

Agenda
Planning and Policy Committee
West Olive Administration Building – Board Room
12220 Fillmore Street, West Olive, Michigan 49460
Tuesday, October 19, 2021
8:30 AM

Public Comment

Consent Items:

1. *Approval of the Agenda*
2. *Approval of the minutes from the [September 21, 2021](#) Planning and Policy Committee meeting.*

Action Items:

1. [Sub-recipient Monitoring Policy](#)
Suggested Motion:
To approve and forward to the Board of Commissioners the Sub-recipient Monitoring Policy for review and comment.
2. [Statutory Requirements for Local Unit of Government Zoning Changes](#)
Suggested Motion:
To approve and forward to the Board of Commissioners the Resolution to waive the statutory requirements for local units of government to submit proposed township zoning ordinances, proposed zoning text changes, and rezoning requests per Sec. 307 of the Michigan Zoning Enabling Act.
3. [Specialized Services Master Agreement & Resolution](#)
Suggested Motion:
To approve and forward to the Board of Commissioners the Master Agreement No. 2022-0121 with the Michigan Department of Transportation (MDOT) and the Resolution authorizing the current and future officeholders of the Chairperson of the Ottawa County Board of Commissioners and the Ottawa County Clerk/Register to execute contracts under Master Agreement No. 2022-0121 with MDOT on behalf of Ottawa County.

Discussion Items:

1. *Legislative Issues*
 - a. *Current Legislative Priorities*
2. *Livestream of Standing Committees*

3. *Public Comment via Website Link*

Adjournment

Comments on the day's business are to be limited to three (3) minutes.

PLANNING AND POLICY COMMITTEE

Proposed Minutes

DATE: September 21, 2021

TIME: 8:30 a.m.

PLACE: Fillmore Street Complex

PRESENT: Allen Dannenberg, Matthew Fenske, Gregory DeJong

ABSENT: Philip Kuyers, Francisco Garcia

STAFF & GUESTS: John Shay, County Administrator; Karen Karasinski, Fiscal Services Director; Sherri Sayles, Chief Deputy Clerk; Douglas Van Essen, Corporate Counsel; Douglas Zylstra (by zoom); Media

SUBJECT: CONSENT ITEMS

PP 21-054 Motion: To approve the agenda of today as presented and to approve the minutes from the August 17, 2021 Planning and Policy Committee meeting as presented.
Moved by: Allen Dannenberg UNANIMOUS

SUBJECT: RESOLUTION SUPPORTING PASSAGE OF LEGISLATION TO ADOPT 4-YEAR TERMS FOR COUNTY COMMISSIONERS

PP 21-055 Motion: To approve and forward to the Board of Commissioners to adopt the Resolution Supporting Passage of Legislation to Adopt 4-Year Terms for County Commissioners.
Moved by: Matthew Fenske UNANIMOUS

SUBJECT: EMAIL RETENTION AND ARCHIVING RULE POLICY

PP 21-056 Motion: To approve and forward to the Board of Commissioners the revised Email Retention and Archiving Rule Policy for review and comment.
Moved by: Allen Dannenberg UNANIMOUS

SUBJECT: HIPAA COMPLIANCE POLICY

PP 21-057 Motion: To approve and forward to the Board of Commissioners the revised HIPAA Compliance Policy for review and comment.
Moved by: Matthew Fenske UNANIMOUS

The Committee discussed COVID masking and vaccinations. The Health Department has been directed by the Administrator to let him know if any COVID letters are sent out. The Administrator will pass this information along to the Commissioners.

SUBJECT: DRONE PURCHASE AND USAGE POLICY

PP 21-058 Motion: To approve and forward to the Board of Commissioners the Drone Purchase and Usage Policy for review and comment.
Moved by: Matthew Fenske UNANIMOUS

SUBJECT: PHOTOGRAPHY IN COUNTY BUILDINGS POLICY

PP 21-059 Motion: To approve and forward to the Board of Commissioners the Photography in County Buildings Policy for review and comment.
Moved by: Matthew Fenske UNANIMOUS

SUBJECT: DISCUSSION ITEMS

1. Legislative Issues
 - a. Current Legislative Priorities – John Shay reported not much has changed since August. The legislature is busy working on the budget.
2. Douglas Van Essen reported a lawsuit was filed yesterday against the Board of Commissioners and Public Health. He will forward the complaint to the Commissioners.

SUBJECT: ADJOURNMENT

PP 21-060 Motion: To adjourn at 9:24 a.m.
Moved by: Matthew Fenske UNANIMOUS

Action Request



Committee: Planning and Policy Committee

Meeting Date: 10/19/2021

Requesting Department: Administration

Submitted By: Regina MacMillan

Agenda Item: Sub-recipient Monitoring Policy

Suggested Motion:

To approve and forward to the Board of Commissioners the Sub-recipient Monitoring Policy for review and comment.

Summary of Request:

County policies require periodic review and updates. This request is to review the Sub-recipient Monitoring Policy and forward it to the Board of Commissioners for a first and second reading before final approval.

Financial Information:

Total Cost: \$0.00	General Fund Cost: \$0.00	Included in Budget:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
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If not included in budget, recommended funding source:

Action is Related to an Activity Which Is: Mandated Non-Mandated New Activity

Action is Related to Strategic Plan:

Goal: Goal 4: To Continually Improve the County's Organization and Services.

Objective: Goal 4, Objective 1: Conduct activities and maintain systems to continuously improve to gain efficiencies and improve effectiveness.

Administration: Recommended Not Recommended Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date:



Sub-recipient Monitoring Policy

I. POLICY

Ottawa County is responsible for monitoring the programmatic and financial activities of award sub-recipients to ensure proper stewardship of federal and state funds. The following policy, roles, and procedures address responsibilities and assists administrators to ensure that, in addition to achieving performance goals, sub-recipients comply with applicable federal laws and regulations, and with the provisions of grant award special conditions.

The County of Ottawa, as a pass-through entity, will evaluate each sub-recipient's risk of noncompliance in order to determine the appropriate monitoring level, monitor the activities of sub-recipient organizations to ensure that the sub award is in compliance with applicable Federal statutes and regulations and terms of the sub award, and verify that sub-recipients are audited as required by Subpart F of the Uniform Guidance. The direct recipient of the federal award is required to provide evidence of due diligence in reviewing the ability of a sub-recipient to properly meet the objectives of the sub award and account for the use of the grantor's funds.

II. STATUTORY REFERENCES

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) Uniform Guidance, Subpart D and Subpart F.

III. COUNTY LEGISLATION OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number:

IV. PROCEDURE

Pre-award evaluation

Prior to identifying a sub-recipient of a Federal award, Fiscal Services will:

- Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, by considering the following factors:
 - The subrecipient's prior experience with the same or similar subawards;

- The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program;
- Whether the subrecipient has new personnel or new or substantially changed systems; and
- The extent and results of Federal awarding agency monitoring.
- Consider imposing specific subaward conditions upon a subrecipient if appropriate, including:
 - Requiring payments as reimbursements rather than advance payments;
 - Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
 - Requiring additional, more detailed financial reports;
 - Requiring additional project monitoring;
 - Requiring the non-Federal entity to obtain technical or management assistance; or
 - Establishing additional prior approvals.
- Collaborate with the sub-recipient regarding the sub-recipient's application narrative, goals of the sub award, and the sub-recipient's grant budget.
- Collaborate to establish a draft scope of work.
- Notify the sub-recipient of the grant award approval or denial.

Sub-recipient Memorandum of Understanding (MOU)/Contract

The contract between the County of Ottawa and the sub-recipient will include the following:

- Federal Award Identification
 - Federal award number and name of federal grant
 - Sub-recipient name & DUNS number
 - Federal award date
 - Sub award period of performance start and end date
 - Amount of federal funds obligated to the sub-recipient
 - Total amount of federal award to the prime grantee
 - Federal award project description
 - Name of federal awarding agency, prime grant recipient, contact information of the awarding official of the Pass-through entity
 - Federal Award Identification number and CFDA number
 - Indirect cost rate, if applicable
 - Identification of whether the award is R&D
- All requirements imposed by the prime grantee on the sub-recipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the grant award.
- Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports
- Access to the sub-recipient's financial records to meet the requirements of 2 CFR 200.
- Appropriate terms and conditions concerning closeout of the sub award

Post-award monitoring:

After the County of Ottawa (or other agencies as required) has approved and awarded the grant:

- Monitor and approve quarterly programmatic progress and ability of the sub-recipient to meet objectives of the sub award.
- Participate in sub-recipient monitoring training, when available, in coordination with any required agency and sub-recipient, if necessary.
- Participate in annual sub-recipient monitoring site visits, if requested.
- Verify that every subrecipient is audited as required by Subpart F of 2 CFR 200.
- Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- Consider taking enforcement action against noncompliant subrecipients, including:
 - Temporarily withholding cash payments pending correction of the deficiency by the sub-recipient entity
 - Disallowing all or part of the cost of the activity or action not in compliance.
 - Wholly or partly suspending or terminating the Federal award.
 - Recommending suspension or debarment proceedings be initiated by a Federal awarding agency.
 - Withholding further Federal awards for the project or program.
 - Taking other remedies that may be legally available.

V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years and will make recommendations for changes to the Planning & Policy Committee.

