

**AMENDMENT NUMBER ONE TO  
CONTRACTOR SERVICES AGREEMENT  
WITH CIRCUIT TRANSIT INC.  
TO IMPLEMENT AND PROVIDE SERVICES  
FOR THE COMMUNITY SHUTTLE PROGRAM**

This Amendment Number One ("Amendment") is dated October 7, 2025, ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City") and CIRCUIT TRANSIT INC. a Florida corporation ("Contractor"), (collectively, the "Parties" and individually, a "Party").

WHEREAS, City and its collaborative partner, Circuit Transit Inc., applied for and received funds in the \$1,500,000.00 from the California Air Resources Board's Clean Mobility Options (CMO) Voucher Pilot Program, a statewide initiative that provides voucher-based funding for zero-emission carsharing, carpooling/vanpooling, bike sharing/scooter-sharing, innovative transit services; and

WHEREAS, the City entered into the "Mobility Project Voucher Agreement" with CALSTART, Inc. for the Clean Mobility Options Program; and

WHEREAS, the City and Contractor have used the CMO funds to create and implement an on-demand Community Shuttle Pilot program ("Shuttle Program") to service primarily disadvantaged and low-income communities within the City of Costa Mesa; and

WHEREAS, Section 2, Exhibit "A," "Scope of Work and Payment Terms" of the Agreement provides that Contractor's total compensation during the three-year term of the Agreement shall not exceed \$1,500,000.00; and

WHEREAS, on May 20, 2025, CALSTART amended the funding Agreement (MP23W2A-5G) between CALSTART and the City of Costa Mesa, which increased the initial funding from One Million Five Hundred Thousand and no/100 dollars (\$1,500,000.00) to One Million Eight Hundred Thousand and no/100 dollars (\$1,800,000.00); and

WHEREAS, City and Contractor now desire to update Exhibit "A" in the Agreement and increase the total compensation reflected in Section 2 of the Agreement by an additional Three Hundred Thousand Dollars (\$300,000.00).

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The foregoing recitals in this Amendment are hereby declared to be true and correct and are incorporated as if fully set forth herein.
2. Section 2 and Exhibit "A" of the Agreement is amended to reflect the increase in funding received by the City from CALSTART such that the total three (3) year compensation is increased by Three Hundred Thousand

Dollars (\$300,000.00) for a total not to exceed compensation of One Million Eight Hundred Thousand Dollars (\$1,800,000.00). Revised Exhibit "A" is attached to this Amendment as Exhibit "A."

3. All terms not defined herein shall have the same meaning and use as set forth in the Agreement, as amended.
4. All other terms, conditions, and provisions of the Agreement, as amended, shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first above written.

**CONTRACTOR**

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Mark Iannon

**CITY OF COSTA MESA**

\_\_\_\_\_  
Cecilia Gallardo-Daly  
Interim City Manager

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Brenda Green  
City Clerk

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Kimberly Hall Barlow  
City Attorney

Date: \_\_\_\_\_

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Ruth Wang  
Risk Management

Date: \_\_\_\_\_

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Brett Atencio Thomas  
Project Manager

Date: \_\_\_\_\_

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Raja Sethuraman  
Public Works Director

Date: \_\_\_\_\_

PURCHASING APPROVAL:

\_\_\_\_\_  
Carol Molina  
Finance Director

Date: \_\_\_\_\_

## **EXHIBIT A**

### **SCOPE OF WORK AND PAYMENT TERMS**

#### **1. Contact People for Contract Administration and Legal Notice**

##### **A. City Contract Administration:**

City of Costa Mesa  
Raja Sethuraman, Public Works Director  
77 Fair Drive  
Costa Mesa, CA 92626  
714-754-5343  
raja.sethuraman@costamesaca.gov

For Legal Notice Copy to:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Attn: Finance Dept. / Purchasing

##### **B. Contractor Contract Administration:**

Circuit Transit Inc.  
12130 Millennium Drive  
Los Angeles, CA 90094  
562-252-6680  
daniel@ridecircuit.com

For Legal Notice Copy to:

Circuit Transit Inc.  
James Mirras  
501 East Las Olas Blvd  
Fort Lauderdale, FL 33301  
james@ridecircuit.com

#### **2. Required Services**

##### **A. General Description:**

Contractor will provide electric transportation services targeted to the Costa Mesa community in the area shown on Exhibit C (“Shuttle Program Project Service Area”) in accordance with the terms and conditions of this Agreement.

