

SERVICE EXTENSION AGREEMENT

THIS SERVICE EXTENSION AGREEMENT BETWEEN (hereinafter “Agreement”) made and entered into by and between the Targhee Regional Public Transportation Authority d.b.a. Greater Idaho Falls Transit, a public transportation authority of the State of Idaho, P.O. Box 50900, Idaho Falls, ID 83405, Idaho Falls, Idaho 83405 (hereinafter “GIFT”), and the City of Ammon, a political subdivision of the State of Idaho (hereinafter “City of Ammon” and, collectively with GIFT, the “Parties”).

WITNESSETH:

WHEREAS, GIFT operates and maintains a flexible public transportation microtransit service that provides on-demand/all-in-one services to the general public in Idaho Falls; and

WHEREAS, the City of Ammon desires to facilitate transportation options for the area shown in Exhibit A (the “Ammon Service Area”); and

WHEREAS, GIFT’s flexible microtransit service can deliver the desired services and is willing to provide the services upon the terms and conditions outlined in this Agreement.

NOW THEREFORE it is hereby agreed as follows:

1. **GIFT Services.** GIFT shall extend the area of service for its on-demand, public microtransit service to include the Ammon Service Area as shown in Exhibit A (the “Extension Services”). The Extension Services will be limited to GIFT’s general hours of operation.
2. **Term.** The initial term of this Agreement shall commence on October 1, 2026, and shall expire on September 30, 2027. This Agreement shall automatically renew each year on October 1 for an additional one-year period unless either Party sends written notice to the other Party before April 1 of the then-current term that the Party has decided not renew the Agreement.
3. **Fee for Services.** In consideration for the Extension Services the City of Ammon shall pay to GIFT seventy-three thousand dollars (\$73,000.00) for the first year this Agreement is in effect. The City of Ammon shall make this payment within thirty (30) days of the execution of this Agreement. For each additional year this Agreement is renewed, the yearly payment shall be adjusted by the United States Consumer Price Index – All Urban Consumers (CPI-U), as determined by the United States Department of Labor, Bureau of Labor Statistics. For the first renewal of this Agreement, the CPI-U figure for January 2026 shall serve as the denominator and the CPI-U for January 2027 shall serve as the numerator of a fraction that, when multiplied by the then-existing yearly payment shall result in the new adjusted yearly payment. For each subsequent renewal of this Agreement, the respective CPI-U figures shall be advanced one year. The payment adjustment equation articulated in mathematical terms shall be:

(CPI-U for January of year of the renewal date / CPI-U for January of the year prior to the renewal date) X current yearly payment = new yearly payment.

The City of Ammon shall make each adjusted yearly payment by November 1 following the date of the most recent renewal.

By March 1 of each year that this Agreement is in effect, GIFT shall notify the City of Ammon of the amount of new adjusted yearly payment for the upcoming renewal. If the required CPI-U information is not available by March 1 to calculate the new adjusted yearly payment, then GIFT shall provide this notice as soon as reasonably practicable once the required CPI-U information becomes available.

4. **Community Sponsorship.** The City of Ammon may seek community sponsorships from within the boundaries of the City of Ammon to help pay the amount that the City of Ammon is required to pay pursuant to Paragraph 3. GIFT shall, in good faith, cooperate and provide reasonable support for the City of Ammon's efforts in obtaining community sponsorships.
5. **Ridership Reports.** GIFT shall collect data on the number of rides GIFT provides each month that are associated with the Ammon Service Area. Each month GIFT shall provide a ridership report to the City of Ammon within thirty (30) days following the end of the reporting month. This is intended for informational purposes only and a failure to provide timely report(s) will not be considered a material breach of this Agreement.
6. **Nature of Relationship.** Nothing herein shall be construed to be a Joint Powers Agreement, joint enterprise, joint venture, partnership, or joint undertaking between the Parties. It is the sole intent of the Parties that GIFT shall be considered an independent contractor with respect to its delivery of the Extension Services to the Ammon Service Area, pursuant to this Agreement. Neither Party shall have authority or a right to bind the other to any obligation, debt, or undertaking of any kind whatsoever other than as contemplated in this Agreement.
7. **Independent Contractor.** The contracting Parties warrant by their signature that no employer/employee relationship is established between the City of Ammon and GIFT by the terms of this Agreement. It is understood by the Parties hereto that GIFT is an independent contractor and as such neither it nor its employees, if any, are employees of the City of Ammon for purposes of tax, retirement system, or social security (FICA) withholding.
8. **Insurance.** GIFT shall purchase and maintain through the term of this Agreement, liability coverage including errors and omissions coverage and general and professional liability coverage, insuring GIFT from liability for property damage, personal injury, or death arising from any act or omission during the course of providing the Extension Services in conjunction with the terms of this Agreement. GIFT shall obtain and maintain throughout the term of this Agreement, automobile liability coverage insuring GIFT and its officers, agents or employees from liability arising from any act or omission committed during the use or operation of ambulance vehicles under the terms and conditions of this Agreement.