Action Request



Committee: Planning and Policy Committee

Meeting Date: 10/19/2021

Requesting Department: Department of Strategic Impact

Submitted By: Paul Sachs

Agenda Item: Statutory Requirements for Local Unit of Government Zoning Changes

Suggested Motion:

To approve and forward to the Board of Commissioners the Resolution to waive the statutory requirements for local units of government to submit proposed township zoning ordinances, proposed zoning text changes, and rezoning requests per Sec. 307 of the Michigan Zoning Enabling Act.

Summary of Request:

Pursuant to the Michigan Zoning Enabling Act, local units of government are required to submit zoning amendments to the County Planning Commission. In 2010, the County Board of Commissioners adopted a resolution waiving this requirement. This resolution included a five-year sunset provision, followed by a subsequent resolution in 2015 which included a three-year sunset provision.

The resolutions were adopted for the following reasons:

1. The majority of local units of governments requested that Ottawa County waive this statutory requirement because local units are statutorily able to disregard the County's recommendations and comments related to submitted zoning amendment reviews. Thus, requiring such submittals and reviews is an inefficient process for both local units and the County;
2. Local units could be open to litigation if the review process was not precisely followed pursuant to statute;

As noted above, past resolutions included sunset provisions in order to provide an opportunity to study the impact of the resolutions before adopting a successor resolution. Over the past three years since the adoption of the 2018 successor resolution, the Department has not noted any negative consequences of adopting the resolution to maintain the waiver.

(continued on the next page)

Financial Information:

Total Cost: \$0.00	General Fund Cost: \$0.00	Included in Budget:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
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If not included in budget, recommended funding source:

Action is Related to an Activity Which Is: Mandated Non-Mandated New Activity

Action is Related to Strategic Plan:

Goal: Goal 2: To Contribute to the Long-Term Economic, Social and Environmental Health of the County.

Objective: Goal 2, Objective 1: Consider initiatives that contribute to the economic health and sustainability of the County and its' residents.

Administration: Recommended Not Recommended Without Recommendation
County Administrator: *John Smith*

Committee/Governing/Advisory Board Approval Date:

Summary of Request Continued:

In October 2020, the Ottawa County Planning Commission was dissolved. Sec. 307 of the Michigan Zoning Enabling Act states that if there is no County Planning Commission, local governments can submit zoning revisions to a County Zoning Coordinating Committee, if such a body exists. Since Ottawa County does not have a Zoning Coordinating Committee and no longer has a Planning Commission and the County has previously waived mandatory local zoning reviews, local governments can continue to submit zoning revisions to the Ottawa County Department of Strategic Impact on a voluntary and collaborative basis.

Because of the Department's ongoing efforts to remain engaged with and collaboratively support local units of government in their respective planning endeavors, many local units continue to voluntarily submit their zoning amendments, rezoning requests, and text amendments to the Department for review and feedback. This remains a much more efficient and beneficial process to maintain necessary dialog and feedback exchanges between the County's professional planning staff and local units rather than adhering to burdensome statutory obligations.

COUNTY OF OTTAWA

STATE OF MICHIGAN

RESOLUTION

At a regular meeting of the Board of Commissioners of the County of Ottawa, Michigan, held at the Fillmore Street Complex in the Township of Olive, Michigan on the ___ day of _____, 20__ at _____ o'clock p.m. local time.

PRESENT: Commissioners: _____

ABSENT: Commissioners: _____

It was moved by Commissioner _____ and supported by Commissioner _____ that the following Resolution be adopted:

WHEREAS, Section 307 of the Michigan Zoning Enabling Act (MCLA 125.3307) requires that a township submit any proposed rezoning, new zoning ordinance, and proposed text amendment to a zoning ordinance to a county planning commission (or the equivalent) for review and recommendation where such a body exists and such submission review requirements has not been waived or modified by the county board of commissioners for the county involved. More specifically, MCLA 125.3307 states in relevant part as follows:

125.3307 Review and recommendations after hearing; submission to township; submission to coordinating zoning committee; waiver of right to review.

Sec. 307

(1) Following the hearing required in Section 306, a township shall submit for review and recommendation the proposed zoning ordinance, including any zoning maps, to the zoning commission of the county in which the township is situated if a county zoning commission has been appointed as provided under this act.

(2) If there is not a county zoning commission or a county planning commission, the proposed zoning ordinance shall be submitted to the coordinating zoning committee. The coordinating zoning committee shall be composed of either 3 or 5 members appointed by the legislative body of the county for the purpose of coordinating the zoning ordinances proposed for adoption under this act with the zoning ordinances of a township, city, or village having a common boundary with the township.

(3) The county will have waived its right for review and recommendation of an ordinance if the recommendation of the county zoning commission, planning commission, or coordinating zoning committee has not been received by the township within 30 days from the date the proposed ordinance is received by the county.

(4) The legislative body of a county by resolution may waive its right to review township ordinances and amendments under this section.

WHEREAS, the authority accorded to a county planning commission (or the equivalent body) under MCLA 125.3307 is discretionary only and even if the review and recommendation is given, the township involved is free to disregard the county body's recommendations and comments; and

WHEREAS, townships often find the county submission requirement under MCLA 125.3307 to be cumbersome and time-consuming. Furthermore, if the county submission procedure is not followed precisely, it could lead to court challenges thereafter for the township zoning matter involved; and

WHEREAS, many counties in Michigan have waived the MCLA 125.3307 county submission requirement or have made it optional for townships; and

WHEREAS, in 2008 the Ottawa County Board of Commissioners adopted a resolution to waive the statutory requirement that township zoning amendments and other similar changes (except for rezonings within 500 feet of a local unit boundary) be submitted to the Ottawa County Planning Commission for review prior to taking effect; and

WHEREAS, significant time and resources are required to review and process each local rezoning request which further impacts the ability to complete more pertinent Countywide planning projects; and

WHEREAS, in 2010, 2015, and 2018 respectively, the County Board of Commissioners adopted a resolution which waived the requirement for the mandatory submission process whereby townships are required, before adoption, to submit rezonings, new zoning ordinances, and proposed amendments to zoning ordinances to the Ottawa County Planning Commission (or its successor) for recommendation; and

WHEREAS, the most recent 2018 resolution included a three-year sunset provision which expires on December 30, 2021; and

WHEREAS, during this three-year period, neither the County Planning Commission, County Department of Strategic Impact (formally the County Planning Department), nor the local units of government have reported or experienced any negative consequences of waiving this requirement; and

WHEREAS, efforts to collaboratively enhance coordination of land use planning activities countywide are currently being pursued which align with the intent of the Statute referenced herein; and

WHEREAS, in October 2020, the Ottawa County Board of Commissioners dissolved the County Planning Commission and charged the County Department of Strategic Impact with the responsibility, as successor to the Planning Commission, of coordinating land use planning activities countywide.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Pursuant to MCLA 125.3307, the Ottawa County Board of Commissioners hereby waives the mandatory submission process whereby townships are required before adoption to submit rezonings, new zoning ordinances, and proposed zoning ordinance amendments to the Ottawa County Planning Commission (or its successor) for recommendation.

2. Any township in Ottawa County may, at its sole and absolute discretion, submit a proposed new zoning ordinance or zoning ordinance amendment to the Ottawa County Department of Strategic Impact (or its successor) if it so chooses for informal review and comment. Any such submissions to the county pursuant to this Section 2 are optional only and shall not be mandatory.

3. This resolution is revocable and may be amended or modified at any time by resolution of the Ottawa County Board of Commissioners.

4. Given the ability to revoke, amend, or modify, this 2021 resolution will not “sunset”.

5. This resolution shall have immediate effect. Furthermore, the Ottawa County Clerk is hereby directed to send a copy of this resolution to all townships located within Ottawa County.

YEAS: Commissioners: _____

NAYS: Commissioners: _____

ABSTENTIONS: Commissioners: _____

RESOLUTION ADOPTED:

Chairperson, Ottawa County
Board of Commissioners

Ottawa County Clerk/Register

Action Request



Committee: Planning and Policy Committee

Meeting Date: 10/19/2021

Requesting Department: Strategic Impact

Submitted By: Paul Sachs

Agenda Item: Specialized Services Master Agreement & Resolution

Suggested Motion:

To approve and forward to the Board of Commissioners the Master Agreement No. 2022-0121 with the Michigan Department of Transportation (MDOT) and sign the Resolution authorizing the current and future office-holders of the Chairperson of the Ottawa County Board of Commissioners and the Ottawa County Clerk/Register to execute contracts under Master Agreement No. 2022-0121 with MDOT on behalf of Ottawa County.

Summary of Request:

Every five years, Ottawa County enters into into a Master Agreement with the Michigan Department of Transportation (MDOT) to fund public transportation studies as well as transit services for the elderly and disabled.

MDOT also requires that a Certified Signature Resolution be passed to confirm that officials who sign each agreement are authorized by the County Board of Commissioners to do so. The Department of Strategic Impact has drafted a resolution that is valid for all agreements with MDOT for fiscal years 2022 through 2026.

Each year, a Project Authorization Agreement with MDOT will still have to be separately executed by the County Board of Commissioners. However, this Resolution will eliminate the need to pass a separate resolution each time an agreement is required by the State.

Financial Information:

Total Cost: \$0.00	General Fund Cost: \$0.00	Included in Budget:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
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If not included in budget, recommended funding source:

Action is Related to an Activity Which Is: Mandated Non-Mandated New Activity

Action is Related to Strategic Plan:

Goal: Goal 2: To Contribute to the Long-Term Economic, Social and Environmental Health of the County.

