



Board of Directors Meeting
Thursday, March 19, 2026
SEMCOG Offices, Woodward Room
1001 Woodward Avenue, Suite 1400
Detroit, MI 48226
[Zoom Virtual Public Participation](#)
1:00 PM

AGENDA

1. Call to Order
2. Roll Call
3. **Approval of Agenda**
4. Public Comment – Time Limitation for Public Comment = 3 minutes per speaker
5. Executive Directors Report
6. Presentations
 - a. Provider Presentations
 - i. DDOT
 - ii. DTC
7. Consent Agenda
 - a. **Approval of February 2026 Board Meeting Summary**
 - b. **Approval of February 2026 Financial Report**
 - c. **Procurement Advisory Notice**
 - d. **Approval of Updated Procurement Policy**
8. Regular Agenda
 - a. **Approval of FY 2025 Financial Audit**
 - b. **Approval of Legal Counsel Services Vendor Contract Award**
 - c. **Approval of Transit Provider FY 2026 State Funding Applications**
 - d. **Approval of Subrecipient Agreement with DDOT**
 - e. **Acceptance of External Affairs Report**
9. New Business
10. Adjourn

The Board may, at its discretion, revise this agenda or take up any other issues as needed, and time allows. Request for reasonable accommodation at RTA meetings requires advanced reservations. Individuals with disabilities requiring assistance should contact RTA Information Services at least 48 hours in advance of the meeting. Documents and information are available in a variety of formats. Contact the RTA at info@rtamichigan.org or call 313-402-1020 to discuss your format needs.



Proposed Meeting Summary
Board of Directors
 February 19, 2026
 1:00 PM

1. Call to Order at 1:09 PM.

2. Roll Call:

Board of Directors members	Government Entity	Attendance Status
Jeannette Bradshaw	Oakland County	P
Freman Hendrix (Secretary)	City of Detroit	P
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A
Jon Moore	Macomb County	P
Don Morandini (Vice Chair)	Macomb County	P
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	P
Helaine Zack	Oakland County	V

Absent (A); Present (P); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)

RTA Representatives Present:

Ben Stupka, Rachel Schmuhl, Julia Roberts, Corri Wofford, Mshadoni Smith-Jackson, Kristin Caffray, Isaac Constans, Dasia Mack, Jonathan Shead, Rebecca Donnelly-Lasecki, Melanie Piana

Other Meeting Participants:

Michelle Hodges – Rehmann
 Ryan Bridges, Mario Morrow, Sr. – MMA

3. Approval of Agenda

- Moved by Hendrix and supported by Bradshaw. The agenda for February 19, 2026, was approved. The motion carried on the following roll call vote:

Board of Directors members	Government Entity	Vote
Jeannette Bradshaw	Oakland County	Y
Freman Hendrix (Secretary)	City of Detroit	Y
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A
Jon Moore	Macomb County	Y
Don Morandini (Vice Chair)	Macomb County	Y
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	Y
Helaine Zack	Oakland County	V

- Absent (A); Yea (Y); Nay (N); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)

4. Public Comment

- Transit rider calling for a broader transit vision for the region. Wants to live in a region that prioritizes transit. Encourages regional ballot initiative. The commenter requested their 5th amendment right not to leave their name.

5. Executive Directors Report

Executive Director Stupka presented his Directors report to the board. Key highlights include QLINE, D2D2, and DAX ridership stats and program updates.

Director Staebler expressed his support for tracking QLINE data and completed trips. RTA does not control who plows snow, or clears accidents, or the installed bus stops that rely on other municipal services, or are supported by the county, and MDOT. He expressed that these metrics are important, but they are not the sole responsibility of the RTA. State budget reductions announced today will reduce municipal budgets by 20%. I want to be realistic about the fact that the RTA cannot achieve 90% of trips completed because of these external factors.

6. Presentations

Matt Carpenter, CEO of the Ann Arbor Area Transit Agency (TheRide), presented the agency’s annual update to the RTA Board of Directors, including recent progress on key projects and grant awards.

- Director Hendrix inquired about AAATA’s and City of Ypsilanti’s progress on the Ypsi Transit Center.
- Director Staebler inquired about AAATA’s support to build BRT in Ann Arbor.

Tiffany Gunter, CEO of SMART, presented the agency’s annual update to the RTA Board of Directors, highlighting bus routes and stop improvements, on-time performance, employee programs, and program collaborations with external partners.

7. Consent Agenda

- a. Approval of December 2025 Board Meeting Summary**
- b. Approval of November and December 2025 & January 2026 Financial Reports**
- c. Procurement Advisory Notice**
- d. Approval of Transit Planning Software Contract**
- e. Approval of Records Retention Policy**

Moved by Director Staebler and supported by Director Freeman to approve the Consent Agenda. The motion carried on the following roll call vote:

Board of Directors members	Government Entity	Vote
Jeannette Bradshaw	Oakland County	Y
Freman Hendrix (Secretary)	City of Detroit	Y
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A
Jon Moore	Macomb County	Y
Don Morandini (Vice Chair)	Macomb County	Y
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	Y
Helaine Zack	Oakland County	V

- *Absent (A); Yea (Y); Nay (N); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)*

8. Regular Agenda

- a. Approval of M4A Plan & Project Management Plan**

Moved by Director Moore and supported by Director Hendrix to approve the M4A Plan & Project Management Plan. The motion carried on the following roll call vote:

Board of Directors members	Government Entity	Vote
Jeannette Bradshaw	Oakland County	Y

Freman Hendrix (Secretary)	City of Detroit	Y
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A
Jon Moore	Macomb County	Y
Don Morandini (Vice Chair)	Macomb County	Y
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	Y
Helaine Zack	Oakland County	V

- *Absent (A); Yea (Y); Nay (N); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)*

b. Approval of 2025 RTMP Update

Moved by Director Bradshaw and supported by Director Hendix to approve the 2025 RTMP Update. The motion carried on the following roll call vote:

Board of Directors members	Government Entity	Vote
Jeannette Bradshaw	Oakland County	Y
Freman Hendrix (Secretary)	City of Detroit	Y
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A
Jon Moore	Macomb County	Y
Don Morandini (Vice Chair)	Macomb County	Y
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	Y
Helaine Zack	Oakland County	V

- *Absent (A); Yea (Y); Nay (N); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)*

c. Approval of FY 2027 RTA State Funding Application

Moved by Director Hendrix and supported by Director Bradshaw to approve the FY 2027 RTA State Funding Application. The motion carried on the following roll call vote:

Board of Directors members	Government Entity	Vote
Jeannette Bradshaw	Oakland County	Y
Freman Hendrix (Secretary)	City of Detroit	Y
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A