##### **B. Detailed Description/Responsibilities of Contractor:**

**Purpose.** Based on the findings of the City’s CMO Application and associated Community Transportation Needs Assessment Community Shuttle program, the City desires to provide all-electric on-demand shuttle services catered to the needs of the local community (the “Shuttle Program”) in the Costa Mesa service area (“Shuttle Program Project Service Area”) shown on Exhibit C. The Shuttle Program has been and will be designed with the community’s input and

participation to provide safe, convenient, affordable, and accessible first/last mile connections. The goals of the Shuttle Program will be to improve mobility options for the community, provide connections to public transit and key community services, reduce greenhouse gas emissions, improve air quality, and reduce congestion.

### **Compliance with CMO Agreement is Paramount Concern**

Notwithstanding anything else in this Agreement to the contrary, Contractor shall cause the City and the Contractor to be in full compliance with all requirements of the “Mobility Project Voucher Agreement for City of Costa Mesa for Clean Mobility Options Program” entered into between the City of Costa Mesa and CALSTART, Inc. (the “Mobility Project Voucher Agreement.”).

Contractor warrants that it is knowledgeable of, and will comply with, all requirements of the Mobility Project Voucher Agreement, including all related Exhibits, which are incorporated by this reference. In particular, Contractor is knowledgeable of the “Implementation Manual for the Clean Mobility Options Voucher Pilot Program (CMO): Updated December 23, 2022” attached hereto as Exhibit B. The Parties acknowledge that compliance with all requirements of the Mobility Project Voucher Agreement is a material requirement of this Agreement. Any subsequent changes or updates to the CMO Implementation Manual constitute part of this agreement and are incorporated in full into this Agreement by reference. To the extent that any provision of this Agreement would inhibit or prevent compliance with the Mobility Project Voucher Agreement, the latter shall control.

### **Phasing and Deliverables.**

Contractor will operate and implement the Shuttle Program in accordance with all terms and conditions of this Agreement and the Mobility Project Voucher Agreement and provide the following deliverables within the timelines provided below:

| <b>Start Date</b> | <b>Time Period</b>   | <b>Deliverables</b>  |
|-------------------|--|--|
| Q2 2024           | Planning & Pre launch: within 90 days after execution of City’s contract with Contractor | <ul style="list-style-type: none"><li>• Acquire two electric vehicles and one electric ADA van and outfit with customizations for service</li><li>• Hiring and recruitment of staff, including drivers</li><li>• Development and launch of app</li><li>• Launch of Marketing &amp; Outreach plan (Circuit will work with City and Community Partner to develop and execute a marketing and outreach plan to announce launch of new service to the community)</li></ul> |