Objective: Goal 2, Objective 1: Consider initiatives that contribute to the economic health and sustainability of the County and its' residents.

Administration: Recommended Not Recommended Without Recommendation

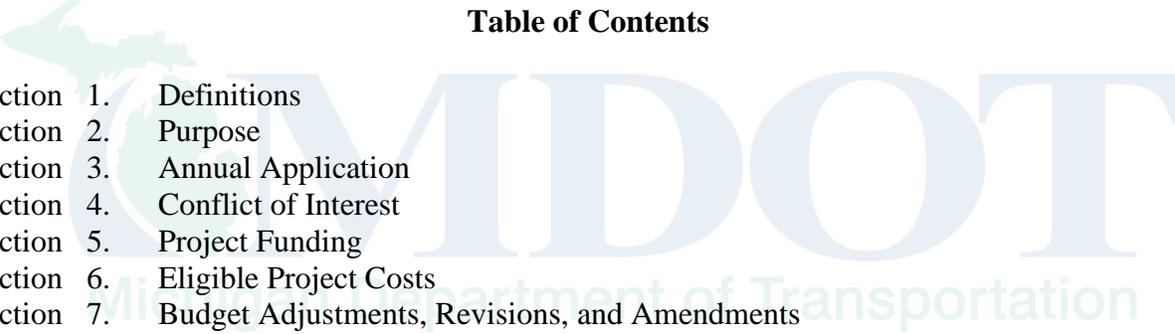
County Administrator:

Committee/Governing/Advisory Board Approval Date:

MICHIGAN DEPARTMENT OF TRANSPORTATION
OTTAWA COUNTY BOARD OF COMMISSIONERS
MASTER AGREEMENT FOR
PUBLIC TRANSPORTATION PROJECTS

This Agreement is made and entered into between the Michigan Department of Transportation (MDOT) and Ottawa County Board of Commissioners (AGENCY).

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Attachments

- Exhibit A - Insurance Requirements
- Appendix A - Prohibition of Discrimination in State Contracts
- Appendix B - Title VI Assurance
- Appendix C - Assurances That Recipients and Contractors Must Make

1. DEFINITIONS

- AWARD** - Means the FEDERAL grant money and/or State grant money paid by MDOT through the PROJECT AUTHORIZATION.
- COMMISSION** - Means the Michigan State Transportation Commission.
- COORDINATING COMMITTEE** - Means a group of local human services agencies representing Specialized Services interests.
- COST/EXPENSE** - Means the amount to be paid through the PROJECT AUTHORIZATION. The term “cost” implies a one-time event such as a purchase, while the term “expense” implies ongoing payments such as salaries and wages, fuel, utilities, etc. This Agreement covers both capital purchases and operating programs and attempts to use the terms within their definitions.

DIRECT RECIPIENT	-	Means an agency that receives FEDERAL funds directly.
FEDERAL	-	Means the United States Department of Transportation, Federal Transit Administration (FTA) and/or Federal Highway Administration (FHWA).
FEDERAL AWARD	-	Means the FEDERAL grant money paid by the federal government directly to the AGENCY.
FORMULA RECIPIENT	-	Means a recipient of funds pursuant to Section 10e(4) of Public Act 51 of 1951, as amended.
LOCAL OR REGIONAL ALLOCATION COMMITTEE	-	Means a group of metropolitan planning agencies, local road commissions, transit agencies, cities, and/or villages, as required, that allocates funds among eligible entities.
PART 200	-	Means the Code of Federal Regulations Title 2 – Grants and Agreements, Subtitle B, Chapter XII, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which applies to DIRECT RECIPIENTS.
PART 1201	-	Means the Code of Federal Regulations Title 2 – Grants and Agreements, Subtitle B, Chapter XII, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, by which the United States Department of Transportation adopts PART 200 with other provisions.
PROJECT	-	Means a funded activity that is budgeted and managed as a separate entity. If a PROJECT uses FEDERAL funds, the activities and content of the PROJECT will be in accordance with the terms of the corresponding FEDERAL grant.
PROJECT AUTHORIZATION	-	Means the written document(s), which may be in electronic or paper form, by which a specific PROJECT is to be carried out by the AGENCY under the terms of this Agreement, as defined and initiated by MDOT.
SUBRECIPIENT	-	Means an agency that receives FEDERAL funds from MDOT.

2. PURPOSE

The purpose of this Agreement is to make FEDERAL and/or state grant funds available to the AGENCY for the costs of eligible PROJECTS that promote or benefit public transportation. This Agreement sets forth the terms and conditions for any and all PROJECT AUTHORIZATIONS issued hereunder. Award of this Agreement will not in any manner provide for or imply any agreement on the part of MDOT to issue any PROJECT AUTHORIZATION(S) to the AGENCY.

For each PROJECT AUTHORIZATION that contains FEDERAL funds, the AGENCY must follow the guidelines and regulations of the respective FEDERAL agency and program, which may include the [FTA Certifications and Assurances](#) and/or the [FTA Master Agreement](#), which are updated annually, as applicable.

3. ANNUAL APPLICATION

The AGENCY must have an approved application for PROJECTS to be selected for funding. Please see the [Annual Application instructions](#).

4. CONFLICT OF INTEREST

The AGENCY must disclose any potential conflict of interest in it receiving financial assistance through a PROJECT AUTHORIZATION to MDOT in writing. If the potential conflict of interest is with a FEDERAL AWARD, the AGENCY must submit the written disclosure to the applicable FEDERAL agency.

5. PROJECT FUNDING

The maximum cost of any PROJECT will be the amount indicated in the PROJECT AUTHORIZATION. MDOT funds for PROJECT AUTHORIZATIONS are made available through legislative appropriations and are based on projected revenue estimates. MDOT may reduce the amount of any PROJECT AUTHORIZATION or terminate any PROJECT AUTHORIZATION if the revenue actually received is insufficient to support the appropriation under which the PROJECT AUTHORIZATION is issued. The AGENCY will be responsible for all costs in excess of the funds shown in any PROJECT AUTHORIZATION.

If the FEDERAL funds received are less than the amount shown in any PROJECT AUTHORIZATION, the MDOT funds will be adjusted to maintain the same ratio shown in the PROJECT AUTHORIZATION. In no case will the MDOT share increase in ratio or in dollar amount without a revision to the PROJECT AUTHORIZATION.

In any case in which a PROJECT AUTHORIZATION contains state funds that match FEDERAL funds, funding of the PROJECT AUTHORIZATION is contingent upon the award of the matching FEDERAL grant. When MDOT is the recipient of the FEDERAL grant, PROJECT AUTHORIZATION funding is contingent upon the award of the grant between MDOT and the FEDERAL agency. When the AGENCY is the recipient of the FEDERAL grant, the PROJECT AUTHORIZATION funding is contingent upon award of the FEDERAL grant between the AGENCY and the FEDERAL agency. MDOT and the AGENCY must comply with the provisions established by the FEDERAL matching grant as they affect this Agreement and each PROJECT AUTHORIZATION, the FEDERAL grant being incorporated herein by reference. When the FEDERAL grant is administered by the AGENCY, special provisions apply as indicated in the PROJECT AUTHORIZATION. The AGENCY must comply with the appropriate fiscal year Contract Clauses Certification referenced in the PROJECT AUTHORIZATION. In addition, the AGENCY must comply with any applicable Department of Labor Certification of Transit Employee Protective Arrangements requirements as issued by the U.S. Department of Labor.

For agencies that receive FEDERAL funds from MDOT, MDOT may withhold FEDERAL funds or require the return of project equipment for failure to meet FEDERAL requirements in the FEDERAL grant and/or MDOT requirements.

6. ELIGIBLE PROJECT COSTS

The AGENCY agrees that the costs reported to MDOT for each PROJECT AUTHORIZATION will represent only those items that are properly chargeable in accordance with this Agreement. The AGENCY also certifies that it has read the Agreement terms and has made itself aware of the applicable laws, regulations, and terms of this Agreement that apply to the reporting of costs incurred under the terms of this Agreement.

DIRECT RECIPIENTS:

PART 200 governs the grant administration, cost principles, and audit requirements for FEDERAL AWARDS. Application of PART 200 is not automatic. Individual agency regulations and the terms and conditions of individual federal awards determine if and how PART 200 affects a specific award. It is the AGENCY's responsibility to determine PART 200's applicability and to notify MDOT in writing of that determination.

SUBRECIPIENTS:

PROJECT AUTHORIZATIONS that reimburse operating expenses must comply with the Local Public Transit Revenue and Expense Manual except for PROJECT AUTHORIZATIONS under the Specialized Services Program. (Please see Section 21.) PROJECT AUTHORIZATIONS that reimburse capital expenses must comply with the terms of this Agreement and MDOT's purchasing/procurement requirements.

Travel costs must be in accordance with and not to exceed the amounts set forth in the current [State of Michigan Standardized Travel Regulations](#).

Insurance proceeds received for all losses, after deductibles are met, will be used for replacement/repair before state and/or FEDERAL funds are used.

If the AGENCY receives state and/or FEDERAL operating funds for more than one PROJECT, a narrative cost allocation methodology is required and must be submitted to MDOT for approval.