Jon Moore	Macomb County	Y
Don Morandini (Vice Chair)	Macomb County	Y
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	Y
Helaine Zack	Oakland County	V

- Absent (A); Yea (Y); Nay (N); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)

d. Approval of CY 2026 Legislative Agenda & Legislative Report

Moved by Director Moore and supported by Director Freeman to approve the CY 2026 Legislative Agenda & Legislative Report. The motion carried on the following roll call vote:

Board of Directors members	Government Entity	Vote
Jeannette Bradshaw	Oakland County	Y
Freman Hendrix (Secretary)	City of Detroit	Y
June Lee	Wayne County	A
Dave Massaron (Chair)	State of Michigan	A
Jon Moore	Macomb County	Y
Don Morandini (Vice Chair)	Macomb County	Y
Dr. Erica Robertson	Wayne County	V
Alma Wheeler Smith (Treasurer)	Washtenaw County	A
Ned Staebler	Washtenaw County	Y
Helaine Zack	Oakland County	V

- Absent (A); Yea (Y); Nay (N); Virtual (V) means participating online, yet unable to vote on official business; Abstain (AB)

e. Acceptance of 2026 Agency Goals

Director Bradshaw moved and Director Moore seconded to accept the 2026 Agency Goals.

9. New Business

10. Meeting adjourned at 2:33 PM.

Regional Transit Authority of Southeast Michigan

**Statement of Net Position and
Governmental Funds Balance Sheet**

February 28, 2026

	Governmental Fund	Adjustments	Statement of Net Position	Prior Year (for comparison)
Assets				
Cash and cash equivalents	\$ 4,787,763	\$ -	\$ 4,787,763	\$ 3,807,738
Restricted cash and cash equivalents	66,451	-	66,451	56,065
Accounts receivable	1,985,912	-	1,985,912	1,424,458
Prepays and other assets	507,558	-	507,558	121,062
Inventory	1,063,635	-	1,063,635	863,163
Capital assets, net of depreciation	-	98,207,076	98,207,076	101,992,012
Total assets	<u>\$ 8,411,319</u>	<u>\$ 98,207,076</u>	<u>\$ 106,618,395</u>	<u>\$ 108,264,498</u>
Liabilities				
Accounts payable and other accrued liabilities	1,819,969	1,408	1,821,377	1,695,121
Accrued payroll and related liabilities	500	-	500	33,998
Refundable advance	81,361	-	81,361	81,361
Due to state	490,202	-	490,202	-
Unearned revenue	-	-	-	65,585
Compensated absences	-	108,213	108,213	77,112
Subscription liability				
Due within one year	-	122,258	122,258	-
Due in more than one year	-	300,005	300,005	-
Total liabilities	<u>\$ 2,392,032</u>	<u>\$ 531,884</u>	<u>\$ 2,923,916</u>	<u>\$ 1,953,177</u>
Fund balance				
Fund balance	7,640,479	(7,640,479)	-	-
Current year change in fund balance	<u>(1,621,192)</u>	1,621,192	-	-
Total fund balance	<u>\$ 6,019,287</u>			
Total liabilities and fund balance	<u>\$ 8,411,319</u>			
Net position				
Investment in capital assets		97,784,813	97,784,813	101,992,012
Unrestricted		9,872,210	9,872,210	8,712,756
Current year change in net position		<u>(3,962,544)</u>	<u>(3,962,544)</u>	<u>(4,393,447)</u>
Total net position		<u>\$ 103,694,479</u>	<u>\$ 103,694,479</u>	<u>\$ 106,311,321</u>

Regional Transit Authority of Southeast Michigan
Statement of Activities and
Governmental Revenues, Expenditures and Changes in Fund Balance
For the 5 Month Ending February 28, 2026

	<u>Governmental Fund</u>	<u>GASB 34 Adjustments</u>	<u>Statement of Activities</u>
Revenues			
Federal	\$ 2,171,743	\$ -	\$ 2,171,743
State	2,809,903	-	2,809,903
Local	-	-	-
Fares	271,354	-	271,354
Other	187,870	-	187,870
Total revenues	<u>\$ 5,440,870</u>	<u>\$ -</u>	<u>\$ 5,440,870</u>
Expenditures			
Salaries and Wages	1,714,075	-	1,714,075
Fringe Benefits	602,686	-	602,686
Professional Services	418,400	-	418,400
QLINE Maintenance	721,926	-	721,926
Planning Services	333,055	-	333,055
Communications	302,103	-	302,103
Services and Initiatives	2,259,566	-	2,259,566
Administrative	710,251	-	710,251
Total Expenditures before depreciation	<u>7,062,062</u>	<u>-</u>	<u>7,062,062</u>
Depreciation/amortization	-	2,341,352	2,341,352
Total expenditures/expenses	<u>\$ 7,062,062</u>	<u>\$ 2,341,352</u>	<u>\$ 9,403,414</u>
Change in fund balance/net position	<u>\$ (1,621,192)</u>	<u>\$ (2,341,352)</u>	<u>\$ (3,962,544)</u>

Regional Transit Authority of Southeast Michigan

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual

For the 5 Months Ending February 28, 2026

	General Admin		Qline		D2A2	
	Actual	Budget	Actual	Budget	Actual	Budget
Revenues						
Federal	\$ 805,597	\$ 1,244,246	\$ -	\$ 565,650	\$ 695,766	\$ 780,050
State	410,280	\$ 519,746	1,794,250	3,827,150	290,216	325,842
Local	-	-	-	375,000	-	-
Fares	-	-	-	-	156,414	150,000
Other	58,354	-	4,975	-	68,724	71,730
Total revenues	\$ 1,274,231	\$ 1,763,992	\$ 1,799,225	\$ 4,767,800	\$ 1,211,120	\$ 1,327,622
Expenditures						
Salaries and Wages	517,913	637,229	1,196,162	1,569,659	-	-
Fringe Benefits	166,903	\$ 165,140	435,783	379,576	-	-
Professional Services	182,432	\$ 203,795	228,768	224,684	1,100	-
QLINE Maintenance	435	-	721,491	1,418,630	-	-
Planning Services	257,491	\$ 458,333	37,578	79,167	-	-
Communications	114,701	\$ 129,002	124,740	84,468	17,404	83,333
Services and Initiatives	-	-	-	-	1,192,616	1,244,289
Administrative	71,192	\$ 170,493	639,059	755,919	-	-
Total expenditures	\$ 1,311,067	\$ 1,763,992	\$ 3,383,581	\$ 4,512,103	\$ 1,211,120	\$ 1,327,622
Change in fund balance	\$ (36,836)	\$ -	\$ (1,584,356)	\$ 255,697	\$ -	\$ -

