

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN
AGREEMENT FOR SERVICES

THIS CONTRACT ("Agreement") is entered into by and between the Regional Transit Authority of Southeast Michigan, located at 1001 Woodward, Suite 1400, Detroit, Michigan 48225 ("RTA"), and [Contractor Name], located at [Contractor Address] ("Contractor"), and is effective as of [Effective Date] ("Effective Date").

1.0 DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings set forth below. Defined terms may be used in the singular or plural form, as appropriate in context.

- 1.1 "Agreement"** means this Contract, including all exhibits, attachments, amendments, and incorporated documents.
- 1.2 "Grantor Agency(ies)"** means any federal, state, or local government agency or authority that provides funding, oversight, or regulatory guidance for the Services performed under this Agreement, including, without limitation, the U.S. Department of Transportation ("DOT"), the Federal Transit Administration ("FTA"), and the Michigan Department of Transportation ("MDOT"), as applicable.
- 1.3 "Contract Price"** means the total compensation payable to the Contractor under this Agreement, as set forth in Section 5.1.
- 1.4 "Services"** means the financial management services to be performed by the Contractor, as further described in Section 3.0 and in the RTA's Request for Proposals and the Contractor's Technical Proposal, each of which is incorporated into this Agreement.

2.0 FEDERAL COMPLIANCE

This Agreement is subject to the Federal Requirements Addendum attached hereto, which is incorporated herein by reference. The Contractor shall comply with all applicable provisions of the Federal Transit Administration (FTA) Master Agreement and FTA Circular 4220.1F, as set forth in the Addendum, including any amendments thereto.

3.0 SCOPE OF SERVICES

The Contractor shall perform all work necessary to provide the RTA with financial management services in accordance with the terms of this Agreement and all applicable federal, state, and local laws and regulations. The Services to be performed are defined by and shall be carried out in accordance with the following documents, each of which is incorporated herein by reference:

- 3.1 RTA's Request for Proposal ("RFP")**
Issued [RFP Issue Date]; Solicitation Number [RTA RFP Number].
- 3.2 Contractor's Technical Proposal ("Technical Proposal")**
Submitted [Technical Proposal Submission Date].
Describes the Services to be performed, including Tasks [Task Numbers] as outlined on pages [Task Page Numbers].
- 3.3 Contractor's Pricing Proposal ("Pricing Proposal")**
Submitted [Price Proposal Submission Date].
Specifies the fixed-fee structure and cost allocations for the Services.

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3.4 Federal Requirements Addendum

Attached to this Agreement as Exhibit A.

Includes all applicable provisions of the Federal Transit Administration (FTA) Master Agreement and FTA Circular 4220.1F.

All terms, conditions, and provisions contained in the RFP, the Technical Proposal, the Pricing Proposal, and the Federal Requirements Addendum are incorporated into this Agreement by reference and collectively define the “Services” to be performed. The Contractor shall perform all Services in accordance with this Agreement and the incorporated documents (3.1, 3.2, 3.3, and 3.4), and shall comply with all applicable federal, state, and local laws, regulations, and directives, including those set forth in the Federal Requirements Addendum. The Contractor shall also comply with any updates or amendments to the Federal Requirements Addendum issued during the term of this Agreement, to the extent such updates are required by law or regulation.

4.0 TERM AND RENEWAL

4.1 Initial Term

The initial term of this Agreement shall be [Length of Initial Term] years, commencing on the Effective Date and continuing through [Initial Term End Date], unless earlier terminated in accordance with the provisions of this Agreement.

4.2 Renewal Options

This Agreement may be renewed for up to [Number of Renewals] additional [Renewal Period Length] periods upon the mutual written agreement of the parties. If either party desires to renew the Agreement, it shall provide written notice to the other party no later than thirty (30) days before expiration of the then-current term.

4.3 Renewal Documentation

Any renewal shall be memorialized in a written amendment or extension agreement signed by both parties before commencement of the renewal period.

4.4 Time for Completion

The Contractor shall commence the Services required by this Agreement on the date specified in a written Notice to Proceed and shall complete the work described in the Technical Proposal within the time period set forth therein. Any extension of the completion period shall be permitted only by written mutual agreement of the parties, as evidenced by an amendment to this Agreement approved in advance by the RTA and, when required, by the applicable Grantor Agency(ies).