7. BUDGET ADJUSTMENTS, REVISIONS, AND AMENDMENTS

Expenditures that are not consistent with PROJECT AUTHORIZATIONS will not be considered eligible PROJECT costs unless written approval has been requested by the AGENCY and granted by MDOT in accordance with this section.

Budget adjustments to a PROJECT AUTHORIZATION are required to change an existing line item. Such changes may include additions or deletions to the quantities and/or description in a specific line item if it is determined that each change is justified to fulfill the purpose of the PROJECT AUTHORIZATION. Upon receipt of a written request to make changes that require a budget adjustment, MDOT must respond to the AGENCY providing written approval or disapproval of the budget adjustment or requesting further information.

Revisions to a PROJECT AUTHORIZATION are required if the proposed change would add a new line item, change the PROJECT AUTHORIZATION amount, change the state, FEDERAL, or local amounts, significantly change the scope, or extend the term of the PROJECT AUTHORIZATION. The PROJECT AUTHORIZATION must be revised to make the change before the expenditure will be deemed an eligible PROJECT cost. Requests to make changes that require a revision to the PROJECT AUTHORIZATION will be processed in a timely manner, as circumstances permit. Upon receipt of a written request to make changes that require revision(s) and, if applicable, receipt of written approval from the LOCAL OR REGIONAL ALLOCATION COMMITTEE, MDOT must respond to the AGENCY, providing written approval or disapproval of the revision or requesting further information.

Amendments to this Agreement are required for any change in the scope or terms of this Agreement and will be by award of a written amendment to this Agreement by the parties.

The AGENCY agrees to notify MDOT in writing of any significant event on a timely basis. A significant event is an event that may have significant potential impact on PROJECT progress, direction, control, or cost.

(Please see Section 21 for additional requirements for the Specialized Services Program.)

8. TIMELY EXPENDITURE OF FUNDS

Beginning with PROJECT AUTHORIZATIONS awarded after September 30, 2021, sufficient progress toward the obligation of funds must be made within twelve (12) months of receiving an awarded PROJECT AUTHORIZATION or MDOT may cancel the PROJECT AUTHORIZATION and the AGENCY will no longer have access to the funds. Sufficient progress may be documented by placing an order, issuing a solicitation, having a third-party contract awarded, or taking other documentable action to utilize the funds.

The AGENCY may request to extend the term of a PROJECT AUTHORIZATION. Extension requests must be submitted in writing at least six (6) months prior to expiration of the PROJECT AUTHORIZATION and must include justification for the extension and a timeline for completion of the remaining PROJECTS. If MDOT agrees with the justification and timeline, an extension will be granted that maintains the full state match. If the request is not timely or the justification is not acceptable to MDOT, MDOT may choose to offer a one-year extension of the PROJECT AUTHORIZATION replacing one-third of the state match with local funds or may choose to cancel the PROJECT AUTHORIZATION.

For agencies purchasing vehicle(s) through a vehicle contract procured by MDOT, if there is an increase in the contract price, the needed additional funds will not be provided by MDOT unless the vehicle was ordered within six (6) months of the PROJECT AUTHORIZATION being awarded or unless there was an increase in the contract amount within six (6) months of the PROJECT AUTHORIZATION being awarded.

9. COMPETITIVE PROCUREMENT

Project-Related Procurement: If the AGENCY receives FEDERAL funding through MDOT for the procurement, the AGENCY will comply with current [Procurement Guidelines for Grantees Receiving Federal Transit Funds via MDOT](#).

Vehicle-Related Procurement: The AGENCY will submit to MDOT all required procurement documents listed in the [Guidelines for Local Vehicle Procurement on State Administered Grants](#) for review and approval by MDOT for solicitations over the amount identified in COMMISSION policy.

If the AGENCY purchases vehicles through the State Vehicle Purchasing Program, the AGENCY is exempt from the contract approval process described in Section 10. When purchasing vehicles from the State Vehicle Purchasing Program, the AGENCY must follow the procedures outlined in the current [Guidelines for State Vehicle Purchasing Program](#).

10. THIRD-PARTY CONTRACT PROCEDURES

If the AGENCY is not certified in accordance with COMMISSION policy or receives FEDERAL funding through MDOT for the procurement, the AGENCY will submit to MDOT for approval all contracts, including amendments, between the AGENCY and a party other than MDOT that relate to this Agreement that are estimated to be in excess of the dollar amount for third-party contracts identified in COMMISSION policy prior to said contracts being signed by the AGENCY. All third-party contracts must contain language that incorporates by reference all terms and conditions contained in this Master Agreement. The AGENCY will not enter into multiple contracts of lesser amounts for the purpose of avoiding such approval process.

MDOT approval does not constitute an assumption of liability, a waiver, or an estoppel to enforce any of the requirements of this Agreement, nor will any such approvals by MDOT be construed as warranties of the third party's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity.

11. PROMPT PAYMENT

The AGENCY agrees to pay each subcontractor for the satisfactory completion of work associated with the subcontract no later than ten (10) calendar days from the receipt of each payment the AGENCY receives from MDOT. The AGENCY further agrees to return retainage payments to each subcontractor within ten (10) calendar days after the subcontractor's work is satisfactorily completed. Any delay or postponement from these time frames may occur only upon receipt of written approval from MDOT. This requirement is also applicable to all sub-tier subcontractors and will be made a part of all subcontract agreements.

This prompt payment provision is a requirement of 49 CFR Part 26, as amended, and does not confer third-party beneficiary right or other direct right to a subcontractor against MDOT. This provision applies to both DBE and non-DBE subcontractors.

12. PROCUREMENT OF RECOVERED MATERIALS

Any agency of a political subdivision of the State of Michigan and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds Ten Thousand Dollars (\$10,000.00) or the value of the quantity acquired during the preceding fiscal year exceeded Ten Thousand Dollars (\$10,000.00); procuring solid waste management services in a manner that maximizes energy and

resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

13. PROCUREMENT OF VEHICLES BY AGENCY

The AGENCY will purchase revenue vehicles as shown in each PROJECT AUTHORIZATION through its own local purchase process or through the State Vehicle Purchasing Program. If the AGENCY purchases vehicles through the State Vehicle Purchasing Program, the AGENCY is exempt from the contract approval process described in Section 10. When purchasing vehicles from the State Vehicle Purchasing Program, the AGENCY must follow the procedures outlined in the current [Guidelines for State Vehicle Purchasing Program](#). When purchasing vehicles under the local purchase process, the AGENCY must follow the procedures outlined in the current [Guidelines for Local Vehicle Purchase on State Administered Grants](#) and is not exempt from the procedures set forth in Section 10.

For procurement of demand response vehicles, the AGENCY must have an approved vehicle accessibility plan in accordance with 1951 Public Act (PA) 51, Section 10e (18), as amended, in addition to meeting the equivalent level of service required by the Americans with Disabilities Act (ADA), United States Department of Transportation (US DOT) Final Rule, 49 CFR Parts 27, 37, and 38.

14. INSPECTION OF PROJECT EQUIPMENT AND RECORDS

The AGENCY will permit MDOT, the Comptroller General of the United States, and the Secretary of the US DOT or their authorized representatives, agents, or employees to audit, review, and inspect all equipment purchased as part of the PROJECT, all transportation services rendered by the AGENCY by the use of such equipment, and all relevant PROJECT records. Any approvals, reviews, and/or inspections of any nature by MDOT will not be construed as warranties or assumptions of liability on the part of MDOT. It is expressly understood and agreed that any such approvals are for the sole and exclusive purposes of MDOT, which is acting in a governmental capacity under this Agreement, and that such approvals are a governmental function incidental to the PROJECT under this Agreement. Such inspection does not relieve the AGENCY of its obligations hereunder, nor is such inspection to be construed as a warranty of the propriety of the equipment, services, or records. The AGENCY will also permit the above referenced persons to audit the books, records, and accounts of the AGENCY pertaining to the PROJECT. Records must be kept for three (3) years after disposal of PROJECT equipment.

15. USE AND DISPOSITION OF FACILITY/PROJECT EQUIPMENT

The AGENCY agrees that the facility/PROJECT equipment will be used for the provision of public transportation service for the duration of its useful life and, if funded with FEDERAL and MDOT funds, will be used in accordance with FEDERAL

procedures as set forth in 49 CFR Part 18. If, during the period of its useful life, any facility/PROJECT equipment is not used in said manner or is withdrawn from public transportation service, the AGENCY will immediately notify MDOT in writing. If FTA-funded real property is no longer needed for any transit purpose, the AGENCY is required to prepare or update an excess real property utilization plan. The plan should identify and explain the reason for the excess property and plans to use or dispose of the excess property. If land was donated by an agency for a facility project and the facility becomes excess property, the land is considered part of the excess property included in the utilization plan. Unless the FTA and the AGENCY agree otherwise, the excess real property inventory and updated excess property utilization plan should be retained by the AGENCY and made available upon request and during an FTA review.

