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GRANT AGREEMENT

Agreement/CAR Number	
AG Contract Number	P0012013003419
Advantage Vendor Number	
DUNS Number	
Advantage Project Number Eligible From Date Eligibility Expiration Date Project Details	Refer to Exhibit A

GRANT AGREEMENT

BETWEEN

THE ARIZONA DEPARTMENT OF TRANSPORTATION
MULTIMODAL PLANNING DIVISION acting for and on behalf of
THE STATE OF ARIZONA

AND

M. Greene Planning & Resource

This GRANT AGREEMENT, established pursuant to Arizona Revised Statutes (A.R.S.) § 28-334, is entered into between the ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) MULTIMODAL PLANNING DIVISION (MPD) acting for and on behalf of THE STATE OF ARIZONA herein referred to as the STATE, and M. Greene Planning & Resource a (AGENCY TYPE) agency herein referred to as the SUBRECIPIENT. The STATE and the SUBRECIPIENT are collectively referred to as the "Parties", and individually as STATE, SUBRECIPIENT, and "Party".

I. RECITALS

- 1) STATE is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of STATE.
- 2) SUBRECIPIENT has obtained appropriate action by ordinance or resolution or otherwise pursuant to the laws or other rules and regulations applicable to it and its governing bodies and is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of SUBRECIPIENT.
- 3) The Governor of the STATE of Arizona, in accordance with a request by the Federal Transit Administration, hereinafter referred to as FTA, has designated the Arizona Department of Transportation as the responsible agency to evaluate and select proposed projects and to coordinate grant applications. The current State Management Plan, Program Guidebook, FTA Master Agreement, and the Program Application, incorporated herein by reference, prescribe the STATE's Administrative Policies and Requirements for the Program.
- 4) Exhibit A: [Project Award Description](#) provides the Project Award Description, Eligibility Dates, Funding Participation, and Match Requirements.
- 5) Exhibit B: [Program Description and Communication and Contact Information](#) provides the statutory reference and describes rules, regulations, and requirements specific to the program(s) awarded in this Agreement and provides contact information relevant to this Agreement.
- 6) Exhibit C: [Responsibility Matrix](#) delineates key requirements specific to roles.
- 7) Exhibit D: [Procurement and Third Party Contract Provisions](#) provides rules specific to SUBRECIPIENT procurement in this Agreement and provides a table of federal clauses required for procurement agreements.
- 8) Exhibit E: [Discrimination & Title VI Requirements](#) provides mandatory Title VI requirements.

- 9) Exhibit F: Disadvantaged Business Enterprise (DBE) Requirements provides mandatory DBE requirements.
- 10) Exhibit G: Insurance (Risk Management) Requirements provides mandatory insurance requirements.
- 11) Exhibit H: Language Modifications provides exceptions, exemptions, and language variations for Agreements with Tribes, Nations, or Native Indian Communities.
- 12) The STATE and the SUBRECIPIENT desire to secure the Project as described in Exhibit A through the expenditure of FTA grant funds and to use said funding to provide services for eligible Program participants of the STATE of Arizona within the SUBRECIPIENT's service area, and carried out according to this Agreement and under the applicable sections of 49 USC Chapter 53 as described in Exhibit B.
- 13) The STATE and the SUBRECIPIENT desire defining their respective responsibilities related to the expenditure and reimbursement of up to the amount of funds described in Exhibit A and referred to as the PROJECT within the authority granted by the Program described in Exhibit B.
- 14) **SUBRECIPIENT qualified local match and fees for the PROJECT to be procured by the STATE is due upon demand and prior to procurement.** Match for PROJECT to be procured by SUBRECIPIENT shall be indicated in and deducted from request for reimbursement. All other match is due over the life of the award or as otherwise detailed in Exhibit A.
- 15) The APPLICATION for this Agreement does not constitute the AWARD amount. The AWARD will be demonstrated in Exhibit A of this Agreement, incorporated into the document at the time of execution and/or as updated from time-to-time by mutual consent.
- 16) **The State has the authority to re-distribute Award if the signed Agreement is not received by the program required deadline, or if applicable cash Match (if required) is not received, so that the Agreement may be executed within 90 days from the date that Exhibit A documenting Award is distributed.**

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

II. SCOPE

- 1) SUBRECIPIENT shall provide specific public transportation services or activities related to eligible funding, herein called the PROJECT, to eligible Program participants, in accordance with the SUBRECIPIENT'S application(s), incorporated herein as referenced and as allowable under the relevant section of 49 U.S.C. Chapter 53 as described in Exhibit B and the PROJECT description and Award described in Exhibit A.
- 2) PROJECT expense and cost awards will be detailed in Exhibit A. Awards may consist of any combination of expense or cost categories eligible in the associated grant program such as equipment or capital categories to be procured by ADOT, equipment or capital categories to be procured by SUBRECIPIENT, operating, intercity, administrative, planning, mobility management, or others.
- 3) PROJECT Award is limited to the quantity and description of the items identified in Exhibit A. For those items with estimated amounts pending procurement that is to be completed by the SUBRECIPIENT, the estimated pricing shall be considered not-to-exceed pricing specific to the quantity and description of identified items. Any needed or desired variation from quantity, description, or pricing must be requested in writing and approved by the Program Manager prior to procurement. Approvals will result in a modified Exhibit A being issued with updated approved not-to-exceed award, pricing, and match indicated. For PROJECT Award items being procured by ADOT, actual pricing that exceeds the estimate on Exhibit A will be confirmed with the SUBRECIPIENT prior to purchase.
- 4) SUBRECIPIENT eligible PROJECT expenditures or incurrence of costs may not occur prior to the "Expenses Eligible from Date" and must occur prior to the "Eligibility Expiration Date" established in Exhibit A. **All support documentation must be dated within that established data range to be considered eligible.** The SUBRECIPIENT may not incur any costs for work outlined in any subsequent amendments prior to receiving a Modified Exhibit A signed by the ADOT Program Manager or Transit Manager. Any costs incurred prior to receiving such written document shall be treated as pre-award costs and shall not be eligible for reimbursement in accordance with 2 CFR 200.458.
- 5) **PROJECT-appropriate expenses and costs associated with the PROJECT Award must be supported by receipts and other suitable and appropriate documentation pursuant to 2 CFR 200 Subpart E - Cost Principles, 2 CFR 200 et seq., and ADOT, as appropriate, and incurred within the Exhibit A established date range are eligible for reimbursement upon execution of this Agreement. Final reimbursement requests must be received no later than 30 days after the calendar quarter within which the Eligibility Expiration Date occurs** to be eligible for reimbursement unless an extension has been granted by the Program Manager.
 - a. Certifications Required: As required pursuant to 2 CFR 200.415 to assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreement must include a certification, signed by an official who is authorized to legally bind the SUBRECIPIENT, which reads as follows:
"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."

III. RESPONSIBILITIES

- 1) **ADOT will:**
 - a. Review PROJECTS for compliance with statutory requirements, oversight requirements, and program guidance.
 - b. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
 - c.

Review invoices, when appropriate to the Grant Award, from SUBRECIPIENT and reimburse SUBRECIPIENT within 30 days after receipt and approval of invoices, in a total amount not to exceed the lesser of the approved invoiced costs or the Grant Award.

- d. Communicate with SUBRECIPIENT and FTA as necessary to facilitate program compliance and procedural efficiency.
- e. Monitor all activities performed by its SUBRECIPIENTS to assure that the work is being managed and performed satisfactorily and that time schedules are being met in accordance with 2 CFR 200.328.
- f. Administer FTA funds allocated to the SUBRECIPIENT and ensuring that such funds are expended for eligible costs, purpose and activities in accordance with 23 CFR 420.113, that are allowable per 2 CFR 200 et seq. as adopted or otherwise modified pursuant to 2 CFR 1201.

2) **SUBRECIPIENT will:**

- a. Administer the grant from award to closeout.
- b. Take necessary steps to ensure compliance with program or Agreement stipulated deadlines.
- c. Develop and have in place prior to use of award internal policies and systems that ensure effective management of awards and compliance with grant requirements.
- d. Implement strong internal controls for accounting and compliance with grant terms and conditions and ensure that SUBRECIPIENT financial management system and any other system used for documentation or compliance is appropriate to implement the Project. The financial management systems must comply with all the requirements of 2 CFR 200.302.

The SUBRECIPIENT shall establish separate accounts for each work element of the Project Budget, to be maintained within its existing accounting system or set up independently. Such accounts are referred to herein collectively as the Project Account. The Project Account and supporting documentation as set forth in 2 CFR 200 et seq., shall be made available upon request for examination by ADOT, FTA, or the Comptroller General of the United States in accordance with the requirements of 2 CFR 200.336.

Pursuant to the requirements of 2 CFR 200.307, the SUBRECIPIENT shall record in the Project Account all payments received by it from ADOT pursuant to this article and all other funds provided for, accruing to, or otherwise received on account of the Project, which ADOT Payments and other funds are herein collectively referred to as Project Funds.

The SUBRECIPIENT shall charge to the Project Account all eligible costs of the Project. Costs in excess of the latest approved budget or attributable to actions which have not received the required approval of ADOT and FTA shall not be considered eligible costs. Determination of eligible costs shall be in accordance with the requirements of 2 CFR 200.402 to 2 CFR 200.414 and 2 CFR 200.420 to 2 CFR 200.475.

FAST Act
allows
other
federal
funds --
check
regs

Establish a budget of the costs required to perform the Project and a method for monitoring actual costs against the budget.

Submit payment of Grant required MATCH upon demand by the STATE and/or as indicated in Exhibit A. Administrative fees and local match must be remitted from funds as qualified under the applicable 49 USC regulations. Match is defined as monies from non-federally funded sources used for matching or cost sharing requirements as defined and allowed under 2 CFR 200.306 and 2 CFR 200 Subpart E. Local match must be remitted from funds of the program for which it was awarded as qualified under the applicable 49 USC regulations. Most federally-funded programs cannot use federal funds to provide match but 49 USC does provide certain exceptions to that stipulation. The SUBRECIPIENT will ensure that matching funds qualify under the appropriate section of 49 USC as appropriate to the awarded PROJECT(s) indicated in Exhibit A.

Comply with all terms of the Grant Program in accordance with the SUBRECIPIENT application(s) and the current Program Guidebook in effect at the time of application or subsequently revised in writing and by notice, incorporated herein as referenced.

- h. Obtain prior written concurrence of the State before assigning any portion of the work to be performed under this Agreement or execute any contract, amendment, or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement.
- i. Communicate contractual requirements to contractors and sub-contractors and ensure all the requirements of this Agreement are incorporated by means of a contract or other legally binding documents stipulating the contractor and/or sub-contractor's responsibility to comply with this Agreement.