|                 |   |   |
|-----------------|---|---|
| Q3 2024         | Year 1 <sup>1</sup> :<br>Project Kickoff & Launch.<br><br>Opening Day                     | <ul style="list-style-type: none"> <li>• Commence Year 1 initial service on the Enter Date.</li> <li>• Operate two (2) electric sedans and one (1) electric ADA van in furtherance of the Shuttle Program to be funded by CMO</li> <li>• Execute its marketing plan announcing the launch of the new pilot, including any launch event or ribbon cutting with the City.</li> <li>• Conduct ride-alongs and on-job training with new staff to ensure effectiveness and efficiency of service.</li> </ul>   |
| Q3 2024         | Year 1:<br>Operations,<br>Monitoring & Reporting and Adjusting – Initial Service - Year 1 | <ul style="list-style-type: none"> <li>• Operate two (2) electric sedans and one (1) electric ADA van in furtherance of the Shuttle Program to be funded by CMO</li> <li>• Monitor key metrics and feedback</li> <li>• Conduct rider surveys</li> <li>• Implement ongoing marketing strategy</li> <li>• Engage in ongoing community outreach</li> <li>• Sell and execute advertising campaigns</li> <li>• Communicate with and submit monthly reports to the City team</li> <li>• Adjust the service as needed/requested</li> </ul>   |
| Q1, Q2, Q3 2025 | Year 2:<br>Operations,<br>Service Expansion to General Public                             | <ul style="list-style-type: none"> <li>• Operate two (2) electric sedans and one (1) electric ADA van in furtherance of the Shuttle Program to be funded by CMO.</li> <li>• Plan and implement for service expansion</li> <li>• Plan and implement service extension to the general public, including rollout timeline.</li> <li>• Collaborate with City and Community Partner/(s) to prepare and implement a marketing and outreach plan for announcing service expansion to existing and potential riders.</li> <li>• Prepare study developing ridership trends to learn busiest ridership times, request hotspots, etc.</li> <li>• Procure (1) additional electric sedan.</li> </ul> |
| Q4 2025         | Year 2:<br>Service Expansion  | <ul style="list-style-type: none"> <li>• Initiate operation of one (1) additional electric sedan resulting in the total operation of three (3) electric sedans and one (1) electric ADA van in furtherance of the Shuttle Program funded by CMO (for a total of 4 vehicles).</li> <li>• Implement for service expansion as shown in Exhibit C.</li> <li>• Promote service expansion to the public.</li> <li>• Implement revised service hours including the addition of</li> </ul>  |

<sup>1</sup> The term “Year” as used in this Exhibit A denotes year(s) of operation and not the year(s) of grant funding.

|      |  |   |
|------|--|---|
|      |  | 4512 hours of operation through the life of this agreement.   |
| 2025 | Year 2:<br>Monitoring,<br>Reporting and<br>Adjusting -<br>Expanded Service | <ul style="list-style-type: none"> <li>• Program monitoring &amp; monthly reporting</li> <li>• Conduct rider surveys to learn about rider preferences, needs, and report back to the City with data collected to refine service.</li> </ul>   |
| 2026 | Year 3: Operations   | <ul style="list-style-type: none"> <li>• Operate three (3) electric sedans and one (1) electric ADA van in furtherance of the Shuttle Program to be funded by CMO.</li> </ul>   |
| 2026 | Year 3:<br>Monitoring,<br>Reporting and<br>Adjusting -<br>Expanded Service | <ul style="list-style-type: none"> <li>• Program monitoring &amp; monthly reporting</li> <li>• Prepare a study developing ridership trends to learn the busiest ridership times, request hotspots, etc.</li> <li>• Conduct rider surveys to learn about rider preferences, and needs, and report back to the City with data collected to refine service.</li> </ul> |
| 2027 | Some or all of<br>Year 4:<br>Operations,<br>Monitoring, and<br>Reporting   | To be determined  |

**Access to Service.** Contractor will allow riders to request rides for the Shuttle Program within a geo-fenced coverage zone through a mobile ride request app available on iOS and Android, or by call-in. The Shuttle Program will include an American with Disabilities Act (ADA) accessible vehicle for riders requiring ADA assistance, which can be indicated in the ride request app or when requested by phone.

**Funding.** The Parties acknowledge and agree that compensation for the Required Services will be paid by City but only to the extent that City actually receives funding from CMO in accordance with Exhibit A, Section 4, below. The Parties acknowledge and agree that the Required Services will be funded solely with the funding sources identified below, during the time periods identified below.

**Fares as a Credit for Year 4.** Contractor will make the Shuttle Program available to the general public within ninety (90) days of the Effective Date (i.e., the Enter Date). The Shuttle Program may charge general public users a fare of \$1.00 to \$2.00 per passenger per ride (each a “Fare”; collectively the “Fares”); such amount (if any) shall be established in the sole discretion of the City. A contactless fare program will be implemented and will accept payment via credit card, debit card, or prepaid card. Contractor will be responsible for collecting any and all Fares and to account for any and all Fares collected. Contractor will provide City with a monthly accounting of any and all Fares collected from the Shuttle Program. The City may require an independent audit of the accounting submitted to verify the accuracy of the accounting and the appropriateness of the