During the period of this Agreement, the AGENCY will maintain the facility/PROJECT equipment for the period of the useful life of such equipment. Maintenance will conform to the manufacturer's recommendations as to service and service intervals for such equipment. In addition, the AGENCY is required to submit a vehicle maintenance plan or plan revision, as directed by MDOT, for review and approval by MDOT. This vehicle maintenance plan, at a minimum, will include all of the components listed in MDOT's current [Preventive Maintenance Manual](#). If the AGENCY revises its vehicle maintenance plan, said plan will be submitted for review and approval by MDOT. The AGENCY will maintain supporting records documenting such maintenance. Representatives of MDOT will have the right to conduct periodic inspection for the purpose of confirming proper maintenance pursuant to this section. Such inspection by MDOT does not relieve the AGENCY of its obligations hereunder, nor is such inspection by MDOT to be construed as a warranty as to the sufficiency of the maintenance but is undertaken for the sole use and information of MDOT. MDOT may withhold funds from the AGENCY for failure to maintain PROJECT equipment pursuant to this section until such time as the AGENCY meets the proper maintenance requirements as determined by MDOT.

Facility/PROJECT equipment purchased under this Agreement may, at the discretion of MDOT, be incorporated into a new or consolidated public transportation service at the time such service is implemented.

At such time as the PROJECT equipment has exceeded its useful life, the AGENCY, with prior notification to MDOT, will dispose of said equipment in accordance with MDOT and/or FEDERAL procedures. All proceeds from the disposal of PROJECT equipment will remain with the AGENCY and will be used to support the provision of public transportation services.

Agencies that receive FEDERAL funding through MDOT agree to give MDOT a security interest in any PROJECT equipment purchased pursuant to the terms of this Agreement. MDOT will retain a security interest in the PROJECT equipment until the terms of this section have been met.

The AGENCY agrees and warrants that it will not allow any encumbrance, lien, security interest, mortgage, or any evidence of indebtedness to attach to or be perfected against any PROJECT equipment until all of its duties, obligations, and responsibilities are satisfied as required herein.

The incidental use of FEDERAL/state-funded equipment or facilities for non-public transportation use cannot interfere with or detract from the provision of the public transportation service for which the equipment and/or facilities were intended or shorten the useful life of the equipment or facilities. The costs of any incidental use are ineligible for state or FEDERAL operating assistance and may require a state-approved cost allocation plan.

(Please see Section 22 for additional requirements for the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program.)

16. INSURANCE

The AGENCY will carry and maintain for the life of the PROJECT equipment, as a minimum, insurance or self-insurance as set forth in Exhibit A, dated December 9, 2016, attached hereto and made a part hereof. Insurance payment for loss or damage will be made to MDOT. The AGENCY will also provide and maintain public liability and property damage insurance, insuring as they may appear the interests of all parties to this Agreement against any and all claims that may arise out of the AGENCY's operation hereunder, as set forth in Exhibit A.

Agencies receiving operating funds will provide Workers' Compensation Insurance as required by law.

17. INDEMNIFICATION

The AGENCY agrees to indemnify and save harmless the State of Michigan, the COMMISSION, MDOT, and/or the FEDERAL agency and all officers, agents, and employees thereof:

- a. From any and all claims by persons, firms, or corporations for labor, services, materials, or supplies provided to the AGENCY in connection with this Agreement; and
- b. From any and all claims for injuries to or death of any and all persons, for loss of or damage to property, for environmental damage, degradation, and response and cleanup costs, and for attorney fees and related costs arising out of, under, or by reason of this Agreement, except claims resulting from the sole negligence or willful acts or omissions of said indemnitee, its agents, or its employees.

MDOT will not be subject to any obligations or liabilities by contractors of the AGENCY or their subcontractors or any other person not a party to the Agreement without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the AGENCY will take no action or conduct that arises either directly or indirectly out of its obligations, responsibilities, and duties under this Agreement that results in claims being asserted against or judgments being imposed against the State of Michigan, the COMMISSION, MDOT, and/or the FEDERAL agency.

In the event that the same occurs, it will be considered as a breach of this Agreement, thereby giving the State of Michigan, the COMMISSION, MDOT, and/or the FEDERAL agency a right to seek and obtain any necessary relief or remedy, including, but not limited to, a judgment for money damages.

18. BILLINGS AND PAYMENTS FOR CAPITAL PROGRAMS

The AGENCY may make requests for payment of allowable PROJECT costs for capital programs. In order for the AGENCY to receive payments from MDOT, the following conditions must be met:

- a. The AGENCY must submit requests for payments on applicable forms via ProjectWise, the electronic payment and data storage system utilized by the Office of Passenger Transportation. Payment forms must be complete and must include the agreement and PROJECT AUTHORIZATION numbers, the payment request number, identification of the payment as a partial payment or a final payment, the amount to be reimbursed, and, if applicable, the third-party contract number. If the request is for reimbursement for (a) replacement vehicle(s), the AGENCY will include the identification number(s) of the vehicle(s) to be replaced on the request form.

The AGENCY will submit a budget summary showing PROJECT costs to date and current billings against individual budget items as shown in the PROJECT AUTHORIZATION.

- i. Agencies receiving FEDERAL funds administered by MDOT will submit required supporting documentation for each billing as set forth in the current [Procurement Guidelines for Grantees Receiving Federal Transit Funds via MDOT](#).
- ii. Prior to requesting reimbursement, the AGENCY may be required to enter data into its vehicle, equipment, and/or facility inventories in the Public Transportation Management System (PTMS). The AGENCY must enter the following information into PTMS:

- (a) the required information for revenue vehicles into the vehicle inventory;
 - (b) equipment procurements of Five Thousand Dollars (\$5,000.00) or more into the equipment inventory if MDOT-administered FEDERAL funds were used for the purchase;
 - (c) new facilities into the facility inventory;
 - (d) facility improvements of Five Thousand Dollars (\$5,000.00) or more into the facility inventory if MDOT-administered FEDERAL funds were used in the projects.
 - iii. When requesting reimbursements for vehicles purchased under the local purchasing process, the AGENCY must follow the procedures outlined in the current [Guidelines for Local Vehicle Purchase on State Administered Grants](#).
 - iv. When requesting reimbursements for vehicles purchased under the State of Michigan's Vehicle Purchasing Program, the AGENCY must follow the procedures outlined in the current [Guidelines for State Vehicle Purchasing Programs](#).
 - v. MDOT reserves the right to verify progress of work and/or delivery of products to the AGENCY by visual inspection.
 - vi. When requesting reimbursements for vehicles under a lease/purchase agreement, the AGENCY will submit a copy of the lease/purchase agreement with the first payment request.
- b. Within ninety (90) days after costs have been incurred or an invoice received, the AGENCY will submit to MDOT a billing to be charged against the PROJECT AUTHORIZATION. Upon written request by the AGENCY to MDOT within the ninety (90) day period, which request will include documentation of the circumstances that prevent timely submission of all billings, MDOT may, in writing, extend the ninety (90) day period to a date certain. If the AGENCY fails to provide all billings and supporting documentation ninety (90) days after costs were incurred or an invoice received or before or upon the extended date certain established by MDOT, MDOT may elect not to accept any further billings, regardless of whether or not the costs are otherwise allowable under the Agreement.
- c. Expenses paid under a PROJECT AUTHORIZATION cannot be included in expenses to be reimbursed under the 51 PA 1951 Section 10e(4) Local Bus Operating Assistance Program. If MDOT determines that the same expense is presented as being eligible for payment under a PROJECT AUTHORIZATION

and presented as being eligible for Local Bus Operating Assistance Program reimbursement, the expense could be disallowed under both.

Funds administered by MDOT as specified in the PROJECT AUTHORIZATION(S) will be payable by MDOT to the AGENCY.

19. BILLINGS, PAYMENTS, AND QUARTERLY REPORTS FOR OPERATING PROGRAMS

The AGENCY may make requests for payment of eligible PROJECT costs for operating programs. In order for the AGENCY to receive payments from MDOT, the following conditions must be met:

- a. The AGENCY must generate a quarterly operating assistance report in PTMS.
- b. One-quarter (1/4) of the funds to be provided by the State of Michigan and/or State of Michigan administered FEDERAL funds may be advanced to the AGENCY when the following conditions are met:
 - i. MDOT award of this Agreement.
 - ii. Award of the FEDERAL revenue grant, if applicable.
 - iii. MDOT award of the PROJECT AUTHORIZATION.
 - iv. MDOT approval and receipt of executed third-party contracts, if applicable.
 - v. MDOT receipt of reports due from the previous fiscal year.
- c. Up to one-quarter (1/4) of the funds provided by the State of Michigan and/or State of Michigan administered FEDERAL funds set forth in the PROJECT AUTHORIZATION will be payable at the end of each quarter contingent upon the receipt of any outstanding reports from the previous quarter as required by this Agreement.
- d. Expenses paid under a PROJECT AUTHORIZATION cannot be included in expenses to be reimbursed under the 51 PA 1951 Section 10e(4) Local Bus Operating Assistance Program. If MDOT determines that the same expense is presented as being eligible for payment under a PROJECT AUTHORIZATION and presented as being eligible for Local Bus Operating Assistance Program reimbursement, the expense could be disallowed under both.

The AGENCY is responsible for the accuracy of the financial and non-financial data and reports submitted for reimbursement.

(Please see Section 20 for additional requirements for the Section 5311 Rural Area Formula Operating Program.)