Guide book says 24 hours - use 24

- j. In the event of an accident involving any equipment funded under this Agreement, the SUBRECIPIENT shall, within 48 hours, notify the ADOT Program Manager and the MPD Finance & Administration Manager (see Exhibit titled **PROGRAM DESCRIPTION AND COMMUNICATIONS AND CONTACT INFORMATION**) electronically via email. Pursuant to FTA Circular 5010.1D, any insurance proceeds received when project property has been lost or damaged, the grantee shall a) apply those proceeds to the cost of replacing the damaged or destroyed project property taken out of service or b) return to FTA an amount equal to the remaining Federal interest in the lost, damaged, or destroyed project property. The SUBRECIPIENT agrees to request from and adhere to guidance from the ADOT Program Manager regarding which option shall be followed.
- k. Communicate with STATE and FTA as necessary to facilitate program compliance and procedural efficiency.
- l. Provide all required reports as prescribed by the current Program Guidebook or as requested by ADOT in a timely manner and as required by the STATE.
- m. Ensure users of PROJECT equipment and/or services meet applicable federal and state regulations and statutes.

- n. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
- o. Comply with Performance Measure requirements when and as established by FTA for MAP-21 compliance or as designated by the STATE for its compliance.
- p. Comply with Cross-Cutting requirements for transit asset management plans and reporting of asset inventory and condition information when and as established by FTA for MAP-21 compliance or as designated by the STATE for its compliance.
- q. Demonstrate that funds are expended for eligible and allocable activities; track receipts, disbursements, assets, liabilities, and balances; and track and report program income.
- r. Report to the STATE as required by the program but at a minimum quarterly on the invoice form provided by ADOT, for categorized reimbursable Project costs/expenses awarded as detailed in Exhibit A, as authorized and allowable under the federal grant requirements, and supported as required with vendor invoices, original receipts, or other suitable and appropriate documentation.

In the event that no expenditures occurred during a calendar quarter, submit a zero dollar invoice.

A system-generated ledger report and program-required forms must be submitted with the reimbursement request. Detailed support documentation shall be maintained by the SUBRECIPIENT and shall not be submitted to ADOT unless and until requested.

In the event a system-generated ledger cannot be provided, it is acceptable to use a manually-created or spreadsheet ledger. However, in this case, all support documentation must also be submitted.

Upon implementation of invoicing module within the Arizona E-Grants Transit Grant Management System (E-Grants), the SUBRECIPIENT will be notified that all invoices from that point forward shall be submitted electronically. Subsequent to that notice, paper invoicing will no longer be accepted. The SUBRECIPIENT agrees that once implemented, all invoices and supporting documentation shall be submitted electronically through E-Grants.

To be eligible for reimbursement, costs must meet the following general criteria:

- Be a direct cost. Indirect costs are eligible for reimbursement only with an indirect cost plan approved by the SUBRECIPIENT's federal cognizant agency and accepted by ADOT as indicated on Exhibit A.
- Be necessary and reasonable for proper and efficient performance and administration of the Project;
- Be an eligible expense under federal and state statutes and program regulations;
- Be treated consistently. A cost may not be assigned to the grant as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a grant as an indirect cost;
- Be determined in accordance with generally accepted accounting principles;
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period;
- Be the net of all applicable credits; and
- Be adequately documented to include a system generated financial summary, or Excel spreadsheet accompanied by appropriate backup documentation (i.e. invoices, payroll, etc.), disclosing an expense amount that matches the invoice amount.

Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and incomes.

All costs charged to the Project, including any approved services contributed by the SUBRECIPIENT or others, shall be supported as required by 2 CFR 200.302 (b)(3) and 2 CFR 200 et seq. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contracts and sub-grant award documentation, etc.

In accordance with 2 CFR 200 et seq, where the records must be supported by a system of internal control which provides reasonable assurances that the charges are accurate, allowable, and properly allocated; be incorporated into the official records of the SUBRECIPIENT; reasonably reflect the total activity or expense; encompass both federally assisted and all other activities on an integrated basis; and comply with the established accounting policies and practices of the SUBRECIPIENT; and include distribution among cost objectives where federal and non-federal or multiple federal distributions occur or between direct and indirect cost activities.

Adequate supporting documentation should include a system generated financial summary disclosing an expense amount that matches the invoice amount. If a system generated report is unavailable, an excel spreadsheet maybe utilized to summarize the expenses and should be accompanied by appropriate invoices including evidence of payment, payroll documentation, etc.

- a. Submit an Indirect Cost Plan that has been approved by the SUBRECIPIENT cognizant agency if and only if indirect costs will be billed for reimbursement.

2 CFR 200.9, 200.27, 200.416, 200.417, and applicable appendices, FARS 31.2 for Private Agencies, and Appendix E of FTA Circular 5010 requires all grantees who intend to seek payment for indirect costs to prepare a Cost Allocation Plan (CAP) or an Indirect Cost Rate Proposal. 2 CFR 200 Appendix III covers Indirect Costs for IHEs. 2 CFR 200 Appendix IV covers Indirect Costs for Non-Profit Organizations. 2 CFR 200 Appendix V covers indirect costs and Appendix VII includes ICAP requirements for Local Governments and Tribes.

Indirect Cost Rate Proposals must be approved by the applicable Cognizant Federal agency. Pursuant to 2 CFR 200.19, the cognizant agency for indirect costs means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals on behalf of all Federal agencies. This is not necessarily the same as the cognizant agency for audit purposes. For assignments of cognizant agencies see the following:

1. For IHEs: Appendix III to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), paragraph C.11.

2. For non-profit organizations: Appendix IV to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Non-Profit Organizations, paragraph C.12.
3. For state and local governments: Appendix V to Part 200-State/Local Governmentwide Central Service Cost Allocation Plans, paragraph F.1.
4. For Indian tribes: Appendix VII to Part 200-States and Local Government and Indian Tribe Indirect Cost Proposal, paragraph D.1.

ADOT will not reimburse indirect costs if an Indirect Cost Plan is not in place.

Indirect costs, as defined in 2 CFR 200 et seq. are costs that are:

1. incurred for a common or joint purpose benefiting more than one cost objective;
2. not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved; and
3. originating in the grantee' department as well as those incurred by other departments in supplying goods, services, and facilities to the grantee department.

Cognizance may have multiple meanings. OMB has assigned cognizant audit agencies for State and Local governments. See Federal Register (51 FR 552, Jan 6, 1986). For all other purposes, cognizant agency is defined in federal regulations.

Cognizant agency for audit: The Federal agency designated to carry out the responsibilities described in 2 CFR 200.513 Responsibilities, paragraph (a). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit may be found at the Federal Audit Clearinghouse Web site.

Cognizant agency for indirect costs: The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this 2 CFR 200 on behalf of all Federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. For assignments of cognizant agencies see the following:

- a. For IHEs (Institutes of Higher Education): Appendix III to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), paragraph C.11.
- b. For non-profit organizations: Appendix IV to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Non-Profit Organizations, paragraph C.12.
- c. For State and Local governments: Appendix V to Part 200-State/Local Governmentwide Central Service Cost Allocation Plans, paragraph F.1.
- d. For Indian tribes: Appendix VII to Part 200-States and Local Government and Indian Tribe Indirect Cost Proposal, paragraph D.1.

If an indirect cost plan approved by a Federal cognizant agency has not been received by the time of execution of this Agreement, indirect costs will not be permitted. Subsequent submission of an approved plan will not grant retroactive eligibility of indirect costs; only costs incurred subsequent to ADOT receipt and written acknowledgement of the approved plan will be eligible for indirect costs.

In the event that the applying agency primarily receives FTA funds but is not a direct recipient of those funds, ADOT will function as the cost plan approver as delegated by FTA. If ADOT will function as the approver, the indirect cost plan must be in compliance with 2 CFR 200 Appendix V, VI, or VII as applicable and must be received with the signed original of this Agreement. Subsequent requests for ADOT approval within the effective period of this Agreement award will not be accepted.

- s. Submit program required reports of procurement activities according to the Exhibit labeled: **PROCUREMENT AND THIRD PARTY CONTRACT PROVISIONS** and submit reports of contract activities via email in a spreadsheet template provided by the ADOT Program Manager.
- t. As required by 2 CFR 200.336, grant access to and allow review of work records, technical reports, annual reporting, and all data prepared by the SUBRECIPIENT related to the programs under this Agreement. If the State or FTA finds that the work performed fails to comply with any requirement (e.g. tasks are not conducted in accordance with approved programs or tasks are found to be inconsistent with federal or state guidelines), the State or FTA may use enforcement actions contained in 2 CFR 200.338 to remedy the situation and any other appropriate remedies available at law.

IV. MISCELLANEOUS PROVISIONS

- 1) **Term Incorporation:** This Agreement is governed according to the laws of the State of Arizona. All cited statutes, public law, executive orders, and policies cited in this Agreement are incorporated by reference as a part of this Agreement. It is SUBRECIPIENT responsibility to ensure that any Agreement between RECIPIENT and its CONTRACTORS for use of grant funds shall incorporate the provisions contained herein.
- 2) **Duration:** This Agreement shall become effective upon signature by the parties hereto and shall remain in force and effect until PROJECT satisfaction and completion.

Duration of awarded expense/cost Projects are established in Exhibit A. The life of this Agreement will be the earlier of spend-down of the awarded funds or the Eligibility Expiration Date established in Exhibit A unless extended by amendment or as otherwise provided herein plus an additional forty-five (45) days for submission of the final invoice for costs through the last authorized expenditure date of the Agreement.

if you are subcontracting for rides or any other service, this applies to you

For vehicle PROJECTS, the life of this Agreement shall continue through the useful life of the vehicle(s) as determined by FTA rules and explained under this Agreement's section titled MISCELLANEOUS PROVISIONS: *Liens on Equipment*, unless extended by amendment or as otherwise provided herein.

For capital facilities Projects, the life of this Agreement shall continue until the federal financial interest in the Project has depreciated.

This Agreement may be cancelled at any time prior to the commencement of performance under this Agreement, upon thirty (30) days written notice to the other party.

- 3) **Amendments:** This Agreement may be amended upon mutual agreement of the Parties at any time when in the best interest of FTA, STATE, or SUBRECIPIENT. Modifications to Exhibit A describing the details of the approved PROJECT may be modified without adopting a formal amendment to this Agreement; acceptance of the modification shall be indicated on the modified Exhibit A by an authorized signatory from the SUBRECIPIENT.

- 4) **Matching and Federal Funding:** PROJECT award amounts and match requirements are indicated in Exhibit A. The SUBRECIPIENT will provide the Match amount and fees required from eligible sources as prescribed in 49 USC Chapter 53 as described in Exhibit B appropriate to the Award(s) in Exhibit A. Wherever the program-specific eligible sources includes third party in-kind contributions, they may be accepted as the match for federal funds, in accordance and compliance with the provisions of 2 CFR 200.306 and 2 CFR 200 Subpart E. ADOT requires match to be applied to specific budget line items. In-kind contributions shall be identified and be accompanied by a narrative description of the service being provided in addition to identification of the organization that will be providing the service. The SUBRECIPIENT shall initiate and complete all actions necessary to provide its share of the PROJECT costs at or prior to the time that such funds are requested and/or required by the STATE.