5.0 CONTRACT PRICE AND PAYMENTS

5.1 Contract Price

For the Services performed and expenses incurred by the Contractor under this Agreement, the total compensation shall not exceed [Contract Amount] over the [Initial Term Length] year term of the Agreement, without the prior written approval of the RTA and, when required, the Grantor Agency(ies).

This amount is inclusive of all fees, costs, and reimbursable expenses and corresponds to the pricing details set forth in the Price Proposal (“Contract Price”).

5.2 Invoicing and Payment Process

The RTA processes vendor payments electronically through Bill.com. The Contractor shall submit all invoices via email (rtamichigan@bill.com) to both the assigned RTA project manager in accordance with the payment terms specified in the Price Proposal. Invoices must include the purchase order number (“PO Number”), contract number, project name,

billing period and service range, itemized description of services provided, total budget, and remaining balance. Invoices shall document hours charged, labor costs, and other direct expenses.

RTA shall pay all undisputed portions of properly submitted invoices within thirty (30) days of receipt, without holdback or retention. Acceptance of electronic payment shall constitute full payment for the undisputed portion of Services covered by the invoice.

5.3 Final Payment and Release

Acceptance of final payment by the Contractor shall constitute a release of all claims against the RTA arising under or related to this Agreement, including claims for breach or misrepresentation.

6.0 CHANGES TO SERVICES

The RTA and the Contractor may mutually agree to modify the Services to be performed under this Agreement. The RTA may also, at any time and by written order, direct changes within the general scope of the Agreement ("Change Orders"). Any change (whether mutually agreed or directed by RTA) that affects the cost of performing the Services or the time required for completion shall be subject to an equitable adjustment, documented in a written amendment signed by both parties and, when required, approved by the applicable Grantor Agency(ies).

No adjustment to the contract price shall be made unless permitted under the terms of this Agreement and applicable federal regulations. Any claim for adjustment must be submitted in writing to the RTA within thirty (30) calendar days from the date the change is ordered. The Contractor shall continue performance of the Services as modified, pending resolution of any adjustment.

7.0 RECORDKEEPING, AUDITS, AND COST CERTIFICATION

7.1 Recordkeeping Requirements

The Contractor shall maintain complete and accurate accounting records and other evidence of costs incurred and performance under this Agreement, in accordance with generally accepted accounting principles and applicable federal requirements. These records shall be retained at the Contractor's office and made available for inspection during the term of this Agreement and for a period of three (3) years following submission of the final expenditure report to the Grantor Agency(ies), or longer if required by law.

7.2 Audits and Inspection Rights

The Contractor shall permit the authorized representatives of the RTA, the Grantor Agency(ies), the U.S. Department of Transportation, the Federal Transit Administration, and the Comptroller General of the United States to inspect, audit, and copy all records, documents, and data related to the Contractor's performance under this Agreement, including any approved subcontracts. Such access shall be granted from the Effective Date of this Agreement and shall continue through the applicable record retention period, which shall be no less than three (3) years following the final expenditure report submitted for the federal funding used under this Agreement, or longer if required by law or regulation.

7.3 Cost Certification

The Contractor certifies that all costs reported to the RTA are properly chargeable under this Agreement and comply with applicable laws, regulations, and grant requirements.

8.0 INTELLECTUAL PROPERTY / OWNERSHIP OF WORK PRODUCT

8.1 Ownership of Work Product

Upon payment, including partial payments, the RTA shall have title to and the right to use all reports, estimates, computations, memoranda, field notes, investigations, studies, and other materials prepared or produced by the Contractor under this Agreement for public

purposes, with no further compensation due. Upon completion or termination of this Agreement, such documents shall become the property of the RTA and, at the RTA's option, be delivered to the RTA. The Contractor may retain copies for its records.

8.2 Contractor's Pre-Existing Intellectual Property

The Contractor shall retain sole and exclusive ownership of all right, title, and interest in and to its pre-existing intellectual property and any derivatives thereof that were developed independently of this Agreement and without the use of RTA data or resources. Notwithstanding the RTA's ownership of work product under this Agreement, the Contractor shall retain ownership of intellectual property created entirely using its own resources and without reliance on RTA confidential information.

To the extent such intellectual property is necessary for the RTA's use of the Services, the Contractor grants the RTA a non-exclusive, royalty-free, irrevocable license to use such intellectual property solely for internal and public purposes related to this Agreement.