20. THE SECTION 5311 RURAL AREA FORMULA OPERATING PROGRAM

- a. The AGENCY's initial award amount in a PROJECT AUTHORIZATION is based on a predetermined reimbursement percentage times total eligible expenses reported in the AGENCY's approved annual application.
- b. Revenues, expenses, eligible expenses, and nonfinancial data is reported on a quarterly basis in accordance with the Local Public Transit Revenue and Expenses Manual.
- c. Forty (40) days after the end of each quarter, the AGENCY will submit a quarterly operating assistance report in PTMS.
- d. Payments are capped at one-quarter (1/4) of the amount of the initial award. MDOT may reduce a payment if a quarterly report indicates that the level of service is lower than originally budgeted. No payments will be made until MDOT is authorized to disburse the FEDERAL funds. Any unpaid amounts will be paid immediately upon authorization.
- e. The Section 5311 Program is required to be audited annually in accordance with the Audit Guide. Failure to comply with the audit requirement will result in a determination that the AGENCY has Zero Dollars (\$0.00) total eligible expenses.
- f. The AGENCY must review its annual Certified Public Accountant (CPA) audit as required by Section 29 - Responsibility to Review the Annual CPA Audit.
- g. MDOT reviews the audited eligible expenses for compliance with this Agreement, the R&E Manual, and the Audit Guide. Upon completion of the MDOT review, the AGENCY will be notified of any adjustments made to eligible expenses as reported in the CPA audit, the final calculation of Section 5311 funds determination, and the amount MDOT owes the AGENCY or the amount the AGENCY owes MDOT. The AGENCY will have twenty-one (21) days to either concur or disagree with MDOT's final calculation.

If the AGENCY disagrees with MDOT's final determination, the AGENCY will have an additional twenty-one (21) days to clearly explain the nature and basis for any disagreement and provide any supporting documentation necessary to resolve any disagreements. The AGENCY agrees that failure to submit a response within the forty-two (42) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned expense.

If MDOT finds that the predetermined reimbursement percentage times the audited eligible expenses exceeds the amount of FEDERAL funds available, and sufficient FEDERAL operating funds are not available in the next fiscal year to offset the shortage, a new percentage will be calculated. This new percentage will be calculated by dividing the total FEDERAL funds available for that period and purpose by the total of the audited eligible expenses of all the participating agencies. Any agency that has already received payments in a total amount that exceeds the new percentage of its actual eligible costs calculated pursuant to this paragraph will repay the excess to MDOT. If, within forty-two (42) days after written notification of the overpayment is sent to the AGENCY, arrangements to refund said monies have not been made, MDOT may withhold monies from any present or future contracts and/or from distributions to be made to the AGENCY pursuant to statute and may pursue any other available remedy to recover the overpayment. The AGENCY will be responsible for all costs in excess of the FEDERAL and MDOT funding.

21. THE SPECIALIZED SERVICES PROGRAM

a. Budget Adjustments

In order to adjust funds from one recipient to another, the recipients listed in the PROJECT AUTHORIZATION must make the request in writing, and the AGENCY and the COORDINATING COMMITTEE must agree upon the request.

b. Reimbursements

Actual reimbursement will be based on an hourly rate or the rate for a one-way passenger trip up to the maximum amount provided in the PROJECT AUTHORIZATION.

c. Third-Party Contract Procedures

If no FEDERAL funds are used, then the AGENCY is exempt from the competitive bidding requirements outlined in Section 9 if the recipients listed in the PROJECT AUTHORIZATION are identified in the AGENCY's application to MDOT and are nonprofit corporations organized under the Nonprofit Corporation Act, Act 162 of the Public Acts of 1982, and eligible authorities and eligible governmental agencies as defined in Act 51 of the Public Acts of 1951, as amended. Services provided by for-profit organizations are subject to competitive bidding requirements.

d. Accounting Records and Documentation

- i. The AGENCY will ensure that records are established and maintained to support the number of hours incurred providing service, the number of passengers carried, and the number of miles traveled.
- ii. Agencies and subrecipients will use the current [Specialized Services Manual](#).

22. THE SECTION 5310 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAM

a. Use and Disposition of Facility/Project Equipment

In addition to the requirements in Section 15, the AGENCY agrees that the facility/PROJECT equipment will be used for the provision of public transportation service primarily for the elderly and persons with disabilities for the duration of its useful life and in accordance with the provision approved in the annual application and this Agreement.

b. Lease of Project Equipment

The AGENCY may lease the PROJECT equipment to any other agency with the prior written approval of MDOT. The AGENCY will maintain or require the lessee to maintain the insurance provisions of Section 16 above. Any such lease will contain all applicable provisions of this Agreement.

23. REPORTING REQUIREMENTS

a. Milestone Reports

The AGENCY will prepare and submit to MDOT milestone reports ten (10) days after the end of each quarter in PTMS. Upon completion of the PROJECT deliverables, the AGENCY must submit to MDOT prior to the final PROJECT payment a comprehensive summary close-out report on the results of the PROJECT, the conclusions reached, and the methods used.

b. Final Reports

The final close-out report must be submitted in the following Americans with Disabilities Act (ADA) compliant format:

- Use Arial font 11 or 12 point.
- Left justified.
- Underlining should be reserved for Uniform Resource Locators (URLs).
- Minimize use of bold or italics with text.
- Refrain from using all caps or highlighting text.

- If using text boxes, tables, and/or graphics, use descriptions the Optical Character Recognition (OCR) reader will recognize.
- No scanned documents.

c. **Management Information System Reporting**

Management Information System (MIS) Reports must be in the status of signed, pending grantee review by the date indicated on the letter from MDOT. If the report is not submitted by the requested date, all FEDERAL funding will be placed on hold. If the report is not completed by the FTA final deadline date (March 15th), all current funding will be withheld, and future funding may be denied.

d. **Section 5310 Performance Measures**

All Section 5310 performance measure reports must be completed and submitted by the deadline. If the report is not submitted by the requested date, all FEDERAL funding will be placed on hold. If the report is not completed by the FTA final deadline date (October 30th), all current funding will be withheld, and future funding may be denied.

24. COMPLIANCE REVIEWS

If the AGENCY fails to respond to letters of finding within forty-five (45) days, twenty-five percent (25%) of local bus operating funds will be withheld, current PROJECT AUTHORIZATIONS will be suspended, and/or future funding may be denied. These measures will remain in effect until a satisfactory corrective action plan or requested documentation has been received and approved by MDOT. Once approval has been given, notification will be sent that withholding measures have been stopped and withheld funds will be released to the AGENCY.

25. ACCOUNTING RECORDS, INTERNAL CONTROLS, AND RECORD RETENTION

With regard to audits and record-keeping:

- a. The AGENCY will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Agreement and/or any PROJECT AUTHORIZATION (RECORDS). Separate accounts will be established and maintained for all costs incurred for each PROJECT AUTHORIZATION under this Agreement.
- b. The AGENCY will maintain the RECORDS for at least three (3) years from the date of final payment made by MDOT under this Agreement and any PROJECT

AUTHORIZATION. In the event of a dispute with regard to the allowable expenses or any other issue under this Agreement or any PROJECT AUTHORIZATION, the AGENCY will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

Agencies that are FORMULA RECIPIENTS will maintain the RECORDS for at least three (3) years from the date of final payment made by MDOT under this Agreement and any PROJECT AUTHORIZATION and until notified that the Local Bus Operating Assistance Program for the year of the RECORDS has been closed out.

- c. Agencies that are FORMULA RECIPIENTS will implement internal controls to identify and keep separate expenses incurred under PROJECT AUTHORIZATIONS from expenses incurred for 51 PA 1951 Section 10e(4) reimbursement.
- d. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.
- e. If any part of the work is subcontracted, the AGENCY will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.

26. FISCAL YEAR-END ACCOUNTING COMPLIANCE

Agencies must follow year-end accounting procedures in accordance with directions and guidance provided by MDOT for any AWARD. This includes, but is not limited to, payment requests and the setup of payables. Failure to comply could result in the loss of funds.

27. CONTRACTUAL PROVISION FOR FORMULA RECIPIENTS – CPA REPORT ON INTERNAL CONTROLS

If the AGENCY is an urban FORMULA RECIPIENT (an agency with an area whose population exceeds 100,000), it will engage a CPA to test and report on the AGENCY's internal controls, as specified in Section 25(c). The CPA engaged by the AGENCY may be the same CPA who performs the audit required pursuant to Sections 28(a) and 28(b). The report on internal controls issued by the CPA should be emailed to MDOT's Auditing Specialist for the Office of Passenger Transportation.

28. ANNUAL CPA AUDIT REQUIREMENTS

If both a Federal Single Audit and a State Transit Audit are required, the AGENCY may have one audit performed that meets the requirements of both Subpart F of PART 200

and the Audit Guide. The audit must be submitted as required in subsections (a) and (b) below.

a. **Federal Single Audit**

Agencies expending a total of Seven Hundred Fifty Thousand Dollars (\$750,000.00) or more in FEDERAL funds from one or more funding sources in their fiscal year must have a single audit conducted for that year in accordance with Subpart F of PART 200. Submission requirements for the Single Audit are located at [Section 200.512 “Report submission”](#) of PART 200.