For those match amounts that are estimated pending procurement of the awarded PROJECT equipment, if procured by the STATE, the STATE will notify the SUBRECIPIENT regarding final match requirements, which will be due upon receipt of said notice. The notice will include a modified Exhibit A, which shall be accepted by signature and inserted into this executed Agreement without requiring contract amendment. Match for Project Equipment procured by SUBRECIPIENT shall be indicated in and deducted from the request for reimbursement.

For those items with estimated amounts pending procurement that is to be completed by the SUBRECIPIENT, the estimated pricing shall be considered not-to-exceed pricing specific to the quantity and description of identified items including the prescribed match requirements. Any needed or desired variation from quantity, description, or pricing must be requested in writing and approved by the Program Manager prior to procurement. Approvals will result in a modified Exhibit A being issued with updated approved not-to-exceed award, pricing, and match indicated. Without advance approval, SUBRECIPIENT is responsible for all of the increased price or quantity procured.

In the event that this Agreement is terminated after matching and/or administrative funds have been issued to and deposited by the STATE, there is no guarantee of timeframe for refund of match funds, and refund shall not occur prior to the reassignment of the PROJECT award to another eligible agency and payment by that agency of any required matching funds. Remitted administrative fees are non-refundable except when this Agreement is terminated by ADOT or the STATE at no fault of the SUBRECIPIENT. In circumstances where the designated SUBRECIPIENT cannot accept delivery of the Project Equipment or where surrender of equipment is required, said equipment will be reassigned. Refund of capital match will be based on current fair-market value at the time of surrender less the cost of any repairs or modifications required to affect reassignment to another recipient and/or program.

- 5) **Availability of Funds:** Every payment obligation of STATE under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by STATE at the end of the period for which the funds are available. No liability shall accrue to STATE in the event this provision is exercised, and STATE shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
- 6) **Liens on Equipment:** The purchase of PROJECT equipment shall be undertaken by the STATE on behalf of the SUBRECIPIENT unless otherwise indicated in Exhibit A. The PROJECT equipment shall be titled in the name of the SUBRECIPIENT. To the extent of financial assistance provided, the STATE shall hold a first lien on all rolling stock acquired under this agreement in the amount of the federal share of the equipment cost. The lien placed on vehicle equipment shall remain in effect through the useful life of the vehicle, as explained in the current Program Guidebook unless this agreement is otherwise terminated under terms of this Agreement.
- 7) **Property and Equipment, Use, Inventory, and Disposal:** Title to real property under a grant will vest under acquisition in the SUBRECIPIENT or their CONTRACTOR as applicable. The procurement, use, and disposition of real property and equipment shall be consistent with the program-approved use and in accordance with the requirements of 2 CFR 1201.313, 2 CFR 200.313, ADOT Policy FIN-11.08, and Federal Property Management Standards which is herein incorporated by reference and made a part of this Agreement. The SUBRECIPIENT agrees to inventory, to maintain records of, and to insure the proper use, control, and disposal of all property, equipment, computer hardware, and furniture, acquired pursuant to funding under this Agreement. Except as otherwise provided by statute, property and equipment shall be used for the originally authorized purposes as long as needed for that purpose. SUBRECIPIENT shall comply with all requirements and guidance during the course of the lien period, including but not limited to: maintenance of the equipment, annual reporting to the STATE of administrative and vehicle performance data, annual vehicle inspections, timely incident reporting and situation resolution, and other requirements as specified in the State Management Plan and current Program Guidebook. When no longer needed for the originally authorized purpose, the SUBRECIPIENT and/or their CONTRACTOR will request disposition instructions from the STATE. SUBRECIPIENT agrees to inventory, to maintain records of, and to ensure the proper use, control, and disposal of all property and equipment acquired pursuant to ADOT Policy FIN 11.08, incorporated herein by reference.
- 8) **Modifications and Other Changes to Grant Equipment:** Prior to any substantive modifications or other changes made or elimination, reduction, or addition to grant equipment, written approval from an authorized State grant program official must first be obtained. Examples include but are not limited to the elimination of wheelchair positions and additions of ambulatory seating, reduction in number or addition of passenger assist stanchions, rails, steps, secondary manufacturer and aftermarket vehicle components provided by the STATE, and other devices requiring or otherwise exposing or altering mechanical or structural modification to the vehicle.
- 9) **Statutory Compliance:** All parties shall comply with all applicable federal, state and local requirements including all applicable provision of Title 49 (United States Department of Transportation) and other applicable Codes of Federal Regulations where and when relevant.
- 10) **Incorporation of Federal Terms:** All contractual provisions required by the U.S. Department of Transportation are hereby incorporated by reference. All applicable clauses shown in the FTA Master Agreement apply to this Agreement. This provision shall be incorporated in any sub-recipient, sub-contractor, or lower-tier agreement for which funds from this Agreement shall be used for payment. The Federal Transit Administration Master Agreement can be viewed in its entirety at the link provided on the Exhibit titled: **PROGRAM DESCRIPTION AND COMMUNICATIONS AND CONTACT INFORMATION**. In addition to other clauses required throughout this Agreement or by State law, the SUBRECIPIENT will include applicable contract provisions in every third-party contract / purchase order using federal funding summarized (but not limited to) the following:

(a) The requirements in 2 CFR 200.326.

(b) The requirements in 2 CFR 200 Appendix II.

(c) FTA funded procurements/contracts: Circular 4220.1F – Third Party Contracting Guidance or its Appendix D, as revised from time to time

(d) Any requirements established by a particular funding stream, program, or in funding agency guidelines.

- 11) **Conflict of Interest:** Pursuant to 2 CFR 1201.112, the SUBRECIPIENT shall disclose in writing any potential conflict of interest to the State, who shall inform the Federal awarding agency in accordance with applicable Federal awarding agency policy. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of STATE employees.
- 12) **Recordkeeping:** All SUBRECIPIENTS and/or their CONTRACTORS and the parties shall retain all data, books, and other records relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the STATE at reasonable times as set forth in A.R.S. 35-214, A.R.S. 35-215, 2 CFR 200 et seq., and applicable FTA circulars.
- 13) **Audit:** The administration of resources awarded by ADOT to the SUBRECIPIENT may be subject to audits and/or monitoring by ADOT, as described in this section.

Monitoring: In accordance with 2 CFR 200.328, ADOT shall monitor all activities performed by its staff or by subrecipients of FTA funds to assure that the work is being managed and performed satisfactorily and that time schedules are being met. Therefore, in addition to reviews of audits conducted in accordance with 2 CFR 200 Subpart F, et seq., monitoring procedures may include, but not be limited to: on-site visits by ADOT staff or designees, limited scope audits as defined by 2 CFR 200 Subpart F, et seq., as revised, and/or other procedures. By entering into this Agreement, the SUBRECIPIENT agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by ADOT. In the event ADOT determines that a limited scope audit of the SUBRECIPIENT is appropriate, the SUBRECIPIENT agrees to comply with any additional instructions provided by ADOT staff to the SUBRECIPIENT regarding such audit. The SUBRECIPIENT further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the ADOT's Office of Audit and Analysis, ADOT's Office of the Inspector General (OIG) and ADOT's Financial Management Services. It is the responsibility of the SUBRECIPIENT to monitor their sub-recipients.

Federally funded: Recipients of federal funds (i.e. state, local government, or non-profit organizations as defined in 2 CFR 200 Subpart F, et seq., as revised) are to have audits done annually using the following criteria:

- a. In the event that the SUBRECIPIENT or their sub-recipient expends \$750,000 or more in Federal awards in its fiscal year, the SUBRECIPIENT and their sub-recipient must have a Single Audit conducted in accordance with the provisions of 2 CFR 200 Subpart F, et seq., as revised. In determining the Federal awards expended in its fiscal year, the SUBRECIPIENT and their sub-recipient shall consider all sources of Federal awards, including Federal resources received from ADOT. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR 200 Subpart F, et seq., as revised. An audit of the SUBRECIPIENT conducted by the Arizona Auditor General or an independent auditor in accordance with the provisions 2 CFR 200 Subpart F, et seq., as revised, will meet the requirements of this part. In connection with the audit requirements the SUBRECIPIENT shall fulfill the requirements relative to auditee responsibilities as provided in 2 CFR 200.508, et seq.
- b. If the SUBRECIPIENT expends less than \$750,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of 2 CFR 200 Subpart F, et seq., as revised, is not required. However, if the SUBRECIPIENT elects to have an audit conducted in accordance with the provisions of 2 CFR 200 Subpart F, et seq., as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from SUBRECIPIENT resources obtained from other than Federal entities). If the SUBRECIPIENT is exempt from the Federal audit requirements, pursuant to 2 CFR 200.501(d), records must be available for review or audit by appropriate officials.

Federal awards are to be identified using the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the awarding federal agency, and percentage of federal participation.

In compliance with 2 CFR 200.507, et seq., the audit shall be completed and the report must be submitted within 30 days after receipt of the auditor's report(s), or nine (9) months of the end of the audit period.

The SUBRECIPIENT shall follow up and take corrective action on audit findings. Preparation of summary schedule of prior year audit findings, including corrective action, a timetable for resolution, and current status of the audit findings are required to be submitted to ADOT. Current year audit findings require corrective action, a timetable for resolution, and status of findings will also be reported to ADOT.

If the SUBRECIPIENT fails to take corrective action, ADOT will make a determination to:

- a. make financial adjustments to the allocated Federal funding as determined appropriate, up to and including repayment by the SUBRECIPIENT of disallowed costs, or
- b. ADOT may take other action as determined appropriate.

If the SUBRECIPIENT has not completed corrective action, a timetable for follow-up should be provided.

Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is completed or the dispute is resolved. Access to project records and audit work papers shall be given to ADOT and the Arizona Auditor General. This section does not limit the authority of ADOT to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any other state official.

Audit Report submission: Copies of reporting packages for audits conducted in accordance with 2 CFR 200 Subpart F, et seq., as revised, and required by this section titled AUDIT shall be submitted when required by 2 CFR 200 Subpart F, et seq., as revised, directly to each of the following:

- a. ADOT at the following address:
Arizona Department of Transportation
206 S. 17th Ave. MD310B
Phoenix, AZ 85007
- b. The Federal Audit Clearinghouse designated in 2 CFR 200 Subpart F, et seq., as revised, at the following address:
Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132

- c. Other Federal agencies and pass-through entities in accordance 2 CFR 200 Subpart F, et seq. as revised. Pass-Through Entity is defined as a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program (2 CFR 200.74).