8.3 Proprietary Interest Prior to Final Acceptance

Prior to final acceptance of the Services, the RTA shall have a recognized proprietary interest in the Contractor's work product. The Contractor shall not publish, disclose, or use any deliverables for purposes unrelated to this Agreement without the RTA's prior written consent.

8.4 Survival of Rights

The provisions of this section shall survive the expiration or termination of this Agreement.

9.0 CONTRACTOR RESPONSIBILITIES AND PERFORMANCE STANDARDS

9.1 Standard of Performance

The Contractor shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all Services provided under this Agreement. The Contractor shall perform the Services with the degree of skill, care, and diligence ordinarily exercised by professionals in the same field and locality under similar circumstances, and as expeditiously as is consistent with such standards and the orderly progress of the work.

9.2 Warranty

The Contractor warrants that it has the skills, experience, and professional licenses necessary to perform the services it is to provide pursuant to this Contract.

9.3 Personnel Requirements

The Contractor shall provide all personnel necessary to perform the Services under this Agreement at its own expense. All Services shall be performed by qualified individuals under the Contractor's supervision and in accordance with applicable law. The Contractor shall not engage any RTA employee for work under this Agreement without prior written consent from the RTA.

9.4 Correction of Deficiencies

Without additional compensation, the Contractor shall promptly correct or revise any errors, omissions, or deficiencies in the Services in accordance with the RTA's acceptance procedures, including the review and approval of deliverables.

9.5 Compliance with Requirements

The Contractor shall perform all work necessary to accomplish the Services described in this Agreement in accordance with the terms of this Agreement and all applicable requirements of the Grantor Agency(ies).

9.6 RTA Review and Contractor Liability

All Services and deliverables provided by the Contractor are subject to review and reasonable approval by the RTA for completeness and fulfillment of the requirements of this Agreement.

Approval by the RTA of any reports, work, or materials shall not relieve the Contractor of responsibility for the technical adequacy of the Services. Neither the RTA's review, approval, acceptance, nor payment shall be construed as a waiver of any rights under this Agreement. The Contractor shall remain liable, in accordance with applicable law, for all direct damages to the RTA resulting from the Contractor's negligent performance of the Services.

9.7 Cooperation and Coordination

The Contractor shall cooperate with the RTA and confer as necessary to ensure that the Services proceed in a mutually satisfactory manner. The Contractor shall maintain open lines of communication and respond promptly to RTA inquiries and requests related to the performance of Services.

9.8 Participation in Meetings and Hearings

Upon not less than two (2) business days' written notice from the RTA, the Contractor or its designated representative shall attend meetings, conferences, and public hearings as requested. The Contractor shall cooperate in the presentation and discussion of the Services at such events.

9.9 Media Inquiries

The Contractor shall refer all media inquiries related to the Services under this Agreement to the RTA.

10.0 Subcontracting, Independent Contractor Status, and Authority

10.1 Key Personnel and Subcontractors

The Contractor shall provide experienced personnel and subcontractors capable of successfully performing the Services. Key personnel and subcontractors shall not be removed or replaced without written notice to the RTA. If unavailable for more than thirty (30) calendar days or expected to reduce their level of effort, the Contractor shall promptly notify the RTA and, subject to RTA's reasonable concurrence, replace them with personnel of substantially equal qualifications.

The use of any subcontractor is subject to prior written approval by the RTA. [The RTA hereby approves the Contractor's retention of the following subcontractor(s): _____].

10.2 Subcontracting and Assignment

The Contractor shall not subcontract or assign any portion of the Services without prior written consent from the RTA. Any approved subcontractor shall be subject to the terms of this Agreement as if performing directly for the Contractor. The Contractor shall remain fully responsible for all obligations under this Agreement and for the acts and omissions of its subcontractors and assignees.

The Contractor shall indemnify and hold harmless the RTA from any claims or disputes arising from its subcontractors, including but not limited to employment taxes, wage claims, injuries, or violations of labor laws.

10.3 Independent Contractor Status

The Contractor is an independent contractor and not an employee, agent, or servant of the RTA. All persons engaged in the Services shall be under the Contractor's sole direction and control. The Contractor shall determine the means and manner of performance and shall be solely responsible for its personnel.

10.4 Authority to Bind

Neither party shall have the authority to bind the other in any agreement, representation, or obligation except as expressly provided in this Agreement.