The Single Audit and the Section 200.512 of PART 200 reporting requirements must be:

- i. Uploaded at: <https://harvester.census.gov/facweb/default.aspx/>, or a hard copy can be put in the U.S. mail to:

Federal Audit Clearinghouse*
1201 East 10th Street
Jeffersonville, Indiana 47132

*No contact person necessary

- ii. Sent to the following address via email:

Michigan Department of Transportation
Financial Operations Division
Budget, Outreach and Program Support Section
MDOT-LocalAgencyAudit@michigan.gov

If the Single Audit contains a Section 200.516(a) “Audit Findings” and/or a status of prior audit findings relating to a FEDERAL award, an electronic copy of the annual audit must be sent to Mr. Matthew Dietrich, Financial Analyst Federal Transit Administration, at: matthew.dietrich@dot.gov.

b. **State Transit Audit**

Agencies expending less than Seven Hundred Fifty Thousand Dollars (\$750,000.00) in FEDERAL funds that are also FORMULA RECIPIENTS must have an annual CPA audit performed in accordance with the Audit Guide and all other applicable state laws and regulations relative to audit requirements. The audit will be uploaded to the Michigan Department of Treasury’s [website](#).

c. **No CPA Audit Required**

Agencies expending less than Seven Hundred Fifty Thousand Dollars (\$750,000.00) in FEDERAL funds that are not FORMULA RECIPIENTS are not required to have a CPA audit performed but must submit the following information to MDOT:

- i. A statement advising that a single audit is not required.
- ii. The applicable fiscal year.
- iii. The amount of FEDERAL funds spent.
- iv. The name(s) of the MDOT federal programs.
- v. The Assistance Listing (formerly known as the Code of Federal Domestic Assistance).

All agencies are subject to the federally-required monitoring activities, which may include limited scope reviews and other on-site monitoring.

29. RESPONSIBILITY TO REVIEW THE ANNUAL CPA AUDIT

Within thirty (30) days of the audit being posted to the appropriate website, the AGENCY will:

- a. Review all aspects of the audit relating to this Agreement and all applicable PROJECT AUTHORIZATIONS, including the following:
 - i. The Schedule of Expenditure of Federal and State Awards to verify that it is complete and accurate.
 - ii. Audit findings applicable to this Agreement and the PROJECT AUTHORIZATIONS hereunder.
 - iii. If Section 27 of this Agreement applies, the AGENCY will verify that the opinion issued by the CPA is an unqualified opinion.
- b. Report all errors, omissions, deficiencies, and inconsistencies in writing to the Auditing Specialist for MDOT's Office of Passenger Transportation (NOTIFICATION). The NOTIFICATION must include but is not limited to the following:
 - i. Identification of any missing line items for each PROJECT AUTHORIZATION and any incorrect dollar amounts reported on the Schedule of Expenditure of Federal and State Awards. The NOTIFICATION must explain why the errors occurred and must identify the corrective action taken or being taken to prevent future misreporting.
 - ii. If an audit finding, particularly one that identifies loss due to neglect, misuse, waste, or conflict of interest, is applicable to a PROJECT

AUTHORIZATION, the NOTIFICATION must explain the impact the audit finding has on the amount MDOT would otherwise be obligated to pay on the PROJECT AUTHORIZATION. The explanation must identify the corrective action taken or being taken to help to ensure that the audit finding is not repeated in future audits.

- iii. If the CPA issued a qualified opinion on the internal controls report required under Section 27, the NOTIFICATION must explain the internal control failure(s) and must identify the corrective action taken or to be taken to help to ensure that an unqualified opinion will be issued in future audits.

The AGENCY must take the necessary corrective action to prevent the same errors, omissions, deficiencies, and/or inconsistencies from being repeated in subsequent years' audits. Repetition of errors resulting in the same audit findings may result in the loss of funds associated with the PROJECT AUTHORIZATIONS that are the subjects of the audit findings.

- c. If no errors, omissions, deficiencies, or inconsistencies are found in the audit, the AGENCY may either:
 - i. Submit a written concurrence to MDOT's Auditing Specialist that will allow the Office of Passenger Transportation to begin its review of the CPA audit; or
 - ii. Take no action and allow the thirty (30) day review period to expire. The AGENCY agrees that failure to submit a written concurrence means that the AGENCY has performed the required review, concurs with the audit, and agrees that MDOT can proceed with its review.

Upon expiration of the AGENCY's thirty (30) day review period, MDOT will review the CPA audits.

30. MDOT AUDIT AND ADJUSTMENTS

In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Agreement or any PROJECT AUTHORIZATION or questions the allowability of an item of expense, MDOT will promptly submit to the AGENCY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the AGENCY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the AGENCY will (a) respond in writing to the responsible bureau or office of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any

disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE." The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the AGENCY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Agreement. The AGENCY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the AGENCY, the AGENCY will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the AGENCY fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the AGENCY agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the AGENCY under this Agreement or any other agreement or payable to the AGENCY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The AGENCY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the AGENCY in a timely filed RESPONSE.

31. ACCESS

The AGENCY agrees to provide to MDOT copies of all reports and data specified in each PROJECT AUTHORIZATION. The AGENCY further agrees to provide MDOT access to all technical data, reports, other documents, lists of personnel, and work in process pertaining to any PROJECT. Copies of technical data, reports, lists of personnel, and other documents will be provided by the AGENCY upon request from MDOT and/or the FEDERAL agency.

32. NONDISCRIMINATION AND DISADVANTAGED BUSINESS ENTERPRISE

- a. In connection with the acceptance of this Agreement, the AGENCY (hereinafter in Appendix A referred to as the “contractor”) agrees to comply with the State of Michigan provisions for “Prohibition of Discrimination in State Contracts,” as set forth in Appendix A, dated June 2011, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to this Agreement
- b. During the performance of this Agreement, the AGENCY, for itself, its assignees, and its successors in interest (hereinafter in Appendix B referred to as the “contractor”) agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the US DOT (49 CFR Part 21) issued pursuant to said Act, including Appendix B, dated June 2011, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to this Agreement.
- c. The AGENCY will carry out the applicable requirements of MDOT’s Disadvantaged Business Enterprise (DBE) program and 49 CFR Part 26, including, but not limited to, those requirements set forth in Appendix C, dated October 2, 2014, with regard to its contracting opportunities. The AGENCY’s contracting opportunities include the purchase of any items and the undertaking of any construction projects except transit vehicles.

When the AGENCY reaches the FEDERAL threshold of Two Hundred Fifty Thousand Dollars (\$250,000.00) per FEDERAL fiscal year on FEDERAL funds administered by MDOT, MDOT will notify the AGENCY if it is required to submit its quarterly DBE Accomplishments to MDOT for these FEDERAL funds. Transit vehicles are exempt from this Two Hundred Fifty Thousand Dollar (\$250,000.00) threshold. Failure to comply with 49 CFR Part 26 will result in the withholding of FEDERAL funds administered by MDOT.

- d. Recipients of Department of Transportation (DOT) funds are expected to keep accurate data regarding the contracting opportunities available to firms paid for with DOT dollars. Failure to submit contracting data relative to the DBE program will result in noncompliance with 49 CFR Part 26. All dollar values listed on this form (Uniform Report of DBE Awards or Commitment and Payments) should represent the DOT share attributable to the Operating Administration.
- e. The DBE Commercially Useful Function (CUF) requirements (form 4109T) of MDOT’s Office of Passenger Transportation are set up to ensure compliance with 49 CFR Part 26.37(b). The requirements are effective immediately and apply to all federally-funded MDOT and local agency projects that include participation of a DBE certified company. It should be noted that this applies to all projects with work completed by DBE firms, not just projects with a DBE goal. This review

should be conducted while the DBE is actually working on the project. Federal regulation 49 CFR 26.55 states: “A DBE performs a commercially useful function when it is responsible for execution of the work on the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved.” Additional FHWA CUF guidance can be found at: www.fhwa.dot.gov/federal-aidessentials/commusefunction.pdf.

- f. Agencies that direct reports to the FTA for the purposes of the DBE Program are required to provide copies of their FTA DBE participation reports on a semi-annual basis to MDOT.

33. CERTIFICATION

For any PROJECT AUTHORIZATION in excess of One Hundred Thousand Dollars (\$100,000.00) of FEDERAL funds, the AGENCY certifies to the best of its knowledge and belief that:

- a. No FEDERAL appropriated funds have been paid or will be paid by or on behalf of the AGENCY to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any FEDERAL contract, the making of any FEDERAL grant, the making of any FEDERAL loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any FEDERAL contract, grant, loan, or cooperative agreement.
- b. If any funds other than FEDERAL appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this grant, the AGENCY will complete and submit Standard Form LLL, “Disclosure Form to Report Lobbying,” pursuant to Section 1352, Title 31 USC, in accordance with its instructions.
- c. The AGENCY will require that the language of this certification be included in the award documents for all third-party agreements (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients will certify and disclose accordingly.
- d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31 USC. Any person who fails to file the required certification will be subject to a civil penalty of not less than Ten Thousand

Dollars (\$10,000.00) and not more than One Hundred Thousand Dollars (\$100,000.00) for each such failure.

34. TERMINATION OR SUSPENSION

The AGENCY agrees that any PROJECT AUTHORIZATION and/or this Agreement may be terminated for any reason articulated in Section 340 (“Termination”) of PART 200.

For any reason, MDOT or the AGENCY may, by thirty (30) days written notice or as otherwise specified in the PROJECT AUTHORIZATION, suspend any or all of the rights and obligations under this Agreement or any PROJECT AUTHORIZATION until such time as the event or condition resulting in such suspension has ceased or been corrected.