Such automobile liability insurance coverage shall have a combined single limit of no less than one million dollars (\$1,000,000) or the amount of the monetary limits set forth in Idaho Tort Claims Act under Idaho Code § 6-926, whichever is greater.

9. **Termination of Agreement.** This Agreement may be terminated by either Party upon thirty (30) days written notice to the other, should the other Party fail to substantially perform its obligations under this Agreement through no fault of the noticing Party. If GIFT terminates this Agreement pursuant to this Paragraph, GIFT shall within thirty (30) days of the termination of this Agreement refund to the City of Ammon a pro rata amount based on the number of days remaining from the date of termination until the end date of this Agreement.
10. **Appropriation.** This Agreement is contingent upon the City of Ammon receiving the necessary funding to cover its obligations under this Agreement. In the event that such funding is not received or appropriated, then, and only in that event, the City of Ammon's obligations under this Agreement shall cease and each Party shall be released from further performance under this Agreement without any liability to the other Party, and GIFT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. The City of Ammon shall not decide to not appropriate funds merely as a matter of convenience to avoid terminating in accordance with the other provisions of this Agreement.
11. **Complete Agreement.** This writing evidences the complete and final agreement concerning the Extension Services as set out above and no prior statement, representation, or understanding shall be assumed.
12. **Jurisdiction and Venue.** It is agreed that this Agreement shall be construed under and governed by the laws of the State of Idaho. In the event of litigation concerning it, it is agreed that proper venue shall be the District Court of the Seventh Judicial District of the State of Idaho, in and for the County of Bonneville.
13. **Non-Discrimination.** GIFT shall not discriminate against any user of its services, employee, or applicant for employment on the basis of race, color, religion, creed, political ideals, sex, age, marital status, physical, or mental handicap, gender identity/expression, sexual orientation, or national origin.
14. **Binding of Successors.** The City of Ammon and GIFT each bind themselves, their partners, successors, assigns, and legal representatives to the other parties to this Agreement and to the partner, successors, assigns, and legal representatives of such other parties with respect to all covenants of this Agreement.
15. **Notices.** Any notice required or permitted to be given pursuant to any provisions of this Agreement shall be given in writing, and either delivered in person, by electronic transmission, deposited in the United States mail, postage pre-paid, registered or certified mail, return receipt requested, properly addressed, or by a nationally recognized overnight courier service, to the following addresses:

GIFT
Greater Idaho Falls Transit
PO Box 50900
Idaho Falls, ID 83405 &
1575 N Skyline Drive
Idaho Falls, ID 83402
Attn: Kade Marquez, Transit Coordinator

City of Ammon
2135 S Ammon Road
Ammon, ID 83406
Attn: Micah Austin, City
Administrator

The notification addresses listed above can be changed by either party with proper notice as listed above.

16. **Modification and Assignability of Agreement.** This Agreement may not be enlarged, modified, or altered except upon written agreement signed by the Parties hereto. GIFT may not subcontract or assign its rights (including the right to compensation) or duties arising hereunder without the prior written consent and express authorization of the City of Ammon. Any such subcontractor or assignee shall be bound by all of the terms and conditions of this Agreement as if named specifically herein.
17. **Costs and Attorney Fees.** In the event either party incurs legal expenses to enforce the terms and conditions of this Agreement, apart from any costs incurred during any mediation required by this Agreement, the prevailing party is entitled to recover reasonable attorney's fees and other costs and expenses.
18. **No Exclusive Relationship Created.** Nothing in this Agreement shall be interpreted or constructed to create an exclusive relationship with GIFT. Nor shall this Agreement be interpreted to bestow upon GIFT any exclusive right to provide transportation services for the City of Ammon.
19. **Interpretation of Agreement.** This Agreement has been mutually drafted and reviewed by legal counsel for both Parties hereto, or with an opportunity for legal counsel to do so. In the event of any ambiguity in the terms and conditions hereof, no adverse construction shall be drawn against the drafter hereof, it being the Parties' intention that this Agreement be construed solely in accordance with the Parties' intent as may be evidenced by any extrinsic circumstances demonstrating such intent.
20. **Severability.** If any portion or portions of this Agreement shall be for any reason invalid or unenforceable, the remaining portion(s) shall be valid and enforceable and carried into effect unless to do so would clearly violate the present legal and valid intention of the Parties hereto.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed the foregoing AGREEMENT as of the dates indicated below.

“GIFT”

Targhee Regional Public Transportation
Authority d.b.a. Greater Idaho Falls Transit

“City of Ammon”

A Political Subdivision of the State of Idaho

By _____
Kade Marquez, Transit Coordinator

Date: _____

By _____
Micah Austin, City Administrator

Date: _____

EXHIBIT A
The Ammon Service Area
(To be determined.)