10.5 Disadvantaged Business Enterprises (DBE)

The Contractor shall cooperate with the RTA in meeting DBE participation goals and shall use its best efforts to ensure that DBEs have the maximum practicable opportunity to compete for subcontract work under this Agreement.

10.6 Subcontractor Fees

All subcontractor fees shall be included in the Contractor's total compensation under this Agreement.

11.0 RTA RESPONSIBILITIES

11.1 Assignment of RTA Representatives

The RTA shall designate the following individuals to administer and oversee this Agreement:

11.1.1 Contracting Officer

The Contracting Officer is the RTA official authorized to enter into and administer this Agreement and to act as the RTA's formal representative for contractual matters.

The Contracting Officer for this Agreement is:

Rebecca Donnelly-Lasecki, Procurement and Contracts Manager
Phone: 313-759-8684
Email: rdlasecki@rtamichigan.org

11.1.2 Project Manager

The Project Manager is responsible for providing technical oversight of the Contractor's performance and ensuring compliance with the technical requirements of this Agreement. The Project Manager for this Agreement is:

[Project Manager Name, Title]
Phone: [Project Manager Phone]
Email: [Project Manager Email]

11.2 Workspace and Connectivity

The RTA shall make available to the Contractor, without charge, office space and internet connectivity at the RTA's headquarters as needed to support the performance of Services under this Agreement. The Contractor shall not include any charge for such space or connectivity in its fee.

11.3 Defect Notification

The RTA shall notify the Contractor of any known defects in the Services of which the Contracting Officer or Project Manager has actual notice.

12.0 TERMINATION

12.1 Termination for Default

This Agreement may be terminated in whole or in part by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement; *provided*, that the non-defaulting party shall give the defaulting party written notice of intent to terminate for default, specifying the nature of the default and allowing an opportunity for consultation and cure. In the case of a monetary default, not less than ten (10) calendar days' notice shall be provided; in the case of a non-monetary default, not less than thirty (30) calendar days' notice shall be provided. Such notice may be delivered by email with confirmation of receipt.

12.2 Termination for Convenience

RTA may terminate this Agreement, in whole or in part, at any time and for any reason; *provided*, that the Contractor is given at least ten (10) calendar days' written notice of intent to terminate, delivered by email with confirmation of receipt. No further justification shall be required.

12.3 Equitable Adjustment Following Default Termination

If termination for default is effected by RTA, an equitable adjustment in the Agreement price shall be made; *provided*, that (a) no amount shall be allowed for anticipated profit on unperformed services or other work, and (b) any payment due to the Contractor at the time of termination shall be adjusted to reflect any additional costs incurred by RTA as a result of the Contractor's default. If termination for convenience is effected by RTA, the equitable adjustment shall include a reasonable profit for services or other work performed. In either case, the adjustment shall provide for payment to the Contractor for services rendered and expenses incurred prior to termination, including termination settlement costs reasonably incurred by the Contractor for commitments that had become firm prior to termination.

12.4 Contractor Obligations Upon Notice of Termination

Upon receipt of a notice of intent to terminate pursuant to Sections 12.1 or 12.2, the Contractor shall: (a) promptly discontinue all services affected by the termination, unless otherwise directed by RTA; (b) terminate all subcontracts to the extent they relate to the terminated services; and (c) deliver or otherwise make available to RTA all data, reports, estimates, summaries, and other materials accumulated in connection with the performance of this Agreement, whether completed or in progress.

12.5 RTA's Right to Complete Work After Termination for Default

If RTA terminates this Agreement pursuant to Section 12.1, RTA may take over the work and prosecute it to completion, either by agreement with another party or by other means. The Contractor shall be liable to RTA for any demonstrable excess costs incurred in completing the work or services.

12.6 Effect of Determination That No Default Occurred

If, following a termination for default under Section 12.1, it is determined that the Contractor was not in default, such termination shall be deemed to have been effected for RTA's convenience under Section 12.2. In such event, an equitable adjustment to the Contract price shall be made in accordance with the provisions applicable to termination for convenience.

12.7 Cumulative Remedies

The rights and remedies of RTA and the Contractor under this Article are cumulative and in addition to any other rights and remedies available at law or in equity, or under other

provisions of this Contract.

12.8 Limitation of Liability

Notwithstanding any provision to the contrary, in no event shall either party be liable to the other for any indirect, special, incidental, consequential, punitive, or exemplary damages arising out of or in connection with this Agreement, however caused and under any theory of liability, whether in contract, tort, or otherwise, even if advised of the possibility of such damages.