For any reason, MDOT may, by thirty (30) days written notice to the AGENCY, or as otherwise specified in the PROJECT AUTHORIZATION, terminate any or all of the rights and obligations under this Agreement or any PROJECT AUTHORIZATION.

Upon receipt of any notice of termination or suspension of a PROJECT under this section and in accordance with MDOT procedures, the AGENCY will proceed promptly to carry out the actions required therein, which may, without limitation, include any or all of the following:

- a. Take all necessary action to keep to a minimum the further incurrence of eligible PROJECT costs.
- b. Furnish to MDOT a statement of the status of the PROJECT, the inventory, and the PROJECT costs to date, as well as a proposed schedule, plan, and budget for terminating or suspending and closing out PROJECT activities and contracts, and other undertakings, the costs of which are otherwise eligible as PROJECT costs. The closing out will be carried out in conformity with the latest schedule, plan, and budget approved by MDOT or under the terms and conditions imposed by MDOT for failure of the AGENCY to furnish a schedule, plan, and budget within a reasonable time. The closing out of MDOT financial participation in the PROJECT will not constitute a waiver of any claim MDOT may otherwise have arising out of this Agreement.

35. UNFAIR LABOR PRACTICES

In accordance with 1980 PA 278, MCL 423.321 *et seq.*, the AGENCY, in the performance of this Agreement, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) separate occasions involving different

violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Agreement if the name of the AGENCY or the name of a subcontractor, manufacturer, or supplier utilized by the AGENCY in the performance of this Agreement subsequently appears in the register during the performance period of this Agreement. The website for the register is <http://www.sam.gov/portal/SAM/#1>.

36. ASSIGNMENT OF ANTITRUST RIGHTS

With regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement, the AGENCY hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 – 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The AGENCY shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement due to any violation of 15 USC, Sections 1 – 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The AGENCY shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement may have occurred or is threatened to occur. The AGENCY shall also notify MDOT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement.

37. INTEREST OF MEMBERS OF OR DELEGATES TO CONGRESS

No member of or delegate to the Congress of the United States will be admitted to any share or part of this Agreement or to any benefit arising therefrom.

38. PROHIBITED INTEREST

No member, officer, or employee of the AGENCY, during his/her tenure or one (1) year thereafter, will have any interest, direct or indirect, in this Agreement or the proceeds thereof.

39. POLITICAL ACTIVITY

None of the funds, the facilities, or the PROJECT equipment provided in any PROJECT AUTHORIZATION under this Agreement will be used for any partisan political or millage activity or to further the election or defeat of any candidate for public office.

40. DISCREPANCIES

In case of any discrepancy between the body of this Agreement and any attachment hereto, the body of this Agreement will govern. In case of any discrepancy between the body of this Agreement and any PROJECT AUTHORIZATION hereunder, the body of this Agreement will govern.

41. TERM OF AGREEMENT

The effective date of this Agreement is October 1, 2021, and the Agreement will continue in effect until the last obligation between the parties under this Agreement has been fulfilled. The Agreement will include PROJECT AUTHORIZATIONS for program years 2022 through 2025.

When the funding of a PROJECT AUTHORIZATION is contingent upon the award of the matching FEDERAL grant for MDOT and FTA funds, MDOT will allow costs to be incurred for PROJECTS in advance of FEDERAL and MDOT approval to be apportioned in fiscal years 2022-2025, including carryover amounts, subject to allowance by the FEDERAL agency and the following: (1) use of this pre-award spending authority must meet all of the conditions and requirements as may be set forth in the Federal Register, and (2) costs incurred for the PROJECT that are not approved by the FEDERAL agency or MDOT will not be eligible for reimbursement and will remain the responsibility of the AGENCY.

When a PROJECT AUTHORIZATION contains only state funds or only state and local funds, MDOT will allow costs to be incurred by the AGENCY for the PROJECT prior to award of the PROJECT AUTHORIZATION. If costs are incurred for a PROJECT that are not approved by MDOT, those costs will not be eligible for reimbursement and will remain the responsibility of the AGENCY. If for any reason the PROJECT AUTHORIZATION does not get awarded, MDOT will not be responsible for expenses that have been incurred.

MDOT will not pay or be responsible for any costs incurred by the AGENCY subsequent to the expiration of the PROJECT AUTHORIZATION.

PROJECT AUTHORIZATIONS may be issued under this Agreement beginning October 1, 2021. The term for a PROJECT AUTHORIZATION will be indicated on that PROJECT AUTHORIZATION.

42. SIGNING

This Agreement will become binding on the parties upon signing by the duly authorized representatives of the AGENCY and MDOT and upon the adoption of a resolution approving this Agreement and authorizing the signature(s) hereto of the respective official(s) of the AGENCY. A certified copy of the Agreement resolution must be provided to MDOT.

Prior to the award of any PROJECT AUTHORIZATION, the AGENCY must provide to MDOT a certified copy of a resolution approving the PROJECT AUTHORIZATION and authorizing the signature(s) of the respective official(s) of the AGENCY. In lieu of individual resolutions for each PROJECT AUTHORIZATION, the AGENCY may elect to provide authority to sign the PROJECT AUTHORIZATION as a part of the Agreement resolution.

OTTAWA COUNTY BOARD OF COMMISSIONERS

By: _____
Title:

By: _____
Title:

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director

APPROVED
Director Agenda

December 9, 2016

EXHIBIT A
INSURANCE REQUIREMENTS

All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable insurance (including self-insurances) carried by the STATE. The AGENCY also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

The AGENCY will comply will the following insurance requirements as applicable:

1. Vehicle Insurance

- a. Motor vehicle insurance as required by P.A. 218 of 1956, as amended by P.A. 294 of 1972, the Michigan No-Fault Insurance Law.
 - i. Personal Protection Insurance as required by MCL 500.3101(1).
 - ii. Property Protection Insurance as required by MCL 500.3101(1).
 - iii. Residual Liability Insurance as required by MCL 500.3101(1).
 - iv. Self-insurance may be utilized provided the appropriate coverage, limits, and Secretary of State certification is provided. A One Million Dollar (\$1,000,000) minimum per occurrence limit should be carried.
 - v. The coverage specified above will be in the minimum combined single limit amount of One Million Dollars (\$1,000,000) per occurrence.
- b. Collision coverage as provided in P.A. 218 of 1956, MCL 500.3037 and comprehensive coverage as provided in P.A. 218 of 1956, MCL 500.2102 shall be carried. Both collision coverage and comprehensive coverage will be for the actual cash value of the vehicle. The amount of deductible for collision coverage and comprehensive coverage will be determined by the AGENCY and will be payable by the AGENCY. The AGENCY with prior STATE approval may self-insure the collision and comprehensive coverage.
- c. The coverage specified above will name the AGENCY and the STATE as the insured.

2. Facility and/or Equipment Insurance (Non-vehicle) and Bonds

- a. Insurance - During the term of this Agreement, the AGENCY will:

- i. Keep all buildings, improvements, and equipment in, on, or appurtenant to the transportation facility or premises at the commencement of construction and thereafter, including all alterations, building, rebuilding, replacements, changes, additions, and all improvements, insured against loss, and all perils, in an amount not less than ninety percent (90%) of the full replacement value. The AGENCY will be responsible for the payment of any deductible. The AGENCY will maintain an annual inventory of all equipment purchased under this Agreement with current dollar values.
- ii. Provide Commercial General Liability Insurance covering all operations by or on behalf of the AGENCY against claims for personal injury (including bodily injury and death) and property damage in the minimum amount of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) general aggregate.

b. Bonds

The AGENCY will require the successful bidder to procure and deliver to the AGENCY a Performance Bond and a Lien Bond each in an amount equal to the Agreement price, underwritten by a surety licensed to do business in Michigan, naming the AGENCY as the obligee. Such bonds will be delivered to the AGENCY prior to any construction work being performed.

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX B
TITLE VI ASSURANCE

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

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment 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 contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor’s obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
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 facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it 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 Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material 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 Department or the USDOT 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 from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

APPENDIX C
Assurances that Recipients and Contractors Must Make
(Excerpts from US DOT Regulation 49 CFR § 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

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 US DOT-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 recipient deems appropriate, which may include, but is not limited to:

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

OTTAWA COUNTY
STATE OF MICHIGAN

RESOLUTION

At a regular meeting of the Ottawa County Board of Commissioners, held at the Fillmore Complex in the Township of Olive, Michigan on October 26, 2021 at 1:30 p.m. local time.

PRESENT: Commissioners _____

ABSENT: Commissioners _____

It was moved by Commissioner _____ and supported by Commissioner _____ that the following Resolution be adopted:

WHEREAS, the County of Ottawa has the authority to contract with the Michigan Department of Transportation for State and/or Federal funds for passenger transportation related services; and,

WHEREAS, the County of Ottawa does hereby approve Master Agreement No. 2022-0121;

NOW, THEREFORE, BE IT RESOLVED, that the current and future office-holders of the Chairperson of the Ottawa County Board of Commissioners and the Ottawa County Clerk/Register be authorized and directed to execute contracts under Master Agreement No. 2022-0121 on behalf of the County of Ottawa

YEAS: Commissioners _____

NAYS: Commissioners _____

RESOLUTION DECLARED ADOPTED.

Chairperson, Ottawa County
Board of Commissioners

Ottawa County Clerk/Register