Regional Transit Authority of Southeast Michigan

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual

For the 5 Months Ending February 28, 2026

	DAX		One Click/One Call		Mobility Wallet	
	Actual	Budget	Actual	Budget	Actual	Budget
Revenues						
Federal	\$ 588,003	\$ 623,749	\$ 79,427	\$ 112,605	\$ -	\$ -
State	245,265	260,552	19,856	28,151	\$ 34,298	104,167
Local	-	-	-	-	\$ -	-
Fares	114,940	120,000	-	-	\$ -	-
Other	55,817	56,374	-	-	\$ -	-
Total revenues	\$ 1,004,025	\$ 1,060,675	\$ 99,283	\$ 140,756	\$ 34,298	\$ 104,167
Expenditures						
Salaries and Wages	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-
Professional Services	1,100	-	-	-	-	-
QLINE Maintenance	-	-	-	-	-	-
Planning Services	-	-	-	-	34,298	-
Communications	35,258	83,333	-	-	-	-
Services and Initiatives	967,667	977,342	99,283	140,756	-	104,167
Administrative	-	-	-	-	-	-
Total expenditures	\$ 1,004,025	\$ 1,060,675	\$ 99,283	\$ 140,756	\$ 34,298	\$ 104,167
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

Regional Transit Authority of Southeast Michigan

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual

For the 5 Months Ending February 28, 2026

	Access to Transit		Transit App		Total Year to Date		Annual
	Actual	Budget	Actual	Budget	Actual	Budget	Budget
Revenues							
Federal	\$ 2,950	\$ 666,667	\$ -	\$ -	\$ 2,171,743	\$ 3,992,967	\$ 9,583,116
State	738	583,333	15,000	118,015	2,809,903	5,766,956	13,840,696
Local	-	-	-	-	-	375,000	900,000
Fares	-	-	-	-	271,354	270,000	648,000
Other	-	-	-	-	187,870	128,104	307,449
Total revenues	\$ 3,688	\$ 1,250,000	\$ 15,000	\$ 118,015	\$ 5,440,870	\$ 10,533,027	\$ 25,279,261
Expenditures							
Salaries and Wages	-	-	-	-	1,714,075	2,206,888	5,296,530
Fringe Benefits	-	-	-	-	602,686	544,716	1,307,317
Professional Services	-	-	5,000	-	418,400	428,479	1,028,350
QLINE Maintenance	-	-	-	-	721,926	1,418,630	3,404,712
Planning Services	3,688	-	-	-	333,055	537,500	1,290,000
Communications	-	-	10,000	-	302,103	380,136	912,329
Services and Initiatives	-	1,250,000	-	118,015	2,259,566	3,834,569	9,202,961
Administrative	-	-	-	-	710,251	926,412	2,223,392
						-	
Total expenditures	\$ 3,688	\$ 1,250,000	\$ 15,000	\$ 118,015	\$ 7,062,062	\$ 10,277,330	\$ 24,665,591
Change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ (1,621,192)	\$ 255,697	\$ 613,670

concluded.

Project Tracker as of 2/28/26

Title **Detroit to Ann Arbor Express Bus (D2A2)**
Description Express bus connecting downtown Detroit to downtown Ann Arbor.
Schedule October 2021 - September 2026

Budget Tracker			
	Total	ITD	Balance
Cost	\$ 13,793,820	\$ 12,003,973	\$1,789,847
Grants			
MI-2021-036-01	\$4,311,592	\$4,311,592	(\$0)
2017-0119/P7/R2	\$1,635,893	\$1,635,893	\$0
Fares/Contrib	\$1,487,365	\$1,950,650	(\$463,285)
MI-2021-036-02	\$1,373,593	\$1,373,593	(\$0)
MDOT LBO	\$1,287,542	\$618,897	\$668,645
ARPA MI-2022-005-02	\$3,697,835	\$2,113,349	\$1,584,486
	\$13,793,820	\$12,003,973	\$1,789,847

Title **Regional Mobility Management (MyRide2)**
Description Call center/website with information for seniors and persons with disabilities.
Schedule October 2017 - September 2026

Budget Tracker			
	Total	ITD	Balance
Cost	\$2,742,107	\$2,104,756	\$637,351
Grants			
MI-2017-031-02	\$1,069,444	\$1,069,444	\$0
2017-0119/P2/R4	\$267,361	\$267,361	\$0
MI-2024-009-01	\$411,292	\$411,292	(\$0)
2022-0126/P7	\$102,823	\$102,823	\$0
ARPA MI-2022-005-01	\$154,553	\$154,553	(\$0)
Federal Grant*	\$589,307	\$79,427	\$509,880
State Grant*	\$147,327	\$19,856	\$127,471
	\$2,742,107	\$2,104,756	\$637,351

*Funding is secured and currently being amended into a grant. Pre-award authority.

Title **Universal Basic Mobility Pilot**
Description Mobility wallet fare technology pilot focused on Detroit jobseekers.
Schedule June 2023 - July 2026

Budget Tracker			
	Cost	ITD	Balance
Cost	\$1,025,000	\$923,249	\$101,751
Grants			
2022-0126-P3	\$1,025,000	\$923,249	\$101,751
	\$1,025,000	\$923,249	\$101,751

Title **Downtown to Airport Express**
Description Express bus connecting downtown Metro Airport to Downtown Detroit.
Schedule March 2024 - September 2026

Budget Tracker			
	Cost	ITD	Balance
Cost	\$6,012,708	\$4,514,367	\$1,498,341
Grants			
MI-2024-002	\$2,000,000	\$2,000,000	\$0
2022-0126-P4 R1	\$500,000	\$500,000	\$0
Fares/Contrib	\$942,386	\$812,252	\$130,134
MDOT LBO	\$805,170	\$333,533	\$471,637
ARPA MI-2022-005-02	\$1,765,152	\$868,582	\$896,570
	\$6,012,708	\$4,514,367	\$1,498,341

Title **Access to Transit Program**
Description Grant program for safety and access improvements at bus stops.
Schedule October 2024 - December 2026

Budget Tracker			
	Cost	ITD	Balance
Cost	\$3,363,395	\$135,829	\$3,227,566
Grants			
2022-0126-P6	\$1,363,395	\$135,829	\$1,227,566
FY2024 CMAQ*	\$1,600,000	\$0	\$1,600,000
State Grant*	\$400,000	\$0	\$400,000
	\$3,363,395	\$135,829	\$3,227,566

*Funding is secured. Will be amended into the grant at a future date.