13.0 INSURANCE

13.1 Insurance Coverage and Limits

The Contractor warrants and represents that, as of the Effective Date and throughout the term of this Agreement, it shall maintain insurance coverage with minimum limits as follows:

13.1.1 Commercial General Liability Insurance: Coverage for bodily injury and property damage with limits of not less than \$2,000,000 per occurrence.

13.1.2 Commercial Automobile Liability Insurance: Coverage for bodily injury and property damage with limits of not less than \$1,000,000 per occurrence.

13.1.3 Professional Liability Insurance: Coverage for errors and omissions with limits of not less than \$1,000,000 per occurrence.

13.1.4 Workers' Compensation Insurance: Coverage with statutory limits and employer's liability limits of at least \$500,000, if the Contractor employs any personnel.

13.2 Insurance Carriers and Certification

All insurance shall be provided by carriers that are reasonably satisfactory to the RTA, admitted to do business in the jurisdiction where Services are performed, and rated no less than A- by AM Best. Any deductibles shall be the sole responsibility of the Contractor. All policies shall provide the RTA with at least thirty (30) days' advance written notice of cancellation or material change.

The Contractor shall provide valid certificates of insurance at the commencement of this Agreement and upon issuance, renewal, or expiration of any policy, as applicable. Upon written request, the Contractor shall furnish additional documentation verifying coverage. The RTA shall be listed as an additional insured on all liability policies, except Professional Liability and Workers' Compensation.

13.3 Additional Insured and Waiver of Subrogation

The RTA, its officers, employees, and agents shall be named as additional insureds on all applicable liability policies. All policies shall include a waiver of subrogation in favor of the RTA to the fullest extent permitted by law. The Contractor hereby waives all rights of recovery against the RTA and its agents for any liabilities, claims, or losses covered by the Contractor's insurance.

14.0 INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the RTA, the State of Michigan, the Grantor Agency(ies), and their respective officers, agents, and

employees from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney's fees) arising out of or resulting from the performance of Services under this Agreement, but only to the extent caused by the negligent acts or omissions of the Contractor, its employees, agents, subcontractors, or any other person or entity engaged by the Contractor in connection with the Services.

This obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that may exist under law or contract.

15.0 DISPUTE RESOLUTION

Any dispute concerning a question of fact arising under this Agreement that is not resolved by mutual agreement shall be decided in writing by the RTA. The RTA's decision shall be final and conclusive unless the Contractor submits a written appeal to the RTA Executive Director within thirty (30) business days of receipt. The Executive Director's decision shall be final and binding for purposes of administrative resolution.

This administrative process shall not preclude either party from pursuing legal or equitable remedies, provided that all administrative remedies under this section have first been exhausted. Pending final resolution of any dispute, the Contractor shall continue to perform the Services diligently and in accordance with the RTA's written direction.

16.0 INFORMATION, PUBLICATION, AND CONFIDENTIALITY

16.1 Publication Requirements

Any publication of data or information produced in connection with this Agreement shall comply with the publication policies and requirements of the RTA.

16.2 Copyright and Use of Materials

No material produced in whole or in part under this Agreement shall be subject to copyright by the Contractor in the United States or any other country. The RTA shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Agreement for public purposes.

16.3 Document Identification

All reports, estimates, memoranda, and other documents submitted by the Contractor shall be dated and clearly identify the Contractor's name.

16.4 Access to RTA Data

The RTA shall make available to the Contractor, on a timely basis, all relevant data, reports, analyses, drawings, maps, tables, and other background information necessary for the Contractor to perform the Services under this Agreement.

16.5 Confidential Information

Any reports, data, or other materials provided to or prepared by the Contractor under this Agreement that the RTA designates as confidential ("RTA Confidential Information") shall not be disclosed by the Contractor to any third party without the prior written consent of the RTA.

If the Contractor is required by law, subpoena, or order of a court or governmental authority to disclose RTA Confidential Information, the Contractor shall, to the extent legally permitted, promptly notify the RTA in writing prior to disclosure so that the RTA may seek a protective order or take other appropriate action. The Contractor shall reasonably cooperate with the RTA (at the RTA's expense) in such efforts. If disclosure is legally compelled despite such efforts, the Contractor shall disclose only the minimum amount of RTA Confidential

Information required and shall seek confidential treatment or protective orders to the extent legally possible.