submittals. The responsibility of payment of the independent audit will be negotiated in good faith by the Parties. Contractor will apply 70% of the total gross revenue generated from any and all Fares towards future Required Services in the form of a credit to the City. This credit will be applied in Year 4 to offset costs of the Shuttle Program during Year 4 and to provide for continuing support for the Shuttle Program. Contractor will retain the remaining 30% of the total gross revenue generated from any and all Fares for processing and administrative costs. City shall have the option to extend this Agreement into some or all of Year 4 (months 37-48 from the enter date). The City may exercise this option in writing upon ninety (90) days notice prior to the end of Year 3.

**Advertising (Optional).** At the request of the City, Contractor will to prepare, sell, and execute advertising campaigns in conjunction with the Shuttle Program. Contractor acknowledges and agrees that City's written approval will be required to enter into any advertising contracts or receipt of any Advertising Revenue (defined below). Contractor further acknowledges and agrees that any advertising prepared, sold, or executed in conjunction with the Shuttle Program must comply with all City policies for advertising, and all other applicable rules, regulations, and laws related to advertising. Contractor will be responsible to collect any and all revenues derived from any advertising campaigns ("Gross Advertising Revenue") and to account for any and all Advertising Revenue.

For purposes of this Agreement, "Net Advertising Revenue" means the gross advertising revenue received less all other direct costs and expenses incurred in obtaining the Gross Advertising Revenue, including, but not limited to advertisement design, production costs, installation and removal costs and customary and reasonable commissions paid to media sales representative.

Contractor agrees that 50% of all Net Advertising Revenue collected will be applied as a credit towards future Required Services, beginning in Year 4. Contractor will provide City with a monthly accounting of any and all Advertising Revenue collected from the Shuttle Program. The City may require an independent audit of the Advertising Revenue accounting submitted to verify the accuracy of the accounting and the appropriateness of the submittals. The responsibility of payment of the independent audit will be negotiated in good faith by the Parties.

**Operating Time.** Contractor will operate the Shuttle Program 10 hours per day, 7 days per week with three (3) electric vehicles including one (1) ADA van. The Shuttle Program schedule will be aligned with the needs of the community and will be adjusted as directed by the City as the data from the service becomes available. Any expansion of Required Services will be negotiated and may be agreed upon by the parties in an amended Scope of Work.

**Destinations.** The focus of the service territory will be on key destinations for the Service Area, including healthcare, grocery, public transit stops, and other destinations as determined through community feedback. Over this period, the service will be adjusted and honed to the needs of this community.

**CMO Grant.** Contractor acknowledges and agrees that City has obtained a grant from the California Air Resources Board, Clean Mobility Options Voucher Pilot Program (the "CMO Grant") as a source of funding for the Required Services. The grant voucher agreement, and terms and conditions for the CMO Grant are attached hereto and incorporated herein as Exhibit E (collectively, the "CMO Grant Materials"). Contractor agrees that it has read and understand the requirements in the CMO Grant Materials. Contractor agrees to comply, and cause the City to comply, with all requirements, terms, and conditions of the CMO Grant and the CMO Grant Materials, and all related requirements, terms, and conditions of the CMO Grant. Contractor agrees that its failure to comply, or its failure to cause the City to comply, with all requirements, terms,



and conditions of the CMO Grant or the CMO Grant Materials, or any related requirements, terms, and conditions of the CMO Grant constitutes a material breach of this Agreement.

**Improvements.** Contractor shall be responsible for the construction, maintenance, operation, repair, and replacement of any improvements necessary to operate the Shuttle Program. The Parties acknowledge and agree that it is their intent that necessary construction, maintenance, operation, repair, and replacement of improvements will be subject to reimbursement pursuant to Exhibit A, Section 4 of this Agreement.

### **C. City Responsibilities**

For the Term of this Agreement, City will provide Contractor with electric vehicle storage and parking spaces at no cost to Contractor at a location of City's choosing. The Parties acknowledge and agree that terms for use, including but not limited to location, of the parking spaces have not yet been finalized. Upon finalization of such terms of use, Contractor acknowledges and agrees that City may require Contractor to enter to additional agreements with the City (e.g., right-of-entry agreements, license agreements) or obtain permits (e.g. construction permits) to memorialize such terms of use.

