

2016-013

Gladwin City-County Transit

615 Water Court P.O. Box 46 Gladwin Michigan 49624
Phone: (989) 426-6751 Fax: (989) 426-5447



EXCERPT OF MINUTES

The following resolution was offered by Walters
and supported by Hinman.

Be it resolved, that the County of Gladwin does hereby approve the proposed Contract submitted by the Michigan Department of Transportation.

Be it further resolved, that Terry Walters and Josh Reid be authorized and directed to execute Contract No. 2017-0052 for and on behalf of the County of Gladwin.

Resolution Declared Adopted

CERTIFIED

Laura Brandon-Maveal

Laura Brandon-Maveal
County Clerk

September 13, 2016

Date

**CERTIFIED SIGNATURE RESOLUTION
FOR
MDOT MASTER AGREEMENT**

Whereas, the Gladwin County Board of Commissioners has the authority to contract with the Michigan Department of Transportation for state and/or federal funds for passenger Transportation related services; and,

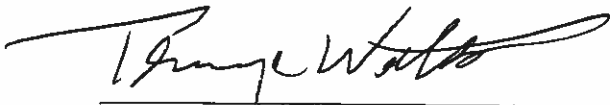
Whereas, the Gladwin County Board of Commissioners does hereby approve the Master Agreement No. 2017-0052,

Now, therefore, be it resolved that Terry Walters, Board Chairman and Josh Reid, Transportation Director be authorized and directed to execute said agreement for and on behalf of the Gladwin County Board of Commissioners/Gladwin City-County Transit.

CERTIFICATE

The undersigned duly qualified Board Secretary of the Gladwin County Board of Commissioners certifies the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Gladwin County Board Commissioners held on

09/13/2016



Signature

Terry L. Walters
Printed Name

Chairman - Boc

Title

9-13-16

Date

**MICHIGAN DEPARTMENT OF TRANSPORTATION
GLADWIN COUNTY BOARD OF COMMISSIONERS**

**MASTER AGREEMENT FOR
PUBLIC TRANSPORTATION PROJECTS**

This Agreement is made and entered into this date of September 13, 2016 by and between the Michigan Department of Transportation (MDOT) and Gladwin County Board of Commissioners (AGENCY).

Table of Contents

Section 1.	Definitions
Section 2.	Purpose
Section 3.	Project Funding
Section 4.	Eligible Project Costs
Section 5.	Budget Adjustments, Revisions, and Amendments
Section 6.	Procurement of Vehicles by AGENCY
Section 7.	Competitive Procurement
Section 8.	Third-Party Contract Procedures
Section 9.	Inspection of Project Equipment and Records
Section 10.	Use and Disposition of Facility/Project Equipment
Section 11.	Insurance
Section 12.	Indemnification
Section 13.	Accounting Records and Documentation
Section 14.	Billings and Payments for Capital Programs
Section 15.	Billings, Payments, and Quarterly Reports for Operating Programs
Section 16.	Audit
Section 17.	Access
Section 18.	Termination or Suspension
Section 19.	Nondiscrimination and Disadvantaged Business Enterprise
Section 20.	Unfair Labor Practices
Section 21.	Certification
Section 22.	Prompt Payment
Section 23.	Interest of Members of or Delegates to Congress
Section 24.	Prohibited Interest
Section 25.	Political Activity

- Section 26. Assignment of Antitrust Rights
- Section 27. Additional Requirements for the Section 5311 Nonurbanized Area Formula Operating Program
- Section 28. Additional Requirements for the Specialized Services Program
 - a. Budget Adjustments
 - b. Reimbursements
 - c. Third-Party Contract Procedures
 - d. Accounting Records and Documentation
- Section 29. Additional Requirements for the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program
 - a. Use and Disposition of Facility/Project Equipment
 - b. Lease of Project Equipment
- Section 30. Conflict
- Section 31. Term of Agreement
- Section 32. Signing

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

- COMMISSION - Means the Michigan State Transportation Commission.
- COORDINATING COMMITTEE - Means a group of local human service agencies representing SPECIALIZED SERVICES interests.
- FEDERAL - Means the United States Department of Transportation, Federal Transit Administration (FTA), and/or Federal Highway Administration (FHWA).
- 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 corresponding FEDERAL grant.
- PROJECT AUTHORIZATION - Means the written document(s) 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.
- RURAL AGENCY - Means an agency that does not receive Section 5307 Urbanized Area Formula Program funding.