Copies of written communication between the SUBRECIPIENT and the independent auditor in compliance with the Statement on Auditing Standards No 114 and as required by this section titled AUDIT of this agreement shall be submitted by or on behalf of the SUBRECIPIENT directly to:

- a. ADOT at the following address:
Arizona Department of Transportation
206 S. 17th Ave. MD310B
Phoenix, AZ 85007
- b. Any written communication required to be submitted to ADOT pursuant to this agreement shall be submitted timely in accordance with 2 CFR 200 Subpart F, et seq..
- c. **SUBRECIPIENT**, when submitting financial reporting packages to ADOT for audits done in accordance with 2 CFR 200 Subpart F, et seq. should indicate the date that the reporting package was delivered in correspondence accompanying the reporting package.

If the amount of FTA funds granted to a particular **SUBRECIPIENT** does not trigger the requirement for an A-133 audit, the State may still request a review.

- 14) **Dispute Resolution / Arbitration:** In the event of any controversy, the Parties agree that it is in their mutual best interest to promptly meet with the purpose of resolving said Dispute. In the event that the Parties cannot resolve their dispute informally, the parties hereto agree to abide by required arbitration as set forth for in Arizona Revised Statutes Section 12-1518.
- 15) **Third Party Antitrust Violations:** The SUBRECIPIENT assigns to the STATE any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the SUBRECIPIENT toward fulfillment of this Contract.
- 16) **Immigration:** To the extent applicable under Arizona Revised Statutes Section 41-4401, each Party and its subcontractors warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under Arizona Revised Statutes Section 23-214(A). A breach of the above-mentioned warranty by any Party or its subcontractors shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by the non-breaching Parties. Each Party retains the legal right to randomly inspect the papers and records of the other Parties or its subcontractor employees who work on the Agreement to ensure that the Parties or its subcontractors are complying with the above-mentioned warranty.
- 17) **Termination for Convenience:** Either Party has the right to terminate the Agreement, in whole or in part at any time, when in the best interests of the FTA, SUBRECIPIENT, or STATE without penalty or recourse.
- 18) **Termination for Default:** STATE reserves the right to terminate this Agreement in whole or in part due to failure of SUBRECIPIENT to carry out any term, promise, or condition of the Agreement. STATE will issue a written ten (10) day cure notice to SUBRECIPIENT for failure to adequately perform, or if there is reason for STATE to believe that the SUBRECIPIENT cannot or will not adequately perform the requirements of the Agreement. If SUBRECIPIENT does not submit a Corrective Action Plan to the satisfaction of STATE within the ten (10) day period, then STATE may pursue action in accordance with the Agreement Article titled: *Arbitration*.
- 19) **Transparency Act:** Because ADOT receives federal funds, ADOT is required to comply with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments. The reporting requirements and levels of reporting due to FTA are currently under development. Accordingly, ADOT is not currently aware of reporting requirements that might become required from SUBRECIPIENTS. Should requirements be stipulated wherein information is required from SUBRECIPIENTS, such information will be requested. The SUBRECIPIENT herein agrees that in a timely manner, and in the method specified by the STATE, the SUBRECIPIENT will provide information that is requested by the STATE to enable the STATE's compliance with the requirements as may be applicable.
- 20) **Federal Certifications and Assurances for FTA Assistance Programs:** Pursuant to 49 U.S.C. 5323(n), the FTA consolidated the certifications and assurances required by Federal law or regulations for its programs. On an annual basis, any agency with an active FTA capital or formula project must provide an affirmation by SUBRECIPIENTs attorney pertaining to the SUBRECIPIENTs legal capacity. The SUBRECIPIENT must agree to comply with all categories applicable to ADOT, who is considered to be the APPLICANT and SUBRECIPIENT of the funds by FTA, regardless of current applicability of the initial award under this Agreement. This is to ensure that should the category become applicable during the life of the Agreement, the SUBRECIPIENT will comply. The FTA Certifications and Assurances will be provided to the SUBRECIPIENT under separate packet as they are released by the FTA and subsequent to ADOT filing agreement. Continuation of this Agreement shall be contingent on completion and submission of that packet within the deadline expressed at time of distribution. The FTA Certifications and Assurances, as modified and accepted each year shall be considered incorporated into this Agreement by reference.

The Parties understand and agree that not every provision of these twenty-four (24) Certifications and Assurances will apply to every Applicant or every Project. The type of Project and SUBRECIPIENT will determine which Certifications and Assurances apply.

SUBRECIPIENT also understands and agrees that these Certifications and Assurances are pre-award requirements, generally required by Federal law or regulation, and do not include all Federal requirements that may apply. Our FTA Master Agreement, available at the link provided on the Exhibit titled: **PROGRAM DESCRIPTION AND COMMUNICATIONS AND CONTACT INFORMATION**, contains a list of most of those requirements.

SUBRECIPIENT is ultimately responsible for compliance with the Certifications and Assurances that apply to it or its Project, even if a Subrecipient or other Third Party Participant may be involved in your Project, except as FTA determines otherwise in writing. For this reason, we strongly encourage SUBRECIPIENT to take the appropriate measures, including, but not limited to, obtaining sufficient documentation from each SUBRECIPIENT and other Third Party Participant to assure the validity of applicable Certifications and Assurances.

SUBRECIPIENT understands and agrees that when applying for funding on behalf of a consortium, joint venture, partnership, or team, SUBRECIPIENT must identify the activities each member will perform and the extent to which each member of that consortium, joint venture, partnership, or team will be responsible for compliance with the Certifications and Assurances, except as FTA determines otherwise in writing.

The FTA Certification and Assurances required of ADOT and its SUBRECIPIENTS are issued annually subsequent to ADOT signing the same. They are available for viewing in the E-Grant system and are incorporated herein by reference. Completion and Signing of this FTA Certification and Assurances document is a requirement and a condition to receive federal funding through ADOT and does not relieve the SUBRECIPIENT

of any obligation of other certifications or assurances required in any application or contracting process, and should be treated as an addition to such certifications and assurances.

- 21) **Entire Agreement:** This Agreement may be amended, modified, or waived only by an instrument in writing signed by both Parties. Should the PROJECT awarded under this Agreement be completed at a lower cost than the amount awarded, or for any other reason should any of these funds not be expended, or expended in other than in strict accordance with the terms and conditions of this Agreement, a proportionate amount of the funds provided shall be reimbursed to the STATE. Except as identified in the PROJECT the SUBRECIPIENT shall not assign any portion of the PROJECT or execute any agreement, contract, amendment, or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement without the prior written concurrence of the STATE.
- 22) **Israel Boycott Not Permitted:** The SUBRECIPIENT warrants that it is not engaged in a boycott of Israel as defined in A.R.S. 35-393 et seq.

V. SECURITY AGREEMENT

- 1) In consideration of the funded PROJECT equipment identified in Exhibit A including any equipment added, and conveying title thereto, the SUBRECIPIENT hereby grants ADOT a security interest in the PROJECT equipment in the amount indicated in Exhibit A as the "Federal Portion" payable to the Department upon its demand, if and only if:
- The SUBRECIPIENT by itself or any agent sells, transfers, offers or attempts to sell or transfer, in whole or in part, the PROJECT equipment, or,
 - The PROJECT equipment is totally destroyed or is lost, stolen or otherwise disappears, or,
 - This Agreement by and between the STATE and the SUBRECIPIENT is terminated.
- 2) In the event of the occurrences described in Articles V.1.a or V.1.c, the SUBRECIPIENT shall be liable for no more than the fair market value of the PROJECT equipment on the date of the occurrence of such event.
- 3) In the event the PROJECT is totally destroyed, lost, stolen, or disappears, the obligation herein may be extinguished by assigning to ADOT the proceeds of insurance covering such an event, provided the assignment and the ultimate payment is equal to the fair market value of the PROJECT equipment on the date of occurrence of such event.
- 4) Upon the occurrence of any other event described herein which would allow the STATE to demand payment under this agreement, the obligation assured herein may be extinguished by assigning the herein PROJECT equipment to ADOT in as good a condition as when received, normal wear and tear excepted, thereby no longer having any further obligation to reimburse the STATE should the STATE exercise its right to terminate the agreement under the Agreement Articles titled: *Termination for Convenience and/or Termination for Default*. ADOT may refuse to accept such assignment, if in its sole judgment the PROJECT equipment has been abused or is in such condition as to substantially impair its value.
- 5) During the useful, economical life of the PROJECT equipment, as defined in the current Program Guidebook and Application for the grant year, the equipment may be surrendered to ADOT subject to stipulated terms and ADOT acceptance, and the obligation herein will be extinguished.
- 6) In the event of a vehicle transfer back to ADOT during useful life, the Secondary Manufacturer and Aftermarket Vehicle Components, in addition to the original equipment manufacturer (OEM) components (as supplied by the manufacturer or vendor to the STATE or ADOT) or their equivalent—must remain with the vehicle as delivered by ADOT to the SUBRECIPIENT and are considered to be included in the lien.
- 7) **Secondary Manufacturer and Aftermarket Vehicle Components As Part of the Lien for Lift-Equipped Vehicles:** In addition to the Original Equipment Manufacturer (OEM—i.e., Ford, Dodge, Chevrolet, etc.) chassis, the Secondary Manufacturer adds to this chassis the following equipment, non-inclusive, which are considered part of the vehicle and therefore remain on lien with the vehicle, along with OEM components (Note: as a part of the vehicle modifications, the Secondary Manufacturer may also remove some OEM parts, replacing with after-market items):
- Fast idle system, after-market alternator (200A) replacing OEM unit, related wiring, accessory drive belts and pulleys (varies by vehicle type, alternator and A/C compressor configuration), inside vehicle-located electrical fuse, fuse block and breaker box with key(s),
 - Under-hood or elsewhere on chassis, dual deep cycle marine batteries, in some vehicles combined with an isolator system,
 - Adjacent to, behind and above the front windshield area, a separate or modified body which is manufactured and installed in the driver and passenger compartment area to accommodate the driver, his/her vehicle and accessory system controls, and passenger, mobility-device and safety equipment. This body construction or modification typically includes related after-market windows, passenger service entry door(s), emergency rear door(s), and emergency exit/access door (i.e., hatch, roof mounted). The degree to which OEM equipment and body parts (including doors, windows, etc.) are removed permanently by the secondary manufacturer for the latter's vehicle modification purposes varies by whether the vehicle is a dual-rear wheel cutaway or single rear wheel raised roof lift van,
 - Passenger (and on some vehicles, driver's) seats and, where required, seat belts,
 - Passenger ingress, egress and other assist stanchions and handrails, modesty panels,
 - Wheelchair lift door, lift mechanism and related control apparatus at the lift and driver area, related transmission/brake interlock equipment preventing unwanted motion of the vehicle when door is ajar and/or lift is otherwise in operation,
 - Wheelchair position components, related restraint and securement belts and belt storage,
 - Added springs or other weight compensating devices to suspension,
 - Additional equipment related to dual battery installation (in some units),

