

SECOND AMENDMENT TO AND EXTENSION OF  
AGREEMENT TO PROVIDE OPERATIONS OF A  
LOCAL ROUTE DEVIATION TRANSIT SERVICE

This Second Amendment to and Extension of Agreement to Provide Operations of a Local Route Deviation Transit Service is made and entered into this 22nd day of April, 2025, by and between the City of Needles, hereinafter referred to as "CITY", and Transportation Concepts, hereinafter referred to as "CONTRACTOR".

WHEREAS, the parties entered into an Agreement to provide operations of a local route deviation transit service dated September 10, 2019, hereinafter referred to as the "Agreement"; and

WHEREAS, the term of the Agreement was from October 1, 2019 to June 30, 2023, inclusive, with an option by the City, at its sole discretion, to extend the term without holding new proposal procedures for two (2) additional two-year periods starting July 1, 2023 to June 30, 2025 (First Option Period) and July 1, 2025 to June 30, 2027 (Second Option Period); and

WHEREAS, the terms of the Agreement provide that, during the option periods, the proposed prices shall not be more than ninety percent (90%) of the annual increase in the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics U.S. West Size Class B/C CPI for the most recently concluded calendar year; and

WHEREAS, on April 25, 2023, the City Council approved a First Amendment to and Extension of the Agreement with Contractor exercising the First Option Period of July 1, 2023 to June 30, 2025; and

WHEREAS, the City is hereby exercising its option to extend the term for the Second Option Period of July 1, 2025 to June 30, 2027; and

WHEREAS, the parties mutually agree that the use of the CPI for the recently concluded calendar year 2024 is according to the terms of the Agreement and the rates, as set forth in this Second Amendment, will be locked in with no additional increase in the second year; and

WHEREAS, the parties wish to extend the term of the Agreement for an additional two years.

NOW, THEREFORE, it is mutually agreed as follows:

1. TERM OF AGREEMENT

The term of the Agreement shall be extended for an additional two (2) years, beginning July 1, 2025 and ending June 30, 2027.

2. USE OF CONSUMER PRICE INDEX (CPI) FOR THE 2024 CALENDAR YEAR

The terms of the Agreement provide that the proposed prices for the Fixed Hourly Rate per Revenue Service Vehicle Hour and Fixed Annual Cost shall not be more than ninety percent (90%) of the annual increase in the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics U.S. West Size Class B/C CPI for the most recently concluded calendar year of 2024 (January 2024 - December 2024).

3. COMPENSATION

During the Second Option Period of July 1, 2025 through June 30, 2027, the CITY shall pay CONTRACTOR in accordance with the rates set forth in Exhibit 'A' hereto, which is incorporated herein.

4. AGREEMENT OF PARTIES

Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to and Extension of Agreement to Provide Operations of a Local Route Deviation Transit Service as of the day and year first written above.

CITY:

City of Needles

By: \_\_\_\_\_

Janet Jernigan

Its: Mayor

CONTRACTOR:

Transportation Concepts

By:  \_\_\_\_\_

Rich Rogers

Its: Executive Vice President

Exhibit 'A'

City agrees to pay Contractor for performance of the services set forth in the Agreement during the term of this two-year extension as follows:

July 1, 2025 - June 30, 2026

Payment of a fixed cost per year of \$249,206.68 plus a fixed hourly rate per Revenue Service Vehicle Hour (RSVH) of \$50.70 plus actual cost of vehicle fuel (copy of gas receipts required)

July 1, 2026 - June 30, 2027

No change or increase during the second year of the Second Option Period



January 23, 2025

Cheryl Sallis  
City of Needles  
817 Third Street  
Needles, CA 92363

RE: NAT 2<sup>nd</sup> Option Period (2025-2027) Price Proposal

Dear Ms. Sallis:

The purpose of this letter is to provide a price proposal in accordance with the City's desire to exercise the second two-year option period (July 1, 2025 – June 30, 2027) to operate the Needles Area Transit (NAT) local route deviation service in accordance with the contractual increase threshold, which is set at the limit of 90% of the annual increase in the Consumer Price Index (CPI) for the most recent concluded year.