- SERVICE OPERATIONS - Means general administration, maintenance, and operations performed under this Agreement as listed in a PROJECT AUTHORIZATION under the category of SERVICE OPERATIONS.
- SPECIALIZED SERVICES - Means transportation services primarily designed for persons with disabilities and persons who are sixty-five (65) years of age or older.
- STATE - Means the State of Michigan.

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 under this Agreement. 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 under this Agreement that contains FEDERAL funds, the AGENCY must follow the FEDERAL guidelines and regulations of the respective FEDERAL agency and program.

3. 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 that is the prime contractor. 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 that is the prime contractor. MDOT and the AGENCY must comply with the provisions established by the FEDERAL matching grant as they affect this Agreement and each PROJECT AUTHORIZATION issued under this Agreement, 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.

4. 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.

- a. FEDERAL Capital - Determination of eligible PROJECT costs for any public agency receiving FEDERAL capital funds will be in accordance with the criteria set forth in Title 49 Code of Federal Regulations (CFR) Part 18 in effect at the time the PROJECT AUTHORIZATION is signed by both parties. Determination of eligible PROJECT costs for any private, nonprofit agency receiving FEDERAL capital funds will be in accordance with the criteria set forth in 49 CFR Part 19 in effect at the time the PROJECT AUTHORIZATION is signed by both parties.
- b. FEDERAL Operating - Determination of eligible PROJECT costs for any agency receiving FEDERAL operating funds will be in accordance with the criteria set forth in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, in effect at the time each PROJECT AUTHORIZATION is signed by both parties, and said criteria will be included in all subdocuments related to this Agreement. The guidance can be found at http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

- c. STATE Capital - Determination of eligible PROJECT costs for any agency receiving STATE capital funds will be in accordance with the criteria set forth in 2 CFR Part 200 and/or 49 CFR Part 18 in effect at the time each PROJECT AUTHORIZATION is signed by both parties.
- d. STATE Operating - Determination of eligible PROJECT costs for any agency eligible to receive STATE operating funds will be in accordance with the criteria set forth in the "Local Public Transit Revenue and Expense Manual" (R&E Manual), incorporated herein by reference, in effect during the fiscal year(s) in which costs are incurred and in accordance with 2 CFR Part 200. The R&E Manual may be viewed at <http://www.michigan.gov/mdotptd> under "Resources," "Audit/Accounting Information."
- e. Insurance Proceeds – For all losses, after deductibles are met, insurance proceeds will be used for replacement/repair before state and/or federal funds are used.
- f. Travel – Actual costs in accordance with and not to exceed the amounts set forth in the current State of Michigan Standardized Travel Regulations, incorporated herein by reference. Current State of Michigan Standardized Travel Regulations can be found at <http://www.michigan.gov/dtmb>, Services & Facilities – Travel.

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.

5. 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, 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 Rural Task Force or Metropolitan Planning Organization, 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 28 for additional requirements for the Specialized Services Program.)

6. **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 as described in Section 8. 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." This document is available at <http://www.michigan.gov/mdotptd> under "Procurement," "State Vehicle Contracts and Procurement," "State 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 8. The guidelines are available at <http://www.michigan.gov/mdotptd> under "Procurement," "State Vehicle Contracts and Procurement," "Local Purchase."

For procurement of demand response vehicles, the AGENCY must have an approved vehicle accessibility plan in accordance with 1951 Public Act (PA) 51, Section 10(e) 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.

7. **COMPETITIVE PROCUREMENT**

If the AGENCY receives FEDERAL funding through MDOT for the procurement, the AGENCY will comply with the following requirements:

- a. The AGENCY will follow the current procedures outlined in the "Procurement Guidelines for Grantees Receiving Federal Transit Funds via MDOT." The

procedures can be found at <http://www.michigan.gov/mdotptd> under "Procurement," "Procurement Guidelines," "Procurement Guidelines for Grantees Receiving Federal Transit Funds via MDOT."

- b. The AGENCY will document how the price was determined to be fair and reasonable for purchases up to Three Thousand Dollars (\$3,000.00) or, as an alternative, will document compliance with the provisions of subsections (c) or (d) below.
- c. The AGENCY will document competitive quotations from an adequate number of qualified sources for purchases up to One Hundred Fifty Thousand Dollars (\$150,000.00), except for purchases of Three Thousand Dollars (\$3,000.00) or less, or, as an alternative will document compliance with the provisions of subsection (d) below.
- d. The AGENCY will solicit and advertise for competitive bids/proposals for purchases of One Hundred Fifty Thousand Dollars (\$150,000.00) or more, except for contracts for architectural and engineering services. The AGENCY will ensure that there is an adequate number of qualified bidders/proposers. The AGENCY may award a contract to a responsible proposer other than the lowest in price provided that adequate provision for such action is included in the RFP. Justification for such selection will be provided to MDOT prior to the award of the contract.
- e. The AGENCY will solicit and advertise for proposals from an adequate number of sources to permit reasonable competition for contracts for architectural and engineering services. The AGENCY will use competitive proposal procedures based on the Brooks Act, as defined in 40 USC Part 541, regardless of the dollar amount of the project.