- j. Basic first aid kit and other emergency/safety items, typically including flares, reflector triangles and fire extinguisher, wide-view internal rearview mirror, and outside rearview "RV-style" mirrors, internal and external lighting for lift, access doors and interior of vehicle, reverse alarm (some vehicles),
 - k. Rear heater and related lines and under-body flow controls,
 - l. Air conditioning equipment for rear passenger area including added condenser(s) (street-side "skirt" mounted), rear compartment evaporator, related refrigerant lines, air outlets and controls, on some units added (second) compressor and related belts and pulleys.
 - m. If the SUBRECIPIENT-agency returning the vehicle to ADOT is uncertain regarding any particular component, it may contact ADOT or the issuing vendor regarding that component(s). The SUBRECIPIENT should otherwise assume that any component supplied on or with the vehicle at the time of delivery to the SUBRECIPIENT should be returned to ADOT in its originally-removed state.
 - n. Other equipment purchased for the Project equipment is to remain with equipment or otherwise be surrendered to ADOT.
 - 1. Exception: After-market communication radios or other communication equipment added to the Project equipment, if ADOT agrees that the SUBRECIPIENT should have further legitimate use of that communication equipment, may be retained by the SUBRECIPIENT or surrendered to ADOT, to be designated by the Program Manager.
 - o. This list includes only "major" items added by the after-market supplier and shall not be considered all-inclusive. The vendor and ADOT retain on file complete parts listings that will be reviewed by ADOT upon return of the vehicle to ADOT and/or prior to transfer of the vehicle to another recipient agency.
- 8) This security agreement and its terms shall not inure to the benefit of any assignee, purchaser for value, or any other person acquiring an interest herein, and this security interest herein created shall not be extinguished until and unless the STATE receives the fair market value of the PROJECT equipment on the date of assignment, purchase, or acquisition of other interest.

VI. COMPLIANCE WITH MANUFACTURER'S MAINTENANCE SCHEDULE

By signing this Agreement, the SUBRECIPIENT of Project Rolling Stock award(s) agrees to abide by the vehicle manufacturer's schedule of maintenance, at a minimum, during the period this vehicle is operated in conjunction with the Arizona Department of Transportation, or its successor agency.

Additionally, the ADA requires that:

Public and private entities providing transportation services shall maintain in operative condition those features of facilities and vehicles that are required to make them readily accessible to and usable by, individuals with disabilities. These features include but are not limited to, lifts and other means of access to vehicles, securement devices, signage and systems to facilitate communications with persons with impaired vision or hearing.

Accessibility features must be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, the entity must take reasonable steps to accommodate individuals with disabilities who would otherwise use the feature.

A system of regular and frequent maintenance checks of lifts is required. If a lift fails to operate when in service, the ADA requires the vehicle be taken out of service before the beginning of the vehicle's next service day. The lift must then be repaired before the vehicle returns to service. If a contract operator is used for ADA-related service, the SUBRECIPIENT must ensure the contractor notifies the SUBRECIPIENT immediately of any failure of the lift to operate in service.

If there is no spare vehicle to take the place of a vehicle with an inoperable lift, the SUBRECIPIENT may keep the vehicle in service for no more than five days if it serves an area of 50,000 or less population, or three days if it serves an area of 50,000 or more population.

VII. GENERAL ASSURANCES

must have documentation to back up these assurances

- 1) The SUBRECIPIENT is an agency that has been designated as eligible for the Award(s) described in the Application and/or Exhibit A pursuant to the program relevant section of 49 USC.
- 2) The SUBRECIPIENT assures that it has the legal, financial, and technical capacity to carry out its proposed Project described herein, including safety and security aspects of that program.
- 3) The SUBRECIPIENT will have satisfactory continuing control over the use of project equipment and facilities.
- 4) The SUBRECIPIENT has or will have prior to procurement, sufficient funds to provide the local match and any required fees for the equipment purchased under this contract and to operate and maintain the vehicles or equipment purchased under this project.
- 5) The SUBRECIPIENT assures affirmative compliance with Title VI of the Civil Rights Act of 1964 – Nondiscrimination in the Provision of Service (FTA C 4702.1; FTA C 9040.1E; and FTA C 9070.1E).
- 6) The transportation needs of elderly persons and persons with disabilities have or will be addressed by the SUBRECIPIENT, pursuant to the requirements of Section 504 of the Rehabilitation Act of 1973 (29 USC 794).
- 7) The SUBRECIPIENT has demonstrated and will continue to demonstrate efforts to achieve coordination with other transportation providers, including social service agencies capable of purchasing service. The SUBRECIPIENT has participated in the development of a local coordinated public transit human services transportation plan for the area(s) in which project vehicles will be used.
- 8) Private transit and paratransit operators and the public have been afforded a fair and timely opportunity to participate to the maximum extent feasible in the provision of the proposed transportation services by the SUBRECIPIENT.

- 9) The SUBRECIPIENT assures that it will comply with applicable provisions of the Americans with Disabilities Act (ADA), (Public Law No. 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act including 28 CFR parts 35-36, and applicable provisions of 49 CFR Parts 27, 37 and 38: Transportation for Individuals with Disabilities; Final Rule. The parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".
- 10) The SUBRECIPIENT will comply with the applicable provisions of the guidelines relative to charter bus service (Title 49 CFR Part 604) and school bus operations (Title 49 CFR Part 605; Title 49 USC 5323(f)).
- 11) The SUBRECIPIENT assures that it will comply with all applicable Federal statutes and regulations in carrying out any project supported by an FTA grant or cooperative agreement. The SUBRECIPIENT agrees that it is under a continuing obligation to comply with the terms and conditions of the grant agreement or cooperative agreement issued for its project with FTA. The SUBRECIPIENT recognizes that Federal laws and regulations may be modified from time to time and those modifications may affect project implementation. The SUBRECIPIENT understands that Presidential executive orders and Federal directives, including Federal policies and program guidance may be issued concerning matters affecting the SUBRECIPIENT or its project. The SUBRECIPIENT agrees that the most recent Federal laws, regulations, and directives will apply to the project, unless FTA issues a written determination otherwise.

VIII. DRUG FREE WORKPLACE

In accordance with the Drug-Free Workplace Act of 1988 (41 USC 701 et. seq. and 49 CFR Part 32 et seq., each SUBRECIPIENT is required to maintain a drug-free workplace for all employees and to have an anti-drug policy and awareness program. Grant direct recipients must agree that it will provide a drug-free workplace and comply with all requirements of 49 CFR Part 32 et seq. The STATE requires compliance by SUBRECIPIENTS. The SUBRECIPIENT certifies that it will provide a drug-free workplace by:

- 1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the SUBRECIPIENT's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- 2) Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The SUBRECIPIENT's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations in the workplace.
- 3) Making it a requirement that each employee to be engaged in the performance of the grant or cooperative agreement be given a copy of the statement required by paragraph (1);
- 4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the grant or cooperative agreement, the employee will:
 - a. Abide by the terms of the statement;
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
- 5) Notifying the STATE in writing, within ten calendar days after receiving notice under subparagraph (4.b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every project officer or other designee on whose project activity the convicted employee as working, unless the Federal agency has designated a cartel point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant or cooperative agreement.
- 6) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (4.b), with respect to any employee who was convicted:
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health, law enforcement, or other appropriate agency.

Add this to your calendar and in your job description and personnel files

IX. CERTIFICATION ON RESTRICTIONS ON LOBBYING

The SUBRECIPIENT (excluding Federally recognized Tribal governments, (Tribes, Nations, Communities) and its representative hereby certify to the Arizona Department of Transportation, that to the best of my knowledge and belief:

- 1) No Federal appropriated funds have been or will be paid by or on behalf of the SUBRECIPIENT to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress regarding the award of Federal assistance, or the extension, continuation, renewal, amendment, or modification of any Federal assistance agreement; and
 - a. If any funds other than Federal appropriated funds have been or will be paid to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any application for Federal assistance, the SUBRECIPIENT assures that it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," including information required by the instructions accompanying the form, which form may be amended to omit such information as authorized by 31 U.S.C. 1352.
 - b. The language of this certification shall be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, sub agreements, contracts under grants, loans, and cooperative agreements).
- 2)

The SUBRECIPIENT understands that this certification is a material representation of fact upon which reliance is placed by the Federal Government and that submission of this certification is a prerequisite for providing Federal assistance for a transaction covered by 31 U.S.C. 1352. The SUBRECIPIENT also understands that any person who fails to file a required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

X. DEBARMENT, SUSPENSION, RESPONSIBILITY MATTERS FOR PRIMARY AND LOWER TIER COVERED TRANSACTIONS

The SUBRECIPIENT agrees to comply, and assures the compliance of each third-party contractor and sub-recipient at any tier, with Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT regulations, "Governmentwide Debarment and Suspension Non-procurement)," and CFR 200.212. The SUBRECIPIENT agrees to and assures that its third party contractors and sub-recipients will review the Excluded Parties Listing System available at the link provided on the Exhibit titled **PROGRAM DESCRIPTION AND COMMUNICATIONS AND CONTACT INFORMATION** before entering into any contracts.

In accordance with the provisions of U.S. Department of Transportation (U.S. DOT) regulations on Government wide Debarment and Suspension (Nonprocurement) at 49 CFR 25.510, the SUBRECIPIENT (Primary Participant) certifies to the best of its knowledge and belief, that it and its principals:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- 2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes; making false statements, or receiving stolen property;
- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, state, or local) with commission of any of the offenses listed in paragraph 2 of this certification, and;
- 4) Have not within a three year period preceding this application had one or more public transactions (Federal, state or local) terminated for cause or default.

The SUBRECIPIENT (Primary Participant) certifies that if it becomes aware of any later information that contradicts the statements in paragraphs 1 through 4 above, it will promptly inform FTA. Should the SUBRECIPIENT (Primary Participant) be unable to certify to statements set forth in paragraphs 1 through 4 above, it shall so acknowledge with its signature and provide a written explanation to FTA.













XI. ARIZONA ELECTRONIC TRANSIT GRANT MANAGEMENT SYSTEM (E-Grants)

The STATE has implemented an electronic transit grant management system, titled "E-GRANTS" in a phased-implementation approach. The SUBRECIPIENT agrees to submit all related documents through that system as required and requested by the STATE. The SUBRECIPIENT further agrees that any scanned documents attached in E-Grants shall comply with minimum 300 dpi scanning requirements, be clearly legible, and in PDF format. The STATE certifies that the electronic signatures comply with ARS 41-132 and ARS 44-7031. The SUBRECIPIENT agrees that pursuant to ARS 41-132, any electronic signature processed through E-GRANTS has the same force and effect as a written signature and shall be considered a valid original pursuant to ARS 11-487.02.


