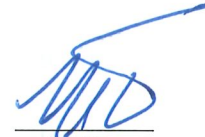




Administration Department

Michael Tree, CEO/General Manager
Department Manager/Title



CEO

SOCIAL EQUITY AND COMMUNITY FUNDING POLICY

Policy #: AP-1040

Origination Date: October 28, 2022

Revised Date:

I. PURPOSE

- 1.01 This Social Equity and Community Funding Policy ("Policy") sets forth the procedures for consideration, approval, and administration of potential expenditures of Santa Cruz Metropolitan Transit District ("METRO") resources in the form of community funding to promote METRO's services, the use of public transportation, and for the purpose of achieving sustainability improvements or greenhouse gas ("GHG") reductions in the region.
- 1.02 This Policy also sets forth the procedures by which METRO will promote corporate social responsibility in the selection of its contractors.
- 1.03 The purpose of this Policy is to ensure that all funds and other resources of METRO are expended in furtherance of valid public purposes in full accordance with applicable laws and the rules of this Policy.

II. POLICY

- 2.01 It is the policy of METRO to ensure compliance with State law prohibitions on unlawful expenditures or gifts of public funds, including as specifically addressed in Sections 5 and 6 of Article XVI of the California Constitution, Government Code Section 8314, Code of Civil Procedure Section 526a and Penal Code Sections 424, *et seq.*
- 2.02 It is the policy of METRO to expend its resources only in furtherance of METRO's statutory purposes and in the exercise of powers set forth or implied in METRO's enabling legislation (California Public Utilities Code Sections 98000, *et seq.*).
- 2.03 More specifically, METRO will expend its resources in the furtherance of its mission to provide public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean and courteous transit service.



- 2.04 It is the policy of METRO to use its purchasing power in support of efforts to promote METRO's services, to encourage the use of public transportation, for the purpose of achieving sustainability improvements or GHG reductions, and to promote corporate social responsibility in the selection of its contractors.
- 2.05 It is further the policy of METRO to make expenditures related to Community Funding and Marketing Support only after consideration pursuant to this Policy and an evaluation of the financial capacity of METRO to make such expenditures.
- 2.06 METRO will not provide Community Funding to support or oppose campaigns for against political candidates or ballot measures.
- 2.07 METRO will not provide Community Funding to or in aid of any religious sect, church, creed, or sectarian purpose, or to help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination.
- 2.08 METRO will not provide Community Funding for endowment funds. Requests for multi-year or annual Community Funding must be submitted for consideration each year. METRO will carefully consider support for individual endeavors and annual fund drives.
- 2.09 METRO reserves the right to amend, modify, or delete this Policy at any time.

III. APPLICABILITY

- 3.01 This Policy applies to all METRO best value procurements, and any subsequent contracts, in which criteria other than cost/price are factored into the award of the contract.
- 3.02 This Policy does not apply to public works contracts, as defined in section 1101 of the California Public Contract Code, and contracts in which the contractor is selected based on the lowest bid.
- 3.03 This Policy applies to any METRO contractors and other public agencies that elect to participate in METRO's Community Funding program.

IV. DEFINITIONS

- 4.01 "Community Funding" means METRO resources – including tax revenue or other funds, materials or in-kind support, or the donation by a METRO



contractor of a discount provided to METRO or other funds – given to or spent to support any individual, organization, or entity for the purpose of promoting the use of public transportation or achieving sustainability improvements or GHG reductions in the region. Community Funding can include money or materials/in-kind benefits. There are two types of Community Funding: Community Benefit Support and Marketing Support.

- 4.02 "Community Benefit Support" is resources given or spent for the purpose promoting the use of public transportation or achieving sustainability improvements or GHG reductions in the region.
- 4.03 "Marketing Support" means resources given or spent to promote the business, mission and goals of METRO and its services and the business, mission and goals of the Sustainability Partner. Examples include advertisements of the partnership between METRO and the Sustainability Partner. "Marketing Support" does not include advertising in, on or through newspaper, radio, television, social media or direct mail, except when such advertising is associated with a specific community event hosted by an entity other than METRO itself.
- 4.04 "Sustainability Partner" is any individual, organization, or entity selected by METRO to receive Community Funding pursuant to this Policy.

V. PROCEDURES—SOCIAL EQUITY AND SUSTAINABILITY PRACTICES IN PROCUREMENT AND CONTRACTING

- 5.01 METRO intends to use its purchasing power to support corporate practices that provide social value, environmental sustainability improvements, or GHG reductions in the region by incorporating social equity and sustainability considerations into its purchasing process, as further described in this Policy.
- 5.02 Discounts for Donation to a Sustainability Partner. At METRO's discretion, it may give respondents to its best value procurements the opportunity to achieve additional points during the evaluation process if the respondent gives METRO a discount in the respondent's pricing, which METRO or the respondent will provide to a Sustainability Partner in the form of Community Funding. The total amount of additional points that may be awarded to a respondent will not exceed 5% of the total points available.
- 5.03 Corporate Social Equity Practices. At METRO's discretion, it may consider a respondent's social equity practices for the work to be completed under the contract, and/or as business strategies a firm has undertaken, during



the evaluation stage of METRO's best value procurements. For example, respondents may have the opportunity to achieve points in areas such as: 1) documented efforts to reduce the adverse environmental impact of its operations in performing the specific work; 2) efforts to promote sustainable practices with subcontractors and vendors; 3) realized cost savings resulting from more efficient use of resources; 4) maximizing employment training, and apprenticeship opportunities among local, disadvantaged populations; 5) maximizing the diversification of their supply chain by including non-profit organizations, social enterprises and small-medium enterprises; or 6) establishing other corporate social responsibility initiatives that contribute to social wellbeing (philanthropy, volunteering, ethically sourced products, etc.) The total amount of additional points that may be awarded to a respondent will not exceed 5% of the total points available.

- 5.04 Partnership with Current METRO Contractors or Other Public Agencies. METRO will partner with any current contractors or other public agencies to facilitate the provision of Community Funding to a Sustainability Partner.

VI. PROCEDURES—COMMUNITY FUNDING APPLICATION AND SELECTION

- 6.01 Community Funding Applicant Selection. Individuals, organizations, or entities that wish to receive Community Funding must submit a Community Funding Request Form to METRO. If the Community Funding Request is related to a specific event or endeavor, the Community Funding Request form must be submitted at least 30 days prior unless staff determines a shorter or longer notice period is required to the subject event or endeavor. The Request Form can be accessed on METRO's website or by email or in person through the office of the CEO/General Manager (CEO).
- 6.02 The CEO, or designee, will consider all Community Funding Requests in accordance with the procures set forth in this Policy. Applicants for Community Funding will be notified of the disposition of their request in writing. The CEO, or designee, will manage notification of request acceptance or denial. All successful applicants for Community Funding will be Sustainability Partners for the purposes of this Policy and may be required to execute a contract with METRO.
- 6.03 Expenditure Limitations. The CEO will limit Community Funding expenditures to the amounts of actual discounts provided to METRO by any contractor or to any amount set forth in METRO's adopted budget for such purpose.



6.04 Reporting and Records. The CEO, or designee, will provide an annual report to the METRO Board of Directors summarizing all decision made and actions taken pursuant to this Policy.

METRO will maintain all documentation related to Community Funding Requests, including completed Community Funding Request forms, evaluations, and notices of Community Funding awards or request denials, in compliance with the METRO's Record Retention Policy.

6.05 Training. METRO procurement and finance staff will receive training on this Policy during the annual budget process and following any Policy revisions.

VII. REVISION HISTORY

Date	Action	Approved By

END OF POLICY