Title **Transit App Program**
Description Regional Mobility as a Service (MaaS) application platform
Schedule July 2025 - July 2028

Budget Tracker			
	Cost	ITD	Balance
Cost	\$910,000	\$148,236	\$761,764
Grants			
2022-0126-P8	\$828,000	\$148,236	\$679,764
Local In-Kind Match	\$82,000	\$0	\$82,000
	\$910,000	\$148,236	\$761,764



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Becky Lasecki, Procurement & Contracts Manager

SUBJECT: Procurement Advisory Notice

DATE: March 19, 2026

REQUESTED ACTION: Receive and File

Background Information: The RTA procurement policy requires that all procurement types be reported to the Board through an advisory notice at the first available meeting after an award if/when the total value is more than \$50,000 and less than \$350,000.

Since the last Board meeting, the following contract extension awards have been made to four on-call planning firms that respond to project-specific issued Task Orders, each with a defined scope of services and budget.

Method	Description	Vendor	Value
Contract Extension (one year)	Planning Consulting Services	AECOM Great Lakes, Inc.	Not to exceed \$1,000,000
Contract Extension (one year)	Planning Consulting Services	Orchard, Hiltz, and McClient dba OHM Advisors	Not to exceed \$1,000,000
Contract Extension (one year)	Planning Consulting Services	T.Y. Lin International Great Lakes, Inc. (formerly Sam Schwartz)	Not to exceed \$1,000,000
Contract Extension (one year)	Planning Consulting Services	WSP Michigan, Inc.	Not to exceed \$1,000,000



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Melanie Piana, Program Director

SUBJECT: Procurement Policy Update

DATE: March 19, 2026

REQUESTED ACTION: Board of Directors Approval

Approval Request: This memo requests board approval of the following proposed amendments to the RTA Procurement Policy, which will update the Procurement Policy last amended in January 2025.

Background Information: The Procurement Team will introduce two amendments to the procurement policy in 2026 to strengthen alignment with federal requirements and to support continued operational maturity. The first amendment, completed in March 2026, updates the policy to reflect the new Federal Transit Administration (FTA) procurement spending thresholds that took effect on October 1, 2025. This update also incorporates lessons learned from the first year of supporting QLINE procurement activities, resulting in clearer processes and improved internal consistency.

The second update planned will reorganize the policy's sections and subsections to reflect current best practices and improve clarity for staff, stakeholders, and the Board. Together, these amendments modernize the policy framework, support stronger compliance, and enhance the effectiveness of procurement operations across the agency.

The March 2026 key updates include:

Section 1: General Authority & Standards of Conduct: The updated section introduces 1.1, the purpose, and 1.2, standardized language and terminology, to ensure clarity and consistency across all procurement activities. These definitions establish a common understanding of roles, documents, and processes, supporting smoother operations and stronger compliance, especially with new standard operating procedures.



Section 2: Spending Thresholds & Guidelines: The following updates include:

- Introduces a new 2.1 Overview that emphasizes proactive planning and collaboration to ensure timely, cost-effective acquisition of goods and services.
- Section 2.3 now follows the revised Federal Acquisition Regulation (FAR) for micro-purchases from \$10,000 to \$15,000, renamed Small Purchases to Simplified Acquisitions, and increased spending from \$250,000 to \$350,000. Formal purchases of \$350,000 or higher continue to require board approval.
- A new 2.4 Emergency Procurement section establishes clear authority and criteria for initiating immediate purchases when health, safety, or essential RTA operations are at risk. It outlines who may declare an emergency, specifies that poor planning or changes in preference do not qualify, and allows competitive requirements to be waived when justified.

Section 5: Solicitation Methods: Section 5 now states that a new purchase requisition (5.5) is required for all purchases over \$1,000, or for smaller purchases that still require a purchase order (5.6) or a contract. These updates strengthen budget validation, ensure proper authorization, and outline tiered approval requirements aligned with micro-purchase and simplified acquisition thresholds.



Regional Transit Authority
Of Southeast Michigan

Revision Log

Revision Name:	Adopted On:	Update Notes:
Original	2016	Updated to reflect agency's first procurement and procedures manual
Updated (version 2)	July 18, 2023	Updated to reflect micro and small purchases increases from \$5,000 to \$10,000.
Updated (version 3)	February 20, 2024	Updated to reflect federal procurement contract authority for purchases over \$250,000 following FTA federal recommendations and updated employee job titles.
Updated (version 4)	January 16, 2025	Updated to reflect new RTA brand design for internal policy documents, separated procurement policy from procedures, and clarified contract authority and Board approval thresholds.
Updated (version 5)	March 19, 2026	Updated to reflect new language and terminology section, federal acquisition thresholds; added new requirements for requisitions and purchase orders, and emergency procurement procedures.

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SECTION 1: GENERAL AUTHORITY AND STANDARDS OF CONDUCT

1.1 PURPOSE

This Procurement Policy (Policy), as amended March 2026, establishes the overarching policy and broad procurement framework for the Regional Transit Authority of Southeast Michigan (RTA) in support of the agency's mission to create new and better ways to move and connect people.

The purpose of the Policy is to provide clear direction for day-to-day procurement activities and contractual conduct, ensuring compliance with applicable laws, regulations, policies, and sound business practices

1.2 APPLICABLE FEDERAL REGULATIONS

RTA procurement activities shall comply with all applicable federal regulations governing federally assisted transit procurements, including 2 CFR Part 200, 2 CFR Part 1201, FTA Circular 4220.1G, FTA Circular 5010.1F, 49 U.S.C. Chapter 53, and relevant sections of 49 CFR Chapter VI, as amended. Where FTA guidance or federal statutes conflict with local policy, the federal requirement shall prevail.

1.3 LANGUAGE AND TERMINOLOGY

Several words and phrases are used to represent a group of similar terms:

- A. **Award** refers to all awards issued through RTA Procurement
- B. **Contracting Officer** refers to the chief executive of the RTA, the Executive Director, who has the authority to enter into contracts on behalf of the RTA.
- C. **Procurement and Contracts Manager** refers to the employee responsible for managing all procurement activities on behalf of the agency.
- D. **Project Manager** refers to the employee responsible for managing and ensuring that the vendor delivers the services within the scope.