The following rules apply for E-Grant users:

1. Password setup--Minimum 8 characters where the complexity is 3 of 4 [Upper alpha, lower alpha, numeric, and symbols].
 - a. External users will be required to register their user name and password on the system. This username and password will be tied to an email account. Users in the 'ADOT System Administrator' role will be required to approve the users before they can be set up.
 - b. There will be an administrator role within the Entity Organization, 'Agency Administrator' which shall be able to grant role and access privileges to the registered user. The 'Agency Administrator' shall be able to deactivate any user at any given time.
2. Passwords expire every 60 days and must be reset.
 - a. When a password has expired, the user will be redirected to the Profile page on login, and forcing a new password to be set before they can leave the profile page.
3. Lockout based on unsuccessful attempts -- Following 5 unsuccessful login attempts, the account will be locked out from use for a minimum of 20 minutes.
4. The system will disable user accounts that have not been used for 6 months.
 - a. By default, any account that has not been used in the last 6 months shall be disabled. The system shall send automatic reminders 2 week prior to such date every year, informing the user to login or else the account will be disabled. The system shall also automatically reactivate users that have used in the account in the last 6 months.
 - b. To reactivate an account that has been disabled, the user will have to go to a screen which will be similar to the 'Forgot password' screen. They will have to provide their user name and the email address they used when they registered to authenticate themselves. The account shall be added to the pool of accounts that need to be reactivated.
 - c. The 'ADOT System Administrator' will be able to verify all the accounts that need to be reactivated and have the ability to go in and make them 'active' by setting an 'active date' when applicable.

Navigation Links

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Exhibit A

EXHIBIT A
PROJECT AWARD DESCRIPTION

During the application cycle, the application budget details represent Exhibit A information.

All contractual terms should be reviewed, approved, and accepted as if the entire application will be approved.

Once the application review cycle is completed and actual awards are issued, Exhibit A will be updated to reflect the award.

✓ I certify that I have read and understand this page.

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Exhibit B 5310

EXHIBIT B
PROGRAM DESCRIPTION
and COMMUNICATIONS and CONTACT INFORMATION
49 USC 5310
REV 03/23/2017

49 U.S.C. 5310 authorizes the formula assistance program for the special needs of elderly individuals and individuals with disabilities, subject to annual appropriations. 49 U.S.C. 5310(a)(1) authorizes funding for public transportation capital projects planned, designed and carried out to meet the special needs of elderly individuals and individuals with disabilities. 49 U.S.C. 5310(a)(2) provides that a STATE may allocate the funds apportioned to it to:

1. a private non-profit organization, if public transportation service provided by STATE and local governmental authorities (defined as counties, cities, towns, public agencies, and tribal governments) under Section 5310(a)(1) is unavailable, insufficient, or inappropriate; or
2. a governmental authority that is approved by the STATE to coordinate services for elderly individuals and individuals with disabilities; or certifies that there are not any non-profit organizations readily available in the area to provide the special services.

Under the FAST Act, the Enhanced Mobility of Seniors and Individuals with Disabilities Program (49 U.S.C. 5310) provides formula funding to States and Designated Recipients of large UZAs (Urban Zoned Area) with populations of 200,000 or more to improve mobility for seniors and individuals with disabilities. This program provides funds to:

1. serve the special needs of transit-dependent populations beyond traditional public transportation service, where public transportation is insufficient, inappropriate, or unavailable;
2. projects that exceed the requirements of the Americans with Disabilities Act (ADA) act;
3. project that improve access to fixed route service and decrease reliance on complementary paratransit; and
4. projects that are alternatives to public transportation. Eligible sub-recipients include: private nonprofit agencies, public bodies approved by the state to coordinate services for elderly persons and persons with disabilities, or public bodies which certify to the Governor that no nonprofit corporations or associations are readily available in an area to provide the service.

Funds provided under other Federal programs (other than those of the Department of Transportation, with the exception of the Federal Lands Transportation Program and Tribal Transportation Program established by sections 202 and 44-203 of title 23 U.S.C.) may be used for local match for funds provided under section 5310, and revenue from service contracts may be used as local match. The SUBRECIPIENT will ensure that matching funds qualify under the 49 USC 5310 as appropriate to the awarded PROJECT(s) indicated in Exhibit A.

SUBRECIPIENTS that receive only Section 5310 assistance are not subject to FTAs Drug and Alcohol Testing Rules, but must comply with the Federal Motor Carrier Safety Administration (FMCSA) rule for

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employees who hold Commercial Driver's Licenses (49 CFR Part 382) when and where applicable. Pursuant to FTA Circular 9070.1F(1), Section 5310 RECIPIENTS and SUBRECIPIENTS that also receive funding under one of the covered FTA programs (such as 5307, 5309, or 5311) should include any employees funded under Section 5310 projects in their testing program. This recommendation includes sub-recipients, operators, and contractors.

The 5310 Guidebook outlines program requirements and is incorporated herein.

COMMUNICATIONS AND CONTACT INFORMATION: All notices or demands upon any party relating to this Agreement shall be in writing delivered through the Electronic Grant Management System whenever possible. When electronic submission is not feasible, delivery in person or sent by mail addressed as follows is required:

	STATE Agreement Contact	STATE Manager of Transit Services	STATE Reimbursement Contact
Name	Sally J. Palmer	Jill Dusenberry	Angela Ringor
Title	Contracts Program Manager	Transit Group Manager	Senior Accountant
Email	SPalmer@azdot.gov	JDusenberry@azdot.gov	ARingor@azdot.gov
Phone	602-712-6732	602-712-8243	602-712-8316
Mailing Address	Arizona Department of Transportation Multimodal Planning Division Mail Drop 310B 206 S. 17th Avenue Phoenix, AZ 85007		
STATE Program Manager Contacts			
Region/Program	Coordinated Mobility Program and 5310 for Regions CYMPO, FMPO, LHMP, NACOG, WACOG, and YMPO		
Name	Ann Cochran		
Email	ACochran@azdot.gov		
Phone	602-712-7463		
Region/Program	Coordinated Mobility Program and 5310 for Regions CAG, MAG, PAG, SCMP, SEAGO, and SVMPO		
Name	Valencia Goodson		
Email	VGoodson@azdot.gov		
Phone	602-712-8774		
	Arizona Department of Transportation Multimodal Planning Division		

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Mailing Address All Regions	Mail Drop 310B 206 S. 17th Avenue Phoenix, AZ 85007
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OTHER LINKS	
Program Handbooks	http://azdot.gov/planning/TransitProgramsandGrants/program-handbook-applications-and-awards
Excluded Parties Listing System	https://www.sam.gov/portal/SAM/#1 (redirects from www.epls.gov)
FTA Master Agreement MA (23) for Federal FY 2017	https://www.transit.dot.gov/funding/grantee-resources/sample-fta-agreements/fta-master-agreement-fiscal-year-2017

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Exhibit C Responsibility Matrix

EXHIBIT C
RESPONSIBILITY MATRIX

Actions (not all-inclusive list)	SUBRECIPIENT Responsibility	STATE / ADOT Responsibility
Ensure Transit Services Provided	Provide transit services to service area	Oversight / Review Performance
Procurements by Sub-Recipient (Refer to Guidebook)	Submit procurement documentation as specified in Guidebook	Timely Review and Approve/Reject
Progress Reports	Submit as instructed within deadlines established	Review progress reports for program compliance
Reimbursement Requests	Submit invoice, budget spreadsheet, and system generated documentation to TransitInvoice@azdot.gov	PM - Review and Approve/Reject within 7 days; Grant Accountant - process payments within 15 days
DBE Reporting	Submit reporting of contracts/expenditures as applicable through https://arizonalpa.dbesystem.com	Analyze & Report to FTA
Compliance	Comply with all applicable terms and conditions as stipulated in the Agreement and explained in the applicable Guidebook(s)	Oversight & Contract Administration

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Exhibit D Procurement

EXHIBIT D
PROCUREMENT AND THIRD PARTY CONTRACT PROVISIONS
(REV 02/22/2016)

In the event the SUBRECIPIENT is authorized to procure Project equipment or services, SUBRECIPIENT is responsible for following all procurement requirements established in the Agreement, the Grant program, and in the current FTA Procurement Circular titled "Third Party Contracting Guidance" known at the time of this update as Circular 42201F.

include these procurement requirements in your management plan



Pursuant to the authority granted in 2 CFR 1201.317 for States to determine the policies and procedures for sub-recipients of the State to follow when procuring property and services under a Federal award, ADOT Multimodal Planning Division herein establishes this procurement rule:

1. If the sub-recipient is a local public agency or political subdivision of this state and has adopted the State Procurement Code pursuant to ARS 41-2501, the sub-recipient shall follow the State Procurement Code except and unless a federal rule applicable pursuant to the rules of the funding agency is more restrictive, then it shall apply.
2. If the sub-recipient has completed procurement self-certification processes through ADOT, the sub-recipient shall follow the certified procurement rules except and unless a federal rule applicable pursuant to the rules of the funding agency is more restrictive, then it shall apply.
3. All other sub-recipients of MPD shall follow 2 CFR 200.317 through 200.326 as applicable, Appendix II to Part 200, other CFR references provided in 2 CFR part 200 et seq.

Include applicable contract provisions in every third-party contract and purchase order. In addition to other clauses required throughout this Agreement, a reference a table of required federal terms and conditions is provided to assist you in ensuring appropriate inclusion. The list is not all-inclusive. The SUBRECIPIENT is responsible to provide all statutory / contractual references, explanatory comments, and additional forms and certifications that may be required.

Procurement Pro from National RTAP can be a good resource for the required federal language. However, the State DBE and Title VI required language must also be included (See Exhibits E & F). Using Procurement Pro does not relieve the SUBRECIPIENT from the responsibility of ensuring that all the terms and conditions are complete and in compliance with Federal, State, and Local regulations.

Procurement contracts for rolling stock or rolling stock replacement parts are limited to five years pursuant to 49 USC 5325(e)(1). In all other procurement efforts, the sub-recipient must use sound business judgment and be judicious in establishing reasonable contract periods of performance (Circular 4220.1F). Time extensions must be considered in the light of whether they are permissible changes or impermissible cardinal changes. Once awarded, extension of the contract term length that amounts to a cardinal change will require sole source justification.

Scope Changes: Federal legislation and implementing regulations allow for **change orders within the scope of the work** covered by the contract. In the event of changed conditions, an adjustment of contract

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scope is permissible if the **altered character of the work does not differ materially** from that of the original contract as long as the work is approved by the ADOT Project Manager **with the requirement that the change must involve the work covered by the contract**. All scope changes must be reviewed and documented in advance of proceeding to ensure the change is permissible under State and Federal requirements and regulations.