The adjusted CPI for that period was a 2.4% increase. Based on that, the adjusted rates for the July 1, 2025 – June 30, 2027, would be as follows:

|                      | 1st 2-year extension<br>7/1/2023-6/30/2025 | 2 <sup>nd</sup> 2-year extension<br>7/1/2025-6/30/2027 |
|----------------------|--|--|
| Fixed Cost per year  | \$243,365.90                               | \$249,206.68   |
| Hourly Rate per RSVH | \$49.51                                    | \$50.70  |

Thank you and the City of Needles for your willingness to continue allowing Transportation Concepts to operate the NAT service. If you have any questions, please let me know.

Sincerely,

  
Rich Rogers  
Executive Vice President

Enclosure: CPI-U Index Analysis

**Consumer Price Index for All Urban Consumers (CPI-U)**  
**12-Month Percent Change**

Series Id: CUURN400SA0  
 Not Seasonally Adjusted  
 Series Title: All items in West - Size Class B/C, all urban  
 Area: West - Size Class B/C  
 Item: All items  
 Base Period: DECEMBER 1996=100  
 Years: 2024 to 2024

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-------|-------|
| 2024 | 3.7 | 3.2 | 3.6 | 3.7 | 3.1 | 2.6 | 1.9 | 1.7 | 1.6 | 1.7 | 2.1 | 2.3 | 2.6    | 3.3   | 1.9   |

$$2.6 \times 90\% = 2.4\%$$

## California Department of Transportation

DIVISION OF LOCAL ASSISTANCE  
P.O. BOX 942874, MS-1 | SACRAMENTO, CA 94274-0001  
(916) 653-8620 | FAX (916) 654-2409 TTY 711  
[www.dot.ca.gov/programs/local-assistance](http://www.dot.ca.gov/programs/local-assistance)



March 21, 2025

City of Needles  
Ms. Cheryl Sallis  
817 Third Street  
Needles, CA 92363

Dear Ms. Sallis:

As a *recipient* of Federal Transit Administration (FTA) Section 5311 funds, the California Department of Transportation (Caltrans) Division of Local Assistance (DLA), Office of Transit Grants and Contracts (OTGC), oversees projects for compliance with federal statutes and regulations. As a *subrecipient*, City of Needles must show OTGC that all procurement and third-party contracting actions City of Needles takes comply with:

- 2 CFR Part 1201 – Uniform administrative requirements, cost principles, and audit requirements for federal awards; and
- FTA Circular 4220.1G – Third Party Contracting Guidance

OTGC **approves** City of Needles' *Second Amendment to Agreement to provide operations of a local route deviation transit service*, to exercise the second of two two-year options, per Section VIII, *Extension Option*. Reference 844.

This approval is limited to a term of July 1, 2025 through June 30, 2027, and to a price of \$845,607, plus actual cost of vehicle fuel.

This amendment exercises the **final** option to extend the contract term with federal support, as established by the original solicitation. For continued federal support, City of Needles must re-solicit these services. Refer to the procurement folder under the Caltrans Global Resources Section on the BlackCat electronic grants management system for solicitation guidance.

**Please email a copy of the executed contract modification to Daniel.Yerushalmi@dot.ca.gov.**

FTA allows a subrecipient to modify a third-party contract when the modification does not substantially change the contract scope of work in the original solicitation; competitors could have foreseen the change to the contract;

modification would not have had a substantial impact on the field of competition for the original contract award; and modification does not result in a material difference or cardinal change.

Third-party contracts, contract modifications, and exercise of options to extend contract period of performance require prior OTGC approval. Subrecipient agencies entering third-party contracts, making contract modifications, or exercising options without prior approval risk loss of FTA reimbursement.

For questions about this procurement review letter, please contact Daniel Yerushalmi at [Daniel.Yerushalmi@dot.ca.gov](mailto:Daniel.Yerushalmi@dot.ca.gov) or (916) 653-3088.

This approval is contingent upon meeting FTA 5311 program requirements. For questions about FTA 5311 grant procedures, please contact your FTA 5311 program liaison.

Sincerely,



FRANK NEVITT, Chief  
FTA Programs Procurement Oversight Branch,  
Office of Transit Grants and Contracts  
Caltrans Division of Local Assistance

C: Brian Thao  
Edwin Bragado  
Daniel Yerushalmi