17. ORDER OF PRECEDENCE

In the event of any conflict or inconsistency among the contract documents where the parties' intended resolution is not clear, the following order of precedence shall apply, with item 17.1.1 having the highest priority:

17.1.1 Federal Requirements Addendum (Exhibit A attached hereto).

17.1.2 This Agreement, including all exhibits, attachments, amendments, and incorporated documents.

17.1.3 Contractor's Technical Proposal

17.1.4 Contractor's Pricing Proposal

17.1.5 RTA's RFP

To the extent required by law, the Federal Requirements Addendum shall control over any conflicting provision in this Agreement or its incorporated documents.

18.0 GOVERNING LAW AND REMEDIES

This Agreement shall be governed by the laws of the State of Michigan. In addition to any other rights and remedies available under law, the RTA shall retain all rights and remedies provided under this Agreement.

19.0 ASSIGNABILITY

The Contractor shall not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the RTA, except that claims for money due may be assigned to a financial institution without such approval. Notice of any such assignment shall be furnished promptly to the RTA.

20.0 CONFLICT OF INTEREST – CONTRACTOR

The Contractor covenants that it has no interest, and shall not acquire any interest, that would conflict with the performance of Services under this Agreement. No person with such interest shall be employed in connection with this Agreement.

21.0 CONFLICT OF INTEREST – RTA OFFICIALS

No RTA officer, employee, or governing body member involved in the review or approval of this Agreement shall participate in any decision that affects their personal interest or the interest of any entity in which they are directly or indirectly interested.

22.0 OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress, or Resident Commissioner, shall be entitled to any share or benefit from this Agreement.

23.0 CONTINGENT FEES

The Contractor warrants that it has not paid any contingent fees to secure this Agreement. Breach of this warranty entitles the RTA to annul the Agreement or recover the full amount of such fees.

24.0 GRATUITIES

If the Contractor offers gratuities to RTA officials to influence contract decisions, the RTA may terminate the Agreement and pursue remedies, including exemplary damages of three to ten times the cost of such gratuities.

25.0 PRICING OF ADJUSTMENTS

When costs are a factor in any determination of a contract price adjustment pursuant to the "Change Order" Section or any other provision of this Agreement, such costs shall be in accordance with 48CFR Part 31.

26.0 EXCUSABLE DELAY

26.1 General Provision

Except with respect to defaults of subcontractors, the Contractor shall not be deemed in default for any failure to perform in accordance with the terms of this Agreement, including any failure to make progress that endangers performance if such failure arises from causes beyond the Contractor's control and without its fault or negligence. Such causes may include, but are not limited to: acts of God, acts of the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather. In all cases, the failure must be beyond the control and without the fault or negligence of the Contractor.

26.2 Subcontractor Delays

If the failure to perform is caused by a subcontractor at any tier, and such failure arises from causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either, the Contractor shall not be deemed in default unless (a) the services to be furnished by the subcontractor were obtainable from other sources; (b) the RTA directed the Contractor in writing to procure such services from other sources; and (c) the Contractor failed to reasonably comply with such direction.

Upon request by the Contractor, the RTA shall ascertain the facts and extent of the delay. If the RTA determines that the failure was caused by one or more of the above-listed excusable causes, the delivery schedule shall be revised accordingly, subject to the RTA's rights under the Termination provisions of this Agreement.

27.0 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA

If the RTA determines that any price, including profit, negotiated under this Agreement or any reimbursable cost was increased due to incomplete, inaccurate, or non-current cost or pricing data provided by the Contractor or its subcontractors—as certified in EPA Form 5700-41—such price or cost shall be reduced accordingly. The Agreement shall be modified in writing to reflect the reduction. Any disagreement regarding the reduction shall be resolved under the Disputes clause of this Agreement.

28.0 LIMITATION OF COST

28.1 Estimated Cost Ceiling

The Contractor shall use its best efforts to perform all Services within the estimated cost set forth in Section 5.0 (Contract Price and Payments), exclusive of any fee. If the Contractor anticipates that incurred costs within the next sixty (60) days, when added to prior costs, will

exceed seventy-five percent (75%) of the total estimated cost, or if the total cost is expected to vary significantly, the Contractor shall promptly notify the RTA in writing with a revised cost estimate.