Impermissible Changes: Certain changes are not permitted when using federal funding. Neither the contractor nor the subrecipient may request any change in the scope of work that would be considered impermissible.

1. **Improper Contract Expansion.** A contract has been improperly expanded when it includes a larger scope, greater quantities, or options beyond the original recipient's reasonably anticipated needs. A contract has also been improperly expanded when excess capacity has been added primarily to permit assignment of those contract rights to another entity.

Changes in Quantity: To categorize virtually any change in quantity as a prohibited cardinal change (sometimes referred to as an out-of-scope change) fails to account for the realities of the marketplace and unnecessarily restricts a recipient from exercising reasonable freedom to make minor adjustments contemplated fairly and reasonably by the parties when they entered into the contract. The U.S. Supreme Court decision in *Freund v. United States*, 260 U.S. 60 (1922) supports FTA's policy.

2. **Cardinal Changes.** A significant change in contract work (property or services) that causes a major deviation from the original purpose of the work or the intended method of achievement, or causes a revision of contract work so extensive, significant, or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract, is a cardinal change. Such practices are sometimes informally referred to as "tag-ons". A change within the scope of the contract (sometimes referred to as an in-scope change) is not a tag-on or cardinal change.

- a. Identifying Cardinal Changes. Recognizing a cardinal change to a third party contract can be difficult. A cardinal change cannot be identified easily by assigning a specific percentage, dollar value, number of changes, or other objective measure that would apply to all cases.
- b. Tests. Among other things, customary marketing practices can influence the determination of which changes will be "cardinal." Other tests involve the nature and extent of the work to be performed, the amount of effort involved, whether the change was originally contemplated at the time the original contract was entered into, or the cumulative impact on the contract's quantity, quality, costs, and delivery terms.
Some specific explanation and court case references about what these tests might entail can be found at: http://www.fta.dot.gov/12831_6192.html#BM9_2_1.
- c. Rolling Stock. In the case of rolling stock, a major change in quantity or a substitution of major end items not contemplated when competition for the original award took place would generally be a cardinal change. Another cardinal change would, at this time, include a change from a high-floor to a low-floor vehicle. Changing an engine might result in a cardinal change depending on the circumstances surrounding the project and whether a compatible replacement could be obtained

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through competition. FTA considers changes to seating, fabrics, and colors, exterior paint schemes, signage, and floor covering, and other similar changes to be permissible changes.

A more extensive discussion on Changes and Modifications can be found in FTA's Best Practices Procurement Manual (BPPM).

FTA Rules (Best Practices Procurement Manual http://www.fta.dot.gov/grants/13054_6037.html):

Cardinal Changes: "With respect to the FTA requirements governing changes, the change must be within the scope of the original contract. If it is not within the scope, it is considered a cardinal change. Such changes are not properly processed as changes under the Changes clause, but are properly processed as new procurements according to the principles of FTA Circular 4220.1[F](sig.) — Procurement by Noncompetitive Proposals."

FTA Rules (Circular 4220.1F http://www.fta.dot.gov/legislation_law/12349_8641.html):

Change Order, I-4, VI-21, VII-4, VII-5

FTA expects each recipient to comply with the following procedures and ADOT, as the recipient, passes those requirements to the subrecipient:

The subrecipient is responsible for issuing, evaluating, and making necessary decisions involving any change to its third party contracts, and any change orders, or modifications it may issue. The subrecipient is also responsible for evaluating and making the necessary decisions involving any claim of a constructive change. In general,

1. Approval Requirements. Cost justifications supporting each change order is required. The subrecipients authorized official must approve any proposed change order before it is issued.
2. Cost Restrictions. To be eligible for FTA assistance under the grant, the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant agreement, and reasonable for the completion of project scope.

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<u>THIRD PARTY CONTRACT PROVISIONS</u>					
TYPE OF PROCUREMENT					
PROVISION	Professional Services / A&E	Operations / Management	Rolling Stock Purchase	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Termination	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.
Civil Rights (Title VI, ADA, EEO except Special DOL EEO clause for construction projects)	All	All	All>\$10,000	All	All
Special DOL EEO clause for construction projects				All>\$10,000	

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THIRD PARTY CONTRACT PROVISIONS					
TYPE OF PROCUREMENT					
PROVISION	Professional Services / A&E	Operations / Management	Rolling Stock Purchase	Construction	Materials & Supplies
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$100,000	>\$100,000	>\$100,000
Resolution of Disputes, Breaches, or Other Litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference			Transport by ocean vessel.	Transport by ocean vessel.	Transport by ocean vessel.
Fly America	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel	Foreign air transp./travel
Davis-Bacon Act				>\$2,000 (also ferries)	
Contract Work Hours and Safety Standards Act		>\$100,000 (transportation services excepted).	\$100,000	>\$100,000 (also ferries)	
Copeland Anti-Kickback Act, Section 1, Section 2				All >\$2,000 (also ferries)	
Bonding				\$100,000	
	A&E for new			New	

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Seismic Safety	buildings & additions			buildings & additions	
Transit Employee Protective Arrangements		Transit operations			
Charter Service Operations		All			
School Bus Operations		All			
<u>THIRD PARTY CONTRACT PROVISIONS</u>					
<u>TYPE OF PROCUREMENT</u>					
PROVISION	Professional Services / A&E	Operations / Management	Rolling Stock Purchase	Construction	Materials & Supplies
Drug Use and Testing		Transit operations			
Alcohol Misuse and Testing		Transit operations			
Patent Rights	R & D				
Rights in Data and Copyrights	R & D				
Energy Conservation	All	All	All	All	All
Recycled Products		EPA-selected items \$10,000 or more annually		EPA-selected items \$10,000 or more annually	EPA-selected items \$10,000 or more annually
Conformance with ITS National Architecture	ITS projects	ITS projects	ITS projects	ITS projects	ITS projects
ADA Access	A&E	All	All	All	All
Notification of Federal Participation for States	Limited to States	Limited to States	Limited to States	Limited to States	Limited to States

I certify that I have read and understand this page.

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Exhibit E Civil Rights

EXHIBIT E DISCRIMINATION & TITLE VI REQUIREMENTS (REV 032013)
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Discrimination: This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 USC. 12101-12213) and all applicable Federal regulations under the ACT.

SUBRECIPIENT or its CONTRACTORS shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, Arizona State Executive Order 2009-09, or A.R.S. 41-1461 through 1465, which mandates that all persons, regardless of race, color, religion, sex age, national origin or political affiliation shall have equal access to employment opportunities, and all other applicable state and federal employment laws, rules and regulations, including the Americans With Disabilities Act. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, age, national origin or political affiliation or disability.

Title VI Of The Civil Rights Act Of 1964: The SUBRECIPIENT hereby agrees that as a condition to receiving any Federal financial assistance from the Department of Transportation it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4 (hereinafter referred to as the Act), the Civil Rights Restoration Act of 1987 (Public Law 100.259) and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the Regulations) and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the SUBRECIPIENT receives Federal financial assistance from the U.S. Department of Transportation, HEREBY GIVES ASSURANCE THAT it will promptly take any measures necessary to effectuate this Agreement. During the performance of this Agreement, the SUBRECIPIENT, for itself, its assignees and successors in interest agrees as follows:

(1) Compliance with Regulations. The SUBRECIPIENT shall comply with the regulations relative to non-discrimination in federally assisted programs of the U.S. Department of Transportation (USDOT), 49 CFR 21 and Executive Order 99-4, as they may be amended from time to time, which is herein incorporated by reference and made a part of the Agreement.

(2) Nondiscrimination. The SUBRECIPIENT, with regard to the work performed by it during the Agreement will not discriminate on the grounds of race, color, disability, sex, or national origin in the selection and retention of contractors and subcontractors, including procurement of material and leases of equipment. The SUBRECIPIENT will not participate either directly or indirectly in discrimination prohibited by 49 CFR 21.5, including employment practices when the Agreement covers a program set forth in Appendix A of 49 CFR part 21.

(3) Solicitations for contractors, including procurement of real property, materials, and equipment. In all solicitations made by competitive bidding or negotiation by the SUBRECIPIENT for work to be performed under a contract or subcontract, including procurement of real property, materials, and purchase or lease of equipment, each potential contractor, subcontractor, supplier, or lessor shall be notified by the SUBRECIPIENT of the SUBRECIPIENT's obligations under this Agreement and the regulations relative to nondiscrimination on the grounds of race, color, disability, sex, or national origin.

Any contract or agreement established shall contain the language from this Agreement's Appendix A

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and B, and where appropriate, Appendix C.

(4) Information and Reports. The SUBRECIPIENT shall provide all information and reports required by the regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by ADOT, FHWA, and FTA to be pertinent to ascertain compliance with such regulations, orders, and instructions. Where any information required of the SUBRECIPIENT is in the exclusive possession of another who fails or refuses to furnish this information, the SUBRECIPIENT shall so certify to ADOT, FHWA, and FTA, as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Non-Compliance. In the event of the SUBRECIPIENT's non-compliance with the non-discrimination provisions of this Agreement, ADOT shall impose such sanctions as it, FHWA and FTA determine to be appropriate, including, but not limited to: withholding of payments to the SUBRECIPIENT under the Agreement until the SUBRECIPIENT complies, and/or cancellation, termination, or suspension of the Agreement, in whole or in part.

The SUBRECIPIENT will include the provisions of Paragraphs (1) through (5) above in every contract, including procurement of materials and leases of equipment, unless exempt by the regulations, order, or instruction issued pursuant thereto. The SUBRECIPIENT will take such action with respect to any subcontract or procurement as ADOT, FHWA, and FTA may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that, in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the SUBRECIPIENT may request the State to enter into such litigation to protect the interests of the State, and in addition, may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX A

Title VI Agreement / Contract Requirements

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

(1) Compliance with Regulations: The contractor shall comply with the Regulation relative to nondiscrimination in federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

(2) Nondiscrimination: The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, national origin, or sex in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

(3) Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, national origin, or sex.

(4) Information and Reports: The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Arizona Department of Transportation or the Federal Transit Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive

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possession of another who fails or refuses to furnish this information the contractor shall so certify to the Arizona Department of Transportation, or the Federal Transit Administration as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Arizona Department of Transportation shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- a) withholding of payments to the contractor under the contract until the contractor complies, and/or
- b) cancellation, termination or suspension of the contract, in whole or in part.

(6) **Incorporation of Provisions: The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract,** including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto.

The contractor shall take such action with respect to any subcontract. or procurement as the Arizona Department of Transportation or the Federal Transit Administration may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Arizona Department of Transportation to enter into such litigation to protect the interests of the Arizona Department of Transportation, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX B

Title VI Agreement / Contract Requirements

Check your third party contract language for these.