- E. *Requisition*** refers to a document requesting goods or services that initiates the creation of a Purchase Order.
- F. *Purchase Order*** refers to a written authorization for a vendor to deliver goods or to perform services for RTA, specifying terms and conditions, specific quantities, and an agreed-upon price.
- G. *Requestor and User*** are used interchangeably.
- H. *Senior Management*** refers to the Executive Director’s designated senior leadership team members (Directors and QLINE General Manager)
- I. *Vendor and Contractor*** are used interchangeably.
- J. *Solicitation*** refers to all solicitations, including Request for Quotation (RFQ), Invitation for Bid (IFB), Request for Proposals (RFP), Request for Qualifications (RFQ), and Request for Information (RFI).
- K. *Bid*** refers to all bids, quotes, offers, and proposals.
- L. *Bidder*** refers to all bidders, offerors, and proposers.
- M. *Procurement***, when used as a noun, refers to the Procurement Department

1.4 APPLICABILITY AND GOVERNANCE

The Procurement Policy sets forth the standards for processing all contracts unless specifically designated otherwise. It ensures that goods (e.g., equipment, materials, supplies, etc.) and services are obtained using timely, efficient, and economical methods that adhere to the principles of good administrative practices and sound business judgment. This Policy may only be revised by official Board action.

If the RTA applies for and receives State of Michigan or federal funds that require the RTA to comply with procurement or contracting requirements outside of the RTA Act or the RTA’s Procurement Policy, the State or federal requirements shall take precedence.

1.4 SEVERABILITY AND LEGAL COMPLIANCE

If any provision of the Procurement Policy is deemed invalid, the remaining provisions will remain in effect. In cases of conflict with State or federal laws, the laws will prevail.

1.5 PROCUREMENT AUTHORITY

The RTA Executive Director will designate a staff member to act as the Procurement and Contracts Manager, responsible for managing all procurement activities.

1.6 WRITTEN STANDARDS OF CONDUCT

All RTA Board members and employees must adhere to the RTA Code of Conduct, Conflict of Interest Policy, and applicable procurement regulations, including federal, State, and local laws. This is accomplished by all parties reviewing and signing a Conflict of Interest form annually. Violations will result in disciplinary action as outlined in the RTA policies. RTA Board members and employees must avoid conflicts of interest in procurement-related activities. When a potential or actual conflict arises, it must be promptly reported to the appropriate supervisor or Board Member for review and resolution. Failure to disclose or address violations may lead to disciplinary action, contract termination, or vendor disqualification.

1.7 PERSONAL CONFLICTS OF INTEREST

RTA employees, officers, agents, and Board members must avoid real or perceived conflicts of interest in procurement activities. Conflicts arise when an individual has a financial interest in a firm seeking a contract. All external reviewers will be required to sign the Conflict-of-Interest Policy to ensure no conflict of interest exists.

1.8 ORGANIZATIONAL CONFLICTS OF INTEREST

An organizational conflict of interest arises when a Contractor's other activities, relationships, or contracts inhibit, affect, or prevent the Contractor from rendering impartial assistance or advice to RTA. Conflicts may also occur if:

- A Contractor's objectivity in performing contract work is impaired (e.g., a Contractor involved in a design project may have a financial interest in products or systems that could be used to implement the design); or
- A Contractor gains an unfair competitive advantage through prior involvement in the development of solicitation or contract documents, including scopes of work or specifications, except in the case of general industry reviews.

RTA will include an organizational conflict of interest clause in its contracts, requiring offerors to disclose any potential or actual conflicts. This enables RTA to evaluate the disclosure and take necessary actions to avoid or mitigate the conflict. Additionally, conflicts of interest can be minimized through thorough vetting of potential vendors, employees, and Contractors. This includes researching connections and relationships that might lead to conflicts. RTA's conflict of interest policy requires employees to avoid any activity, practice, or act that conflicts with, or appears to conflict with, the interests of RTA, its customers, or vendors. Adherence to this policy significantly reduces the likelihood of conflicts arising.

If a conflict of interest occurs, RTA can implement measures to mitigate its effects, including:

- **Removal of the Employee:** The RTA employee involved in the conflict can be reassigned or removed from the position that caused the conflict.
- **Recusal and Abstention:** The employee facing the conflict may be required to recuse themselves from the procurement action or decision-making process related to the conflict.
- **Engagement of a Third Party:** If removal or recusal is not feasible, RTA may engage a neutral third party to manage or regulate the process. This could include overseeing interactions between RTA and the affected offeror, or even making procurement decisions impartially.

1.9 GIFTS

RTA employees, officers, agents, or Board members are strictly prohibited from soliciting or accepting gifts, gratuities, or favors from vendors or potential vendors.

For the purposes of this policy, a "gift" includes anything of value, such as cash, goods, services, meals, entertainment, or discounts, regardless of intent. Exceptions include items of nominal value (e.g., promotional items such as pens or calendars valued under \$25) that are broadly distributed by the vendor and not intended to influence decision-making.

SECTION 2: SPENDING GUIDELINES AND THRESHOLDS

2.1 OVERVIEW

Acquiring goods and services is a process that requires interaction and cooperation among all people involved. Proper planning for future requirements and communication of these needs to Procurement will result in materials and services being available when needed by a department.

The importance of proper planning by the department cannot be overemphasized. Through effective planning, the department can:

- Avoid lost staff hours caused by shortages.
- Reduce the number of “rush” purchases.
- Increase the overall efficiency of RTA through reduced procurement costs.
- Avoid increased acquisition costs, such as expedited shipping, often occurring in “rush” purchase situations.
- Identify goods that can be standardized throughout the departments.
- Reduce the cost of goods or services through the continuous evaluation and modification of specifications, to identify and delete items that add cost, but not necessarily value, to the product.

Senior Management team members shall include Procurement in their budget planning to assist in developing budget estimates for the following fiscal year budget. Procurement can provide cost estimates for the following year’s projects to be included in the department’s budget submission.

2.2 CONTRACT EXECUTION AUTHORITY

Authority and responsibility to enter contracts for RTA are vested in the Executive Director and the Chairman of the Board (or their designees).

2.3 FEDERAL PROCUREMENT THRESHOLDS

The following matrix specifies who may authorize and execute contracts:

Contract Type	Threshold	Contracting Authority	Board Action Required
Micro Purchases	Up to \$15,000	Procurement and Contracts Manager, with Executive Director Approval	No
Sole Source, Simplified Acquisition, or RFP Contracts	Up to \$350,000	Executive Director	No
Emergency or Public Exigency Contracts	Over \$350,000	Executive Director, with Chairman of the Board Pre-Approval	No
All types (Formal Procurement, Sealed Bids)	Over \$350,000	Executive Director, with Board Approval	Yes
Donations	Any Amount	Executive Director, with Board Approval	Yes

All procurement types will be reported to the Board through a procurement advisory notice at the first available Board meeting after award if/when the total award exceeds \$50,000, including emergency purchases.