28.2 Cost Overruns and Authorization

The RTA shall not be obligated to reimburse the Contractor for costs exceeding the estimated amount unless the RTA issues written authorization increasing the cost ceiling. No verbal or informal communication shall alter the cost ceiling. Costs incurred prior to such authorization may be reimbursed only to the extent the increase covers termination or other specified expenses.

28.3 Change Orders

Change orders issued under Section 6.0 (Changes) shall not authorize cost increases unless explicitly stated in the change order or related amendment.

28.4 Property Distribution Upon Termination

If the Agreement is terminated or the cost ceiling is not increased, the RTA and Contractor shall negotiate an equitable distribution of property produced or purchased under the Agreement, based on the share of costs incurred by each party.

28.5 Cost Certification

The Contractor certifies that all costs reported to the RTA are properly chargeable under this Agreement and comply with applicable laws, regulations, and contract terms.

29.0 CERTIFICATION

The Contractor's signature on this Agreement constitutes the contractor's certification of status under penalty of perjury under the laws of the United States with respect to 49 CFR Part 29 pursuant to Executive Order 12549. The certification included as a part of this Agreement is Appendix B of 49 CFR Part 29.

30.0 ENTIRE AGREEMENT

This Agreement, and any documents referenced herein, contain the entire agreement of the Parties relating to the Work Plan. The Parties acknowledge that in entering into this Agreement, neither is relying, nor have they relied, on any promise, representation or statement made by or on behalf of the other Party which is not set forth in this Agreement, and any documents referenced herein.

IN WITNESS WHEREOF, the parties duly executed three (3) identical counterparts of this instrument, each of which shall be for all purposes deemed an original thereof, on the dates set forth below.

Regional Transit Authority of SE MI

[Contractor Name]

By: _____
Name
Title

By: _____
Name
Title

Dated: _____

Dated: _____

Exhibit A: Federal Requirements Addendum (Professional Services)

This Federal Requirements Addendum (“Addendum”) is incorporated into and forms a part of the Agreement entered into by and between the Regional Transit Authority of Southeast Michigan (“RTA”) and [Contractor Name] (“Contractor”), effective as of [Effective Date].

1. Applicability

This Addendum applies to all contracts funded in whole or in part with assistance from the Federal Transit Administration (“FTA”). The Contractor and its subcontractors shall comply with all applicable federal laws, regulations, and requirements, including those set forth in the following documents:

- The **FTA Master Agreement**, available at: <https://www.transit.dot.gov/sites/fta.dot.gov/files/2025-04/FTA-Master-Agreement-v33-04-25-2025.pdf>
- **FTA Circular 4220.1F – Third Party Contracting Guidance**, available at: <https://www.transit.dot.gov/sites/fta.dot.gov/files/2025-01/Third-Party-Contracting-Guidance-%28Circular-4220.1G%29.pdf>
- The **FTA Clause Matrix**, available at: <https://www.transit.dot.gov/sites/fta.dot.gov/files/2023-09/Clause-Matrix-September-2023.pdf>¹

The Contractor shall also comply with any updates or amendments to these documents issued during the term of this Agreement, to the extent required by law or regulation.

2. Required Federal Clauses

The following clauses are incorporated by reference or full text, as applicable, and shall be flowed down to all subcontractors:

(a) No Government Obligation to Third Parties

The Contractor acknowledges that the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to the RTA or any other party pertaining to any matter resulting from the Contract.

(b) Program Fraud and False or Fraudulent Statements

Contractor shall comply with the requirements of the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801–3812) and 49 CFR Part 31. Contractor shall not submit false or fraudulent claims or statements.

(c) Access to Records

Contractor shall provide access to all books, documents, papers, and records related to this Contract to the RTA, the FTA, the U.S. Department of Transportation, and the Comptroller General of the United States for audit and inspection purposes.

(d) Civil Rights Requirements

Contractor shall comply with all applicable civil rights laws, including: (i) Title VI of the Civil Rights Act of 1964; (ii) Equal Employment Opportunity (EEO) requirements; and (iii) Americans with Disabilities Act (ADA).

(e) Disadvantaged Business Enterprises (DBE)

¹ The Clause Matrix is provided for informational purposes only and does not itself create independent requirements. It identifies which federal clauses apply based on contract type, scope, and funding thresholds.

Contractor shall comply with 49 CFR Part 26 and ensure that DBEs have an equal opportunity to participate in the performance of this Contract.