The following clauses shall be included in any and all deeds effecting or recording the transfer of real property, structures or improvements thereon, or interest therein from the United States.

(GRANTING CLAUSE)

NOW, THEREFORE, the Department of Transportation, as authorized by law, and upon the condition that the Arizona Department of Transportation will accept title to the lands and maintain the project constructed thereon, in accordance with Title 23, United States Code the Regulations for the Administration of Federal Aid for Highways and the policies and procedures prescribed by Federal Transit Administration of the Department of Transportation and, also in accordance with and in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter referred to as the Regulations) pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. .2000d to 2000d-4), and the Civil Rights Restoration Act of 1987 (Public Law 100.259) does hereby remise, release, quitclaim and convey unto the Arizona Department of Transportation all the right, title and interest of the Department of Transportation in and to said lands described in Exhibit "A" attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto Arizona Department of Transportation and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and shall be binding on the Arizona Department of Transportation, its successors and assigns.

The Arizona Department of Transportation, in consideration or the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and

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assigns, that (1) no person shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on over or under such lands hereby conveyed [and]* (2) that the Arizona Department of Transportation shall use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of -the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and the Civil Rights Restoration Act of 1987 (Public Law 100.259) and as said Regulations may be amended and (3) that in the event of breach of any of the above-mentioned nondiscrimination conditions, the Department shall have a right to re-enter said lands and facilities on said land, and the above described land and facilities shall thereon revert to and vest in and become the absolute property of the Department of Transportation and its assigns as such interest existed prior to this instruction.*

***Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.**

APPENDIX C

Title VI Agreement / Contract Requirements

The following clauses shall be included in all deeds, licenses, leases, permits, or similar instruments entered into by the Arizona Department of Transportation pursuant to the provisions of Assurance 7(a).

The (grantee, licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987 (Public Law 100.259) and as said Regulations may be amended.

[Include in licenses, leases, permits, etc.]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to terminate the [license, lease, permit, etc.] and to re-enter and repossess said land and the facilities thereon, and hold the same as if said [licenses, lease, permit, etc.] had never been made or issued.

[Include in deeds]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to re-enter said lands and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of Arizona Department of Transportation and its assigns.

The following shall be included in all deeds, licenses, leases, permits, or similar agreements entered into by Arizona Department of Transportation pursuant to the provisions of Assurance 7(b).

The (grantee, licensee, lessee, permittee, etc. as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in

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Exhibit E Civil Rights

the case of deeds, and leases add "as a covenant running with the land") that (1) no person on the ground of race, color, national origin, or sex shall be excluded from participation in, denied the benefits of, or he otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the ground of, race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations. Department of Transportation, Subtitle A, Office of the Secretary. Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), and the Civil Rights Restoration Act of 1987 (Public Law 100.259) and as said Regulations may be amended.

[Include in licenses, leases, permits, etc.]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to terminate the [license, lease, permit, etc.] and to re-enter and repossess said land and the facilities thereon, and hold the same as if said [license, lease, permit, etc.] had never been made or issued.

[Include in deeds]*

That in the event of breach of any of the above nondiscrimination covenants, Arizona Department of Transportation shall have the right to re-enter said land and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of Arizona Department of Transportation and its assigns.

*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

I certify that I have read and understand this page.

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Exhibit F DBE

EXHIBIT F
DISADVANTAGED BUSINESS ENTERPRISE
(DBE) REQUIREMENTS
(REV 02/10/2016)

Disadvantaged Business Enterprises (DBE): The Arizona Department of Transportation (ADOT) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. ADOT has received Federal financial assistance from the Department of Transportation, and as a condition of receipt of funding, ADOT has signed an assurance that it will comply with 49 CFR Part 26.

The SUBRECIPIENT shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The SUBRECIPIENT shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts.

Each contract you sign with a contractor or consultant (and each subcontract the prime signs with a subconsultant) must include the following assurance:

put this in your third party contract language

The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of USDOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the State deems appropriate, which may include, but not limited to:

- 1. Withholding monthly progress payments;*
- 2. Assessing sanctions;*
- 3. Liquidated damages; and/or*
- 4. Disqualifying the contractor from future bidding as non-responsible.*

It is ADOT's policy to ensure that DBEs as defined in 49 CFR Part 26 have an equal opportunity to receive and participate in DOT-assisted contracts. ADOT's objectives are as follows:

1. To ensure nondiscrimination in the award and administration of USDOT-assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts;
3. To ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are counted as DBEs;
5. To help remove barriers to the participation of DBEs in USDOT-assisted contracts;

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Exhibit F DBE

6. To assist in the development of firms that can compete successfully in the market place outside the DBE program and;
7. To promote the use of DBEs in all types of federally-assisted contracts and procurement activities.

It is also the policy of the Department to facilitate and encourage participation of Small Business Concerns (SBCs), as defined herein in USDOT-assisted contracts. The Department encourages contractors to take reasonable steps to eliminate obstacles to SBCs' participation and to utilize SBCs in performing contracts.

Each LPA (Local Public Agency, Local for-Profit Agency, or Local non-Profit Agency), sub-SUBRECIPIENT, and sub-grantee must adopt and implement the ADOT DBE Program Plan. In accordance with the plan, all LPAs, sub-SUBRECIPIENTS, and sub-grantees agree to the following, but not limited to:

- Use DBE provisions for solicitation or contract language from ADOT BECO at <http://azdot.gov/business/business-engagement-and-compliance/dbe-compliance/LPA-Subrecipient-overview/fta> or by contacting BECO at <http://azdot.gov/business/business-engagement-and-compliance/contact-us>.
- Utilize the ADOT DBE Compliance Checklist for guidance in ensuring compliance with DBE requirements found at <http://azdot.gov/business/business-engagement-and-compliance/dbe-compliance/LPA-Subrecipient-overview/fta>.
- Direct all contractors, consultants, subcontractors and subconsultants to register in the Arizona Unified Transportation Registration and Certification System (AZ UTRACS) web portal; a centralized database for companies that seek to do business with ADOT.
- Conduct post-award monitoring and reporting using the web-based LPA Contract Management System found at <https://arizonalpa.dbesystem.com>.
- Designate a single point of contact for DBE compliance purposes.

LPAs, sub-SUBRECIPIENTS, and sub-grantees are required to collect DBE and non-DBE participation data for all federally funded projects. The required information shall be submitted electronically through the LPA Contract Management System in accordance with the DBE Provisions.

The ADOT DBE Program Plan and LPA/Sub-SUBRECIPIENT DBE Guidelines can be found online at <http://www.azdot.gov/business/business-engagement-and-compliance>.

I certify that I have read and understand this page.

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Exhibit G Insurance

EXHIBIT G INSURANCE (RISK MANAGEMENT) REQUIREMENTS (REV 02/02/2016)
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- 1) **Indemnification:** To the fullest extent permitted by law, the SUBRECIPIENT shall defend, indemnify, and hold harmless The State of Arizona, and its departments, agencies, boards, commissions, universities, Officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the SUBRECIPIENT or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the SUBRECIPIENT from and against any and all claims. It is agreed that the SUBRECIPIENT will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the SUBRECIPIENT agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the SUBRECIPIENT for the State of Arizona.

- 2) In addition, should a public entity utilize a contractor(s) and subcontractor(s) the indemnification clause between the public entity and its contractor(s) and subcontractor(s) shall include the indemnification clause above.

- 3) *This indemnity shall not apply if the SUBRECIPIENT or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

- 4) The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the SUBRECIPIENT from liabilities that arise out of the performance of the work under this Contract by the SUBRECIPIENT, its agents, representatives, employees or subcontractors, and the SUBRECIPIENT is free to purchase additional insurance.

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Exhibit G Insurance

- 5) Program participants must maintain adequate property and liability insurance coverage. The current minimum requirement for automobile liability insurance is based on vehicle size, and is as follows:
- Combined Single Limit (CSL) of \$5,000,000 for vehicles carrying sixteen (16) or more passengers.
 - Combined Single Limit (CSL) of \$2,000,000 for vehicles carrying less than sixteen (16) but more than four (4) passengers.
 - Combined Single Limit (CSL) of \$1,000,000 for vehicles carrying four (4) or less passengers.
 - Combined Single Limit (CSL) of \$5,000,000 for street sweepers.
- a. In addition, SUBRECIPIENT must maintain collision and comprehensive coverage for the full fair market value of each vehicle provided under this Program. The deductible for such coverage shall not exceed five thousand dollars (\$5,000).
- b. Insurance policies for vehicles and other large capital assets of which the State of Arizona or ADOT is listed on the title as vehicle owner or lien holder must also show the State of Arizona or ADOT as "loss payee".
- c. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the SUBRECIPIENT.
- d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the SUBRECIPIENT.
- 6) The SUBRECIPIENT's policies, as applicable, shall stipulate that the insurance afforded the SUBRECIPIENT shall be primary and that any insurance carried by the Arizona Department of Transportation, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 7) SUBRECIPIENT and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the SUBRECIPIENT, his agents, representatives, employees or subcontractors.
- 8) It is critical that the vehicle SUBRECIPIENT-operator ensure that it retains on file up-to-date insurance, that this information is readily available for review by ADOT and its auditors, and that a current insurance card is located in the vehicle at all times.

NOTICE OF CANCELLATION: Applicable to the Insurance Requirements of this Contract, SUBRECIPIENT's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of

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Arizona. Within two (2) business days of receipt, SUBRECIPIENT must provide notice to the State of Arizona if they receive notice that their policy has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Multimodal Planning Division of the Arizona Department of Transportation (ADOT) and shall be sent by certified mail, return receipt requested.

ACCEPTABILITY OF INSURERS: Insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A-VII. ADOT in no way warrants that the above-required minimum insurer rating is sufficient to protect the SUBRECIPIENTS from potential insurer insolvency.

VERIFICATION OF COVERAGE: The SUBRECIPIENT shall furnish the State of Arizona with a certificate of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this contract prior to receipt of the vehicle(s). In addition, a current copy of the Certificate must be included with the Annual Report/Notice of Impending Vehicle Inspection, and submitted or returned to ADOT. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy must be in effect at or prior to commencement of work and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be uploaded to the Arizona Grant Management System. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by the grant agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

SUBCONTRACTORS: SUBRECIPIENTs certificate(s) shall include all subcontractors as insured's under its policies or SUBRECIPIENT shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

APPROVAL: Any modification or variation from these insurance requirements shall be made by the Department of Transportation, Risk Management Section, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

EXCEPTIONS: In the event the SUBRECIPIENT or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the SUBRECIPIENT or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

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Exhibit H NonTribal**

**EXHIBIT H
LANGUAGE MODIFICATIONS
Federally Recognized Tribes**

Exhibit H does not apply to this Grant Agreement.

I certify that I have read and understand this page.