

HEADS OF AGREEMENT

June 11, 2021

These heads of agreement (the “**HOA**”) are intended to serve as a basis for the preparation of a definitive agreement in connection with the City of Calgary and Calgary Transit extending transit service from the municipal boundaries of Calgary to the City of Chestermere.

1. Purpose

- a. Reduce commuter congestion and carbon emissions by providing public transportation options for residents to commute between Chestermere and Calgary without the need of a car.

2. Background

- a. This is a new initiative between Chestermere and Calgary, and will be assessed by each City throughout the term of the agreement. Calgary is developing a regional transit framework, and future contracts for these services, including to Chestermere, will be aligned to that framework.

3. Term and Termination

- a. Term: up to 2.5 years initial term or, in any event, ending prior to December 31, 2023. Service start and end dates to align with Calgary Transit’s reasonable operational needs and service schedule changes.
- b. Renewal: The agreement will automatically renew for one year at a time, to a maximum of 2 years after the initial term, after which further renewals may be agreed upon by the parties.
- c. Termination before expiry: Upon 150 days’ written notice to the other party.
 - i. Service end dates must align with Calgary Transit’s regular service schedule change dates.
 - ii. Annual booking period dates, which include key timeframes for service schedules, will be provided by Calgary annually and when changed.

4. Contract Documents

Agreement will include the recitals, front-end legal clauses and Schedules. The parties may agree to amend the Schedules as required throughout the Term to meet operational needs. Amendments to the Schedules will be approved and signed by the Director of Calgary Transit on behalf of Calgary. The following schedules will form part of the agreement:

Schedule A	Bus route, timetables and days of operation
Schedule B	Fare products valid on this inter-City service
Schedule C	Fee schedule for calculation of invoices
Schedule D	Data Sharing expectations
Schedule E	Calgary Transit Booking Timetable
Optional Schedule	Enforcement Agreement

5. Service Levels & Scheduling

- a. Calgary Transit will be the exclusive conventional public transit service provider for inter-municipal connections between Calgary and Chestermere for the term of the agreement.
- b. Calgary will provide bus and operator services from Calgary to Chestermere and back, at agreed times as set out in Schedule A.
- c. Calgary will work with Chestermere to determine trip schedules. Calgary may make minor service modifications as required to maintain efficient levels of service, and will notify Chestermere at least 30 days in advance.
- d. Schedule A will detail bus route and stops and timetables.
- e. Force Majeure and temporary suspension of services to provide for:
 - i. Typical Force Majeure clause for events beyond anyone's reasonable control, including epidemics;
 - ii. Temporary service modifications on short notice to manage unforeseen emergency such as major accident on route, vehicle breakdown, extreme weather events impeding traffic;
 - iii. Temporary service modifications planned in advance to work around construction detours or other planned / necessary traffic interruptions; and
 - iv. Provision for Calgary to service its own transportation needs first, where resources are constrained without notice.

6. Service modifications and expansions

- a. Chestermere may request service modifications to accommodate changes in trip demand, at most 4 times per calendar year, in conjunction with Calgary Transit's typical seasonal service change dates. Sufficient notice of such requests must be provided to enable Calgary to accommodate them within its regular service change roll-out.
- b. Calgary will reasonably endeavor to accommodate service change requests to the extent possible, at the next available service change period.

7. Service Planning and Infrastructure

- a. Each City will determine appropriate bus zone locations and bus zones within its own corporate limits, in accordance with Calgary Transit specifications and standards to ensure operability.
- b. Calgary will provide Chestermere with its minimum specifications and standards for bus zones; in particular to cover dimensions, corner radius and other safety or operation requirements.
- c. No transfer of ownership of bus zone infrastructure is affected by the agreement.
- d. Calgary's ownership of and liability for all transit vehicles used for the services is unchanged by the agreement.
- e. Each City remains responsible for maintenance, safety and garbage cleanup at stops and in bus zones within its own corporate limits.