(Please see Section 28 for additional requirements for the Specialized Services Program.)

8. **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. 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 a warranty of the third party's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity.

PROJECT-Related Procurement: The AGENCY will submit to MDOT copies of the following procurement documents for review and approval by MDOT for solicitations over the amount identified in COMMISSION policy.

- a. Prior to solicitation:
 - i. Invitations for bids (IFBs) and requests for proposals (RFPs) when either of these methods of procurement is used.
 - ii. Amendments to the above, to be submitted by the AGENCY prior to distribution.
 - iii. Any specifications, plans, drawings, and quantity figures to be included in the IFBs or RFPs.
- b. After solicitation:
 - i. Unsigned third-party contracts.
 - ii. Copies of selected bids or proposals. (The AGENCY will retain copies of all other bids and proposals received.)
 - iii. Lists that include the names of all bidders or proposers, the amount of each bid or the score for each proposal, responsible and responsive determinations, and identification of the selected bids or proposals.

9. 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 inspections of any nature by MDOT will not be construed as a warranty or assumption 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.

10. 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 real 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 to 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.

(Please see Section 29 for additional requirements for the Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program.)

11. 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 April 1, 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.

12. INDEMNIFICATION

The AGENCY agrees to indemnify and save harmless the STATE, 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, 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, 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.

13. ACCOUNTING RECORDS AND DOCUMENTATION

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 comply with the Single Audit Act of 1984, as amended, including, but not limited to, the Single Audit Amendments of 1996 (31 USC 7501-7507), and the requirements of 2 CFR Part 200, including Subpart F – Audit Requirements, as amended, that are in effect at the time of Contract award with regard to audits.
 - i. 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. The Seven Hundred Fifty Thousand Dollar (\$750,000.00) threshold represents all federal funding sources. This is in accordance with the Single Audit Act of 1984, as amended, and 2 CFR Part 200 Subpart F, as amended.
 - ii. Agencies expending less than Seven Hundred Fifty Thousand Dollars (\$750,000.00) in FEDERAL funds must submit a letter to MDOT advising that a single audit was not required. The letter will indicate the applicable fiscal year, the amount of FEDERAL funds spent, the name(s) of the MDOT federal programs, and the Code of Federal Domestic Assistance (CFDA) grant number(s). This information must also be submitted to the addresses in paragraph (iv) below.
 - iii. Agencies must complete their single audits electronically through the Federal Audit Clearinghouse website (<http://harvester.census.gov/fac/>). Users are instructed to create an online report ID and then to complete

Form SF-SAC prior to submitting their reporting packages. The audit will be completed and submitted electronically within thirty (30) days after receipt of the auditor's report(s) or within nine (9) months after the end of the AGENCY's fiscal year, whichever is earlier.

- iv. Agencies must also submit one (1) paper copy of the completed Form SF-SAC and reporting package within the same time frame set forth in paragraph (iii) above to the address(es) below:

Address:

Michigan Department of Transportation
Financial Operations Division
Budget, Outreach and Program Support Section
P. O. Box 30050
Lansing, MI 48909

With a copy to:

Michigan Department of Transportation
Office of Passenger Transportation
Mail Code B425
P.O. Box 30050
Lansing, MI 48909

- v. Agencies must also comply with applicable STATE laws and regulations relative to audit requirements.
 - vi. Agencies will not charge audit costs to MDOT's federal programs that are not in accordance with the aforementioned 2 CFR Part 200 requirements.
 - vii. All agencies are subject to the federally-required monitoring activities, which may include limited scope reviews and other on-site monitoring.
- c. 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.
 - 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.

(Please see Section 28 for additional requirements for the Specialized Services Program.)

14. 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 provide a cover letter requesting reimbursement for any eligible PROJECT costs. The cover letter will 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 in the cover letter the identification number(s) of the vehicle(s) to be replaced.
 - i. 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.
 - ii. RURAL AGENCIES will submit required supporting documentation for each billing as set forth in the current "Procurement Guidelines for Grantees Receiving Federal Transit Funds via MDOT." The procedures can be found at <http://www.michigan.gov/mdotptd> under "Procurement," "Procurement Guidelines," "Procurement Guidelines for Grantees Receiving Federal Transit Funds via MDOT."
 - iii. 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.