2.4 EMERGENCY PROCUREMENT

Emergency Procurement procedures shall be used when the procurement of goods or services is immediately necessary due to an emergency. An emergency exists if there is an immediate risk to the health or safety of person(s) or if the normal operation of RTA or major portions thereof would cease or be seriously impaired if immediate action were not taken to correct the contingency. The Executive Director or designee may declare an emergency consistent with federal procurement standards in 2 C.F.R. §§ 200.317–200.327 and Michigan law (MCL 18.1261), which allow noncompetitive procurement under imminent threat conditions. In the case of a natural disaster or threat of such, the Executive Director, or any designee in the absence of the Executive Director, may declare that an emergency exists or other response deemed reasonable.

Poor planning, change of mind, concept, or perspective, change in staff, change in scope of work, change in quantity or price, and/or change in tastes do **NOT** constitute an emergency or hazard.

Justification for this procedure shall be the responsibility of the Executive Director or designee during normal business hours. Outside normal business hours, the responsibility for justifying an emergency lies with the highest-ranking employee involved. Competitive requirements may be waived.

Emergency or Public Exigency contracts over \$350,000 shall be pre-approved by the Chairman of the Board and executed by the Executive Director, and will be reported to the Board for affirmation at the first available Board meeting after the award to ensure a prompt response by RTA to the emergency/exigency.

SECTION 3: CONTRACTING STANDARDS

3.1 CONTRACT PROVISIONS

All contracts will include:

- A well-defined scope of work or specifications.
- Clear terms, pricing, and payment details.
- Required clauses based on federal, State, and local laws.

3.2 BREACH OF CONTRACT

Contracts over the micro purchase threshold (\$15,000) must include provisions for legal or administrative remedies if contractors violate terms.

3.3 TERMINATION

Contracts must include termination clauses, specifying how termination will occur and how settlements will be handled.

3.4 LOBBYING RESTRICTIONS

For contracts of \$100,000 or more, contractors must certify they have not and will not use federal funds for lobbying activities, as required by federal regulations.

3.5 BUY AMERICA COMPLIANCE

Applies to purchases of steel, iron, and manufactured products over \$150,000, including labor and subcontracting. Both parties must certify compliance with Buy America provisions in applicable contracts.

3.6 TIME AND MATERIAL CONTRACTS

Time and Material contracts may only be used when a clear scope of work cannot be defined due to unknown factors. Such contracts require written justification explaining why no other contract type is suitable. Time and materials contracts must include a

ceiling price that contractors cannot exceed without risk. Efforts should be made to define scope and transition to a more structured contract type.

3.7 PERCENTAGE-OF-COST CONTRACTS

Cost-plus-percentage-of-cost and percentage-of-construction-cost contracting methods are prohibited.

3.8 CONTRACT OVERSIGHT

The Procurement and Contracts Manager will implement a contract administration system to ensure vendors meet the terms, conditions, and specifications of their contracts. Oversight responsibilities include resolving disputes, monitoring the timely delivery of goods or services, and investigating causes of cost overruns, scope changes, or delays. All activities must be thoroughly documented to confirm vendor compliance.

SECTION 4: FULL AND OPEN COMPETITION

4.1 FULL AND OPEN COMPETITION

Procurement transactions exceeding the micro purchase threshold must be conducted to maximize full and open competition. Awards will only be made to responsive offers from responsible vendors. Responsive offers comply with all solicitation requirements, while responsible vendors have the capacity and integrity to fulfill the contract. RTA will avoid restrictive practices to ensure fair competition. Examples of restrictive practices include:

- Imposing unreasonable qualifications.
- Requiring unnecessary experience or excessive bonding.
- Allowing noncompetitive pricing practices.
- Awarding noncompetitive contracts to retained consultants.
- Specifying brand-name products without allowing alternatives.
- Arbitrary actions during the procurement process.

4.2 ADEQUATE COMPETITION

RTA adheres to the Federal Transit Administration (FTA) definition of adequate competition as a situation in which two or more responsible bidders or offerors, competing independently, submit responsive bids or proposals that meet the solicitation requirements. This standard ensures that RTA fosters fair and open competition, a fundamental principle of public procurement. If only one bid or proposal is received, RTA will evaluate whether the lack of competition is justified under specific circumstances, including but not limited to:

- A well-documented effort to solicit multiple vendors, demonstrating that reasonable outreach was conducted.
- A lack of available competition in the market, supported by evidence such as market research or vendor feedback.

RTA recognizes that adequate competition must be free from collusion or restrictive practices and will take appropriate steps to ensure the integrity of the procurement process. When competition is deemed inadequate, RTA will review the solicitation and

procurement strategy to identify potential improvements or corrective actions, as necessary, to encourage greater competition in future procurements.

4.3 GEOGRAPHIC PREFERENCES

Geographic preferences will not be used in solicitations unless explicitly permitted by law. For state or locally funded procurements with no federal funds, geographic location may be a selection factor if it ensures adequate competition.

4.4 BONDING REQUIREMENTS

For construction contracts, RTA follows bonding policies that meet federal and state requirements to protect RTA and FTA interests. Bonding is discouraged for non-construction contracts unless required by law or deemed necessary for risk management.

4.5 DISADVANTAGED BUSINESS ENTERPRISE (DBE) POLICY

RTA encourages DBE participation in its procurement process to create fair competition and prevent discrimination. Key steps include:

- Pre-bid conferences for contracts over \$100,000 to connect DBEs with prime contractors.
- Inviting certified DBEs to participate in procurement opportunities.
- Presenting upcoming projects at MDOT's DBE conferences and attending regular DBE program meetings.
- For more information, visit www.rtamichigan.org.

4.6 RESPONSIBLE VENDORS

RTA will contract only with vendors or contractors who demonstrate the ability, willingness, and integrity to fulfill contract obligations. Vendors are defined as individuals or entities conducting business with RTA directly or through a subcontract. The Procurement and Contracts Manager will evaluate a contractor's responsibility based on the following criteria:

- Satisfactory record of integrity and business ethics.
- Neither debarred nor suspended from federal programs under DOT regulations.

- Compliance with Affirmative Action and DBE requirements.
- Adherence to federal public policies.
- Adequate organization, experience, controls, and skills.
- Compliance with applicable laws.
- Sufficient financial resources to perform the contract.
- Necessary technical equipment, facilities, and construction capabilities.
- Ability to meet delivery or performance schedules.
- Satisfactory current and past performance record.

The Procurement and Contracts Manager will also determine whether a bid or offer price appears unreasonable or unrealistic, which may result in a determination of non-responsibility.

RTA will not award a contract if:

- The Contractor is debarred, suspended, or ineligible per RTA or federal regulations.
- The Contractor is excluded from federal programs.

