fiscal year 2016 triennial review draft report that cites issues with the County making such advance payments under the Agreement.

The County promptly notified Liberty about the FTA's report and the parties conferred in good faith regarding adjustments to the Agreement in accordance with Article XI of the Agreement.

Based on those resulting discussions, and in accordance with Article XXI of the Agreement, the County and Liberty agreed to modify certain provisions of the Agreement regarding payments, in order to ensure the County's compliance with the requirements of the FTA and help ensure the County's ability to continue to receive financial assistance from the FTA.

Accordingly, authority is respectfully requested from your Honorable Board for the County to amend the Agreement by modifying the provisions in Article II, Article VI, and Article VII of the Agreement regarding payments.

Except as specified above, all terms and conditions of the Agreement shall remain in full force and effect.

I respectfully recommend approval of the attached proposed resolution.