City agrees to reasonably assist Contractor with access to Level 2 charging for the electric vehicles as appropriate.

### **3. [Reserved]**

### **4. Compensation:**

#### **A. Form of Compensation**

The projected total costs to implement the Shuttle Program on an annual basis are identified in the table below, and in the budget document submitted with the Phase 2 CMO application and included in Exhibit E.

Total Program Costs (\$1,500,000.00). Of such costs, a total of \$1,482,770 of such costs will be borne by Contractor, and \$17,230 shall be borne by the City.

| <b>CMO Funding</b> | <b>Circuit</b> | <b>City of Costa Mesa</b> |
|--------------------|----------------|---------------------------|
| Pre-Launch         | \$12,163       | \$2,035                   |
| Year 1 of Service  | \$481,135      | \$5,565                   |
| Year 2 of Service  | \$640,180      | \$5,565                   |
| Year 3 of Service  | \$649,292      | \$4,065                   |
| Year 4 of Service  | TBD            | TBD                       |

The Parties acknowledge and agree that any and all payments for Shuttle Program costs will be solely funded by CMO, not the City, for Years 1 through 3 of the Shuttle Program. Contractor acknowledges and agrees that City is only obligated to pay Contractor for the performance of Required Services to the extent that grant funds are approved by the Granting Agencies. Contractor acknowledges and agrees that City shall have no obligation to pay for the Required Services from

any other funding source. The amounts stated in the column "City of Costa Mesa" are the amounts of CMO funds expected to be paid to the city from the CMO funds, and the amounts in the Column labeled "Circuit" are expected to be paid to Circuit from the CMO funds..

The Parties agree that 70% of all Fare Revenue accrued during the Term plus 50% of all Advertising Revenue accrued during the Term, shall be credits that will be applied during Year 4 of the Shuttle Program such that the City would not incur any costs in year 4 unless and until all such credits are expended. The parties agree to negotiate in good faith to determine the charge for such service for Year 4. To ensure that City is not required to make any out-of-pocket payments to Contractor which are not covered by the CMO Grant funds, Contractor shall be required to offer to City to provide service on a daily pro-rata basis, based on revenue generated during Year 1-3, and to be agreed upon within three (3) months of the termination of Year 3.

The maximum amount to be paid to the Contractor for services performed during the Term of the Agreement shall not exceed \$1,782,770.

### **B. Invoicing**

Contractor will provide City with a detailed invoice and breakdown by Granting Agency for Required Services performed each month for Years 1 through 3, within thirty (30) days of the end of the month in which the Required Services were performed.

Upon receipt of the invoice, City will review the invoice and pay Contractor for approved amounts, in an amount not-to-exceed forty-two thousand dollars (\$54,107), within thirty (30) days. After payment by City, City will seek reimbursement from the Granting Agencies. If City does not receive reimbursement from the Granting Agencies for any amount paid to Contractor, all such unreimbursed amounts will be offset against future invoices submitted by Contractor. City will provide Contractor with documentation of such non-reimbursement by the Granting Agencies.

#### Billing Information

Contact Person:

Raja Sethuraman

77 Fair Drive

Costa Mesa CA 92626

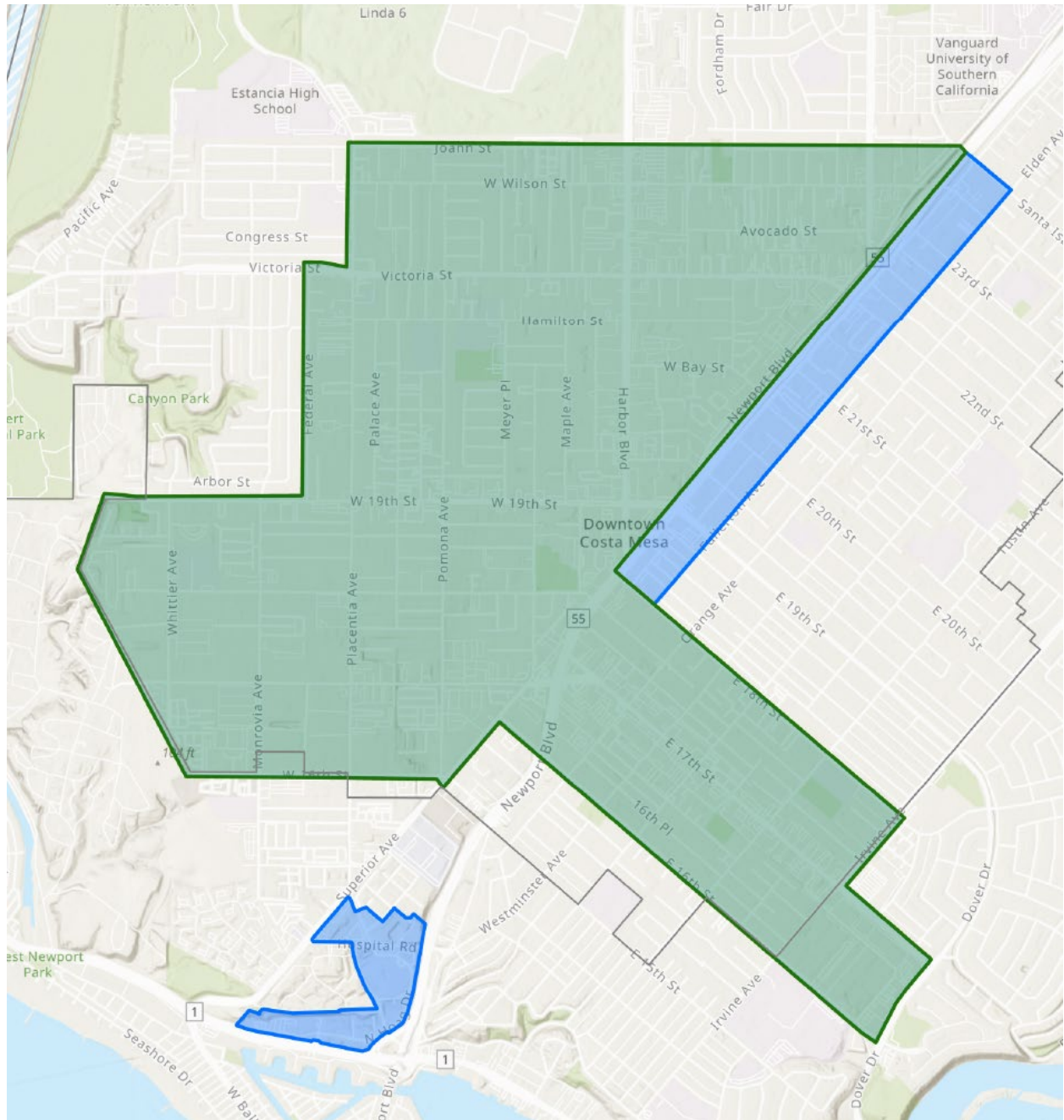
Email: [Raja.sethuraman@costamesaca.gov](mailto:Raja.sethuraman@costamesaca.gov)

In addition to any other remedy available to Contractor for late payments, Contractor shall offset any balance or amounts owed on any credits due to City from Net Fare Revenue or Net Advertising Revenue until such outstanding invoice is paid.

City acknowledges and agrees that Contractor is not required to continue Required Services in the event of the Granting Agencies' failure to pay the invoice due to Contractor or reimburse City for any amount paid to Contractor. If payment is not received within thirty (30) days of written notice of late payment or if City offsets against future invoices submitted by Contractor, Contractor shall have the right to temporarily reduce and/or suspend Required Services without liability to Contractor until such outstanding invoice is paid in full. If litigation is commenced for collection of late payments, Contractor shall be entitled to recover its reasonable attorneys' fees and related costs from City.

## EXHIBIT C

### SHUTTLE PROGRAM PROJECT SERVICE AREA



*Expanded Service Area Shown in Blue*