To ensure compliance, the Procurement and Contracts Manager will verify using the SAM database for contracts over \$15,000 that the Contractor and its principals, affiliates, and subcontractors are not debarred or suspended.

If requested, Contractors must provide evidence of their ability to secure resources, such as commitments to acquire facilities, equipment, or personnel.

Contractors with a history of poor performance may be deemed non-responsible unless prior deficiencies were outside their control or corrective actions have been taken. The performance and integrity of affiliated entities may also affect responsibility determinations.

For subcontractors, the Procurement and Contracts Manager may:

- Require the prime Contractor to provide evidence of subcontractor responsibility.
- Independently assess subcontractor responsibility if it impacts the prime Contractor's eligibility.

If a Contractor fails to provide requested information within the allotted time, the Procurement and Contracts Manager will base the determination on available information or declare the Contractor non-responsible.

All responsibility determinations will be documented and placed in the contract file. Any doubts about a contractor's ability to perform must be reported in writing. If RTA discovers an excluded party is involved in a contract post-award, the Procurement and Contracts Manager will notify FTA in writing and consider contract termination if necessary.

4.7 PRE-QUALIFICATION

RTA may pre-qualify vendors or products to ensure they meet certain standards for complex or specialized procurements. Pre-qualification must allow sufficient competition by maintaining a current list of qualified vendors or products and shall not exclude potential bidders from qualifying during the solicitation period. The Procurement and Contracts Manager determines whether pre-qualification is appropriate and sets the applicable standards.

SECTION 5: SOLICITATION METHODS

5.1 DETERMINATION OF PROCUREMENT METHOD

This section outlines the various procurement methods used by the RTA and the associated requirements to maintain a consistent, reliable, and transparent procurement process.

The Procurement and Contracts Manager is responsible for conducting procurements in compliance with local, State, and federal requirements, as well as RTA's policies and procedures. The Procurement and Contracts Manager must also follow best practices in purchasing and contracting, adhering to the highest ethical standards.

The Procurement and Contracts Manager determines the methods of simplified acquisition purchases, competitive procurements, or whether a non-competitive procurement is justified. If competitive bids are necessary, the Procurement and Contracts Manager will select the appropriate method and solicit quotes, bids, or proposals depending on the value and nature of the procurement to ensure open and fair competition.

5.2 ARTIFICIALLY DIVIDED PROCUREMENTS

Procurements shall not be artificially divided to circumvent the purchasing procedures in this policy. An aggregate of regular, recurring procurements shall be determined on an annual basis.

5.3 AVOIDING UNNECESSARY OR DUPLICATE PURCHASE

The Procurement and Contracts Manager will ensure that unnecessary or duplicative goods and services are not procured. Procurement strategies will consider consolidation or division of procurements to achieve cost efficiency. When applicable, lease-versus-purchase or similar analyses will be conducted to identify the most economical approach.

5.4 INDEPENDENT COST ESTIMATE (ICE)

An ICE is required for all procurements exceeding \$350,000, all change orders, and is recommended for all procurements over \$15,000. The ICE must:

- Be prepared by internal staff responsible for the procurement request or a contracted estimator in the case of complex procurements, without input from potential bidders.
- Include supporting documentation for reference during the procurement method selection and evaluation phases of the procurement process.
- Be updated if solicitation addenda significantly affect the anticipated price.

The Procurement and Contracts Manager is responsible for reviewing the ICE and ensuring it is complete, accurate, and confidential.

5.5 PURCHASE REQUISITIONS

The requisition provides for the request and authorization of purchases of goods and/or services.

A requisition should be created for all purchases in excess of \$1,000, or purchases less than \$1,000 that require a Purchase Order and/or contract. Requisitions aid in confirming budget availability, provide authorization to proceed with purchases, and include the details needed for Procurement to request quotes or develop contracts. Each requisition should include enough information for Procurement to ensure the purchase delivers the best value.

The following approvals are required for requisitions, based on the estimated cost of the requested procurement and the total of each line item before submission to Procurement. It is the responsibility of each of the approving officials to ensure the accuracy and completeness of the requisitions they approve.

The Executive Director or delegate has the authority to approve all requisitions.

Purchase Amount	Contract Type	Approval Required
Less than the Micro Purchase threshold	Micro Purchase	Requestor Director / General Manager Financial Manager Procurement & Contracts Manager Executive Director

Purchase Amount	Contract Type	Approval Required
More than the Micro Purchase threshold, but less than the Simplified Acquisition threshold	Simplified Acquisition (Request for Quote, if cost is the overriding factor, or Request for Proposals, if the overriding factor is not cost)	Requestor Director / General Manager Financial Manager Procurement & Contracts Manager Executive Director
More than the Simplified Acquisition threshold	Formal Procurement (Request for Proposals, Sealed Bids)	Requestor Director / General Manager Financial Manager Procurement & Contracts Manager Executive Director

5.6 PURCHASE ORDER

The Purchase Order (PO) is an authorization for a vendor to deliver goods or to perform services for the RTA. The Purchase Order is the document that communicates specific quantities and the agreed price. Purchase Orders are prepared for all purchases to facilitate budgeting, invoicing, and payment processes using RTA’s preferred electronic PO system. Some transactions, such as the payment of recurring, periodic expenses (i.e., postage, utilities, subscriptions, etc.), may not require a Purchase Order; in these cases, the Procurement and Contracts Manager provides guidance.

5.7 MICRO PURCHASES

Micro purchases refer to procurements of up to \$15,000 when using State or federal funds. These purchases are:

- Exempt from competition and ICE requirements but must demonstrate that the price is fair and reasonable, with a brief explanation of how this determination was made.
- Subject to the Davis-Bacon Act for construction contracts over \$2,000.
- Expected to ensure equitable distribution among qualified suppliers.

5.8 SIMPLIFIED ACQUISITIONS

Simplified Acquisition procedures apply to purchases of \$15,000 or more (if utilizing State or Federal funds) but less than \$350,000. These procedures simplify the procurement process while maintaining transparency and competition. An ICE is recommended regardless of funding source. Simplified acquisition solicitation methods include:

- Request for Quotes (RFQ), which shall be used when:
 - Specifications are clear and precise, and an award can be made to the lowest responsive and responsible quote without vendor discussion.
- Simplified Request for Proposals (S-RFP), which shall be used when:
 - A simplified acquisition does not lend itself to the RFQ method.
 - Factors such as technical qualifications or experience must be considered in addition to price, or if discussion with vendors is expected. S-RFPs must clearly state evaluation criteria, and proposals shall be evaluated by an RFP Evaluation Committee.
- All simplified acquisitions must include appropriate documentation, including:
 - A clear scope of work or description of the goods/services.
 - The basis for selecting the awarded vendor.
 - A record of all quotations/proposals obtained.