- f. Snow clearing expectations and standards will be exchanged to ensure safety for Calgary's buses and operators, and customers within each municipality. Chestermere will maintain bus route and stops within Chestermere's control reasonably free of snow, debris and garbage, as well as in good condition for buses to operate safely.
8. Ridership, Billing and Cost Recovery
 - a. The intention of the parties is for Calgary to recover the full cost of operational expenditures for providing transit service to Chestermere.
 - b. Calgary will use hourly rates to express and calculate full cost recovery. The current hourly rate will be used to calculate the cost of services starting at the launch of services. Hourly rates will be updated annually, effective January 1st. Calgary will advise Chestermere of rates for the coming year as soon as they are known.
 - c. A system will be adopted to determine the average fare price and document ridership in Chestermere. Information will be used to determine revenue collected from fares in Chestermere.
 - d. Calgary will bill Chestermere for transit service on a regular basis, with revenue from fares subtracted from the gross operating cost (hourly rates) billed.
 - e. If Calgary incurs other costs to fulfill this agreement, such as service modifications or changes at Chestermere's request, these costs will be billed to Chestermere on a full cost recovery basis.
9. Data Sharing
 - a. Calgary will provide relevant data and information to Chestermere as required to evaluate benefits to Chestermere patrons of the Transit Service as outlined in Schedule D. Collection and provision of additional data not captured in Schedule D, if requested by Chestermere, is subject to full cost recovery.
 - b. Chestermere will provide updated road and street data to Calgary for operational purposes.
10. Intellectual Property
 - a. Each City will grant the other a limited license to use trademarks and logos for the sole purpose of transit signage and advertising for the transit services provided by Calgary. Each City will obtain the other's prior approval of any signage and advertising using the other's trademark or logo.
 - b. Alberta's *Freedom of Information and Protection of Privacy Act* ("FOIP") applies to both parties. Any confidential or proprietary information that is disclosed by either party to the other party should be marked as such, and the other party shall keep it strictly confidential except to the extent required by law or in accordance with the provisions of Part 1 of FOIP.
11. Enforcement. The parties, at their discretion, may enter into a separate agreement related to enforcement matters, which at a minimum would include those matters normally managed within Calgary under Calgary's Bylaw 4M81 and other legislation. If an enforcement agreement is signed, that agreement will be attached to and become part of this agreement. Until that agreement is signed, the parties will manage enforcement matters as follows:

- a. Each party will respond to enforcement issues within its own borders.
- b. Enforcement will be carried out by Calgary as per existing practices within Calgary's area of control, including its buses. Enforcement inside Chestermere boundaries will be done by Chestermere Peace Officers or the RCMP, as arranged by Chestermere.

12. Customer Communications

- a. Each City will ensure its staff are informed of basic schedule and service information needed to respond to customer inquiries. The parties will respond to customer inquiries related to operations within their control, and share information as required to maintain reasonable customer service standards.

13. Indemnity, Insurance and Limitation of Liability

- a. Mutual indemnification, except for each municipality's negligence or willful acts or omissions.
- b. Each municipality shall maintain reasonable insurance and add the other as additional insured to their respect policies of insurance with respect to liability arising from provision of transit services.
- c. No liability for indirect or incidental or consequential damages.

14. Default

- a. A party may provide 30-days' notice to the other to remedy any default. If the defaulting party fails to remedy a material default or provide a reasonable plan to remedy the material default within 30 days of receipt of the default notice then the requesting party may terminate the agreement on a further 150-day notice.
- b. If a party disputes the alleged default, the agreement remains in place until the dispute is resolved.

15. Dispute Resolution

- a. Alberta law applies and the parties exclusively attorn to Alberta Courts, if necessary.
- b. Internal Escalation
 - i. Duty to negotiate and mediate prior to commencing any legal proceedings.

16. Certifications

- a. The agreement is conditional on Calgary receiving and maintaining any and all required permits and certifications to operate transit service to Chestermere.

17. Other standard agreement "housekeeping" clauses will be included.