- iv. 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." The guidelines are available at <http://www.michigan.gov/mdotptd> under "Procurement," "State Vehicle Contracts and Procurement," "Local Purchase."
 - v. When requesting reimbursements for vehicles purchased under the STATE's Vehicle Purchasing Program, the AGENCY must follow the procedures outlined in the current "Guidelines for State Vehicle Purchasing Programs." The guidelines can be found at <http://www.michigan.gov/mdotptd> under "Procurement," "State Vehicle Contracts and Procurement," "State Purchasing Program."
 - vi. MDOT reserves the right to verify progress of work and/or delivery of products to the AGENCY by visual inspection.
 - vii. 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 sixty (60) days after PROJECT completion or termination, the AGENCY will submit to MDOT a billing designated as Final Billing to be charged against the PROJECT AUTHORIZATION. Upon written request by the AGENCY to MDOT within the sixty (60) day period, which request will include documentation of the circumstances that prevent timely submission of all billings that support the final billing, MDOT may, in writing, extend the sixty (60) day period to a date certain. If the AGENCY fails to provide all billings and supporting documentation for the final billing sixty (60) days after the date of PROJECT completion or termination 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.

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

15. 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 prepare and furnish to MDOT quarterly operating assistance reports; a copy of the report form is in PTMS. Access to PTMS can be found at

<https://sso.state.mi.us>. Said reports are due within forty (40) days after the end of each fiscal year quarter. MDOT may withhold operating funds from the AGENCY for failure to provide a quarterly operating assistance report until such time as the AGENCY provides the report.

- b. One-fourth (1/4) of the funds to be provided by the STATE and/or STATE 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-fourth (1/4) of the funds provided by the STATE and/or STATE 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.

MDOT may appropriately reduce a subsequent payment if a quarterly report submitted by the AGENCY as required under this Agreement indicates that the level of service is lower than budgeted. Upon receipt of the fourth quarterly report, reconciliation will be made of any remaining funds.

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

(Please see Section 27 for additional requirements for the Section 5311 Nonurbanized Area Formula Operating Program.)

16. AUDIT

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 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.

17. 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, and work in process pertaining to any PROJECT. Copies of technical data, reports, and other documents will be provided by the AGENCY upon request from MDOT and/or the FEDERAL agency.

18. TERMINATION OR SUSPENSION

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.
- c. For all PROJECTS containing FEDERAL funds, the AGENCY must also comply with FEDERAL procedures as set forth in 49 CFR Part 18.

19. 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 or land acquisition, respectively.

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 and land acquisitions 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. 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.

20. 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>.

21. 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.

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.

22. 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. 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.

23. 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.

24. 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.

25. 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.

26. 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 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 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 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 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.

27. ADDITIONAL REQUIREMENTS FOR THE SECTION 5311 NONURBANIZED AREA FORMULA OPERATING PROGRAM

Billings, payments, and quarterly reports for the Section 5311 Nonurbanized Area Formula Operating Program agreements will be processed in accordance with the following:


- a. At least one-twelfth (1/12) of the PROJECT AUTHORIZATION amount will be withheld until the annual operating assistance report has been approved by MDOT via PTMS. Upon approval of the annual operating assistance report, reconciliation will be made of any remaining funds.

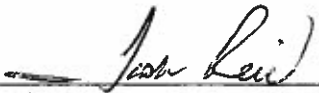
32. SIGNING

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.

GLADWIN COUNTY BOARD OF COMMISSIONERS

By: 
Title: Chairman-BOC

By: 
Title: TRANSPORTATION DIRECTOR

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director

April 1, 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 with 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.
 - d. Before starting work, the AGENCY will give the STATE a certificate of insurance certifying that at least the minimum coverage required herein is in effect and specifying that the coverage will not be canceled, non-renewed, or materially changed by endorsement or through issuance of other policies of insurance without thirty (30)

days advance written notice to the STATE. Renewals will be procured at least thirty (30) days prior to expiration of said policies.

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 thereof with a deductible not to exceed Ten Thousand Dollars (\$10,000). 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.
- iii. Before starting work, the AGENCY will give the STATE a certificate of insurance certifying that at least the minimum coverage required herein is in effect and specifying that the coverage will not be canceled, non-renewed, or materially changed by endorsement or through issuance of other policies of insurance without thirty (30) days advance written notice to the STATE. Renewals will be procured at least thirty (30) days prior to expiration of said policies.

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