(f) Debarment and Suspension

Contractor certifies that it is not debarred, suspended, or otherwise excluded from participation in federally assisted contracts under 2 CFR Part 180 and 2 CFR Part 1200.

(g) Lobbying Restrictions

If this Contract exceeds \$100,000, Contractor shall comply with 31 U.S.C. § 1352 and submit the required certification regarding lobbying activities.

(h) Buy America

If this Contract involves the procurement of steel, iron, or manufactured goods and exceeds \$150,000, Contractor shall comply with 49 U.S.C. § 5323(j) and 49 CFR Part 661.

(i) Energy Conservation

Contractor shall comply with mandatory standards and policies relating to energy efficiency contained in applicable state energy conservation plans issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. §§ 6321 et seq.).

(j) Termination Provisions

Termination for convenience and default shall be governed by the terms of the Contract and must comply with applicable federal requirements.

(k) Clean Air and Water Acts

If this Contract exceeds \$150,000, Contractor shall comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.). Violations must be reported to the RTA and the appropriate federal authorities.

(l) Cargo Preference

If this Contract involves ocean transport of goods, Contractor shall comply with 46 U.S.C. § 55305 and 46 CFR Part 381, ensuring that at least 50% of the gross tonnage is transported on U.S.-flag commercial vessels, to the extent such vessels are available.

(m) Fly America

If this Contract involves international air transportation, Contractor shall comply with the Fly America Act (49 U.S.C. § 40118) and ensure that U.S.-flag air carriers are used for travel funded by federal dollars, except as permitted under applicable exceptions.

(n) Davis-Bacon Act

For construction contracts exceeding \$2,000, Contractor shall comply with the Davis-Bacon Act (40 U.S.C. §§ 3141–3148) and ensure that laborers and mechanics are paid prevailing wages as determined by the U.S. Department of Labor.

(o) Contract Work Hours and Safety Standards Act

For contracts exceeding \$100,000 that involve the employment of laborers or mechanics, Contractor shall comply with 40 U.S.C. §§ 3701–3708, including provisions related to overtime compensation and safe working conditions.

(p) Bonding Requirements

For construction contracts exceeding \$250,000, Contractor shall furnish performance and payment bonds in accordance with 49 CFR Part 18 and applicable state and federal requirements.

(q) Seismic Safety For contracts involving new building construction or additions, Contractor shall comply with seismic safety standards as required by 42 U.S.C. § 7701 et seq. and 49 CFR Part 41.

(r) Transit Employee Protective Arrangements

For transit operations contracts, Contractor shall comply with employee protection provisions as required under 49 U.S.C. § 5333(b), including arrangements approved by the U.S. Department of Labor.

(s) Charter Service and School Bus Restrictions

Contractor shall comply with 49 CFR Part 604 and 49 CFR Part 605, which restrict the use of federally funded equipment and services for charter service and school bus operations, except as permitted under applicable exceptions.

(t) Drug and Alcohol Testing

For safety-sensitive transit operations, Contractor shall comply with 49 CFR Part 655 and implement a drug and alcohol testing program consistent with the requirements of the FTA.

(u) Patent Rights and Data Rights

For research and development contracts, Contractor shall comply with applicable federal requirements regarding rights in data and inventions, including 37 CFR Part 401 and 49 CFR Part 18.

(v) Intelligent Transportation Systems (ITS) Architecture Compliance

For contracts involving ITS projects, Contractor shall ensure compliance with the National ITS Architecture and standards pursuant to 23 CFR Part 940.

(w) Safe Operation of Motor Vehicles

Contractor shall implement policies to prohibit distracted driving, including texting while driving, in accordance with Executive Order 13513 and U.S. DOT guidance.

(x) Telecommunications Restrictions

Contractor shall comply with Section 889 of the National Defense Authorization Act (Pub. L. 115-232), prohibiting the use of certain telecommunications and video surveillance equipment from specified Chinese entities.

(y) Veterans Employment Preference

Contractor shall provide a hiring preference to veterans as required under 49 U.S.C. § 5325(k), and shall include this requirement in all applicable subcontracts.

(z) Notification to FTA of Legal Matters

Contractor shall promptly notify the FTA and RTA of any legal matters arising from this Contract, including litigation, investigations, or settlements involving federal funds.

(aa) Dispute Resolution

For contracts exceeding \$150,000, Contractor shall comply with applicable dispute resolution procedures, including arbitration or mediation if specified in the Contract.