5.9 SEALED COMPETITIVE PROCUREMENTS

RTA uses sealed competitive procurement procedures for all transactions over \$350,000 unless specifically justified otherwise. All sealed competitive procurements shall be executed through one of the following methods, as determined by the Procurement and Contracts Manager:

- Invitation for Bids (IFB) shall be used when:
 - Specifications or purchase descriptions are clear and precise.
 - Award will be based solely on price and price-related factors.
 - Discussions with bidders are unnecessary.
- Requests for Proposals (RFP) shall be used when:
 - Procurements do not lend themselves to sealed bidding.
 - RFPs must:
 - Include a detailed scope of work and technical requirements.
 - Clearly state the evaluation factors.
 - Be evaluated by an RFP Evaluation Committee.

- Have all non-cost information included in an RFP response separated from the cost information

5.10 RFP EVALUATION COMMITTEE

The Procurement and Contracts Manager shall obtain approval from the Executive Director of all RFP Evaluation Committees. Evaluation Committees may comprise the Executive Director, RTA Staff members, and other individuals with relevant experience/expertise on the procurement subject.

External reviewers may be used on RFP Evaluation Committees when procurements involve complex scope of work elements and internal gaps in experience/expertise are identified.

The Procurement and Contracts Manager must ensure that no member(s) on an RFP Evaluation Committee has any appearance or actual conflict of interest. Any member with a conflict of interest shall be removed from the Committee. All external reviewers will be required to sign the Conflict-of-Interest Policy to ensure no conflict of interest exists.

5.11 COOPERATIVE PURCHASING AGREEMENTS

The RTA may participate in and make purchases through cooperative purchasing agreements with the federal government, State of Michigan, or other public entities using competitive procurement methods.

To foster greater economy and efficiency, RTA shall enter into such State and local intergovernmental agreements for procurement or use of common goods and services whenever possible, as long as the contract does not violate Federal requirements. If purchases are made through intergovernmental agreements using federal funds, all federal requirements, such as certifications, must be submitted by the Contractor prior to the purchase. Federal terms must also be attached to the purchase order.

5.12 SOLE SOURCE PURCHASES

Sole source procurements are accomplished through solicitation of a bid from only one source, or if after solicitation from several sources, competition is determined

inadequate. An amendment or change order that is not within the scope of the original contract is considered a sole source procurement.

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under simplified acquisition procedures, sealed bids, or competitive proposals, and at least one of the following circumstances applies:

- The item is only available from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- FTA expressly authorizes noncompetitive solicitations in response to a written request; and
- After solicitation of a number of sources, competition is determined inadequate.

Cost analysis verifying the proposed cost data, projections of the data, and evaluation of the specific elements of costs and profits is required.

The justification must be documented in the procurement file and must describe the rationale and the findings and determinations.

The procurement of sole-source proprietary technical software requires strict adherence to FAR 6.302-1, justifying that only one source can meet agency needs due to unique capabilities, compatibility, or proprietary rights. Extensive market research must prove competition is infeasible.

5.13 CHANGE ORDERS

Change orders are written directives to modify a contract within its original scope. Board approval is required for changes exceeding \$50,000. If a change exceeds the scope of the original contract, it is considered a cardinal change and must follow sole source procurement procedures.

5.14 NON-COMPETITIVE PROCUREMENTS

Competition is not required in the following cases:

- **Emergency Situations:** When an immediate purchase is needed to protect public health, safety, or welfare due to an emergency.
- **Urgent Repairs:** For unexpected repairs or construction needed to protect life or property.

- Declared Emergencies: Purchases made in response to an official state of emergency or disaster.
- Sole Source: A sole source procurement occurs when goods or services are available from only one source, when proprietary services (such as software licenses) are being procured, when capital maintenance items are procured from the original equipment manufacturer or supplier, or when competition is deemed inadequate after solicitation. A cost or price analysis is required to ensure price reasonableness for all sole source purchases.

5.15 COST/PRICE ANALYSIS

A cost analysis must be performed for (1) procurements that require that offerors submit detailed elements of direct and indirect costs; (2) procurements where adequate price competition is lacking; and/or (3) sole-source procurements, unless price reasonableness can be established based on market prices. Price analysis (i.e., using catalog or market prices) may be performed for all other procurements. Profit must be negotiated separately in cases where cost analysis is required.

5.16 PROCUREMENT RECORDKEEPING

The Procurement and Contracts Manager will maintain detailed procurement records appropriate to the size, complexity, and cost of each contract. Records must include:

- The rationale for the procurement method.
- Justification for the contract type.
- Documentation of vendor selection or rejection.
- The basis for the contract price.

SECTION 6: PROTESTS AND DISPUTE RESOLUTION

6.1 PROTESTS

The Procurement and Contracts Manager and Executive Director are responsible for resolving all contractual issues, including disputes, protests, and claims.

RTA provides a process for interested parties to file and resolve bid protests without unnecessary procurement delays. An “Interested Party” includes any bidder, proposer, or potential bidder whose direct economic interests are impacted. Protests apply to both Invitations for Bids (IFBs) and Requests for Proposals (RFPs).

Filing Requirements

Protests must be submitted by an interested party in writing to the Procurement and Contracts Manager and include:

- Name, address, and relationship to the procurement.
- Contact details (name, title, address, phone, email).
- Solicitation or contract number.
- Grounds for the protest, citing relevant solicitation provisions, laws, or regulations.
- Statement of the relief requested.
- Supporting documents.
- A notarized affirmation of the protest’s accuracy.

Deadlines

- Solicitation Protests: Filed at least 10 business days before the bid opening.
- Bid Evaluation Protests: Filed within 10 business days after bid opening unless new issues arise before contract execution.
- Award Protests: Filed within 10 business days of the award date.

Protest Types and Procedures

- **Protests Regarding Solicitations**
 - Challenges may include restrictive specifications, award criteria, or solicitation process violations.

- Bid openings will be postponed pending resolution unless allowed to proceed for any reason specified below.
- **Protests Regarding Bid Evaluations**
 - Applies to disputes about bid responsiveness, bidder responsibility, or violations of laws or regulations.
 - Only vendors who submitted valid proposals may protest.
 - RTA may suspend bid evaluations pending resolution unless authorized to proceed for any reason specified below.
- **Protests After Award**
 - Considered only if the awarded bidder fraudulently represented responsibility or if RTA violated regulations or its policies.
 - RTA may issue a stop-work order until the protest is resolved unless authorized to proceed for any reason specified below.
- **All Protests**
 - The RTA's Procurement and Contracts Manager will notify the protestor upon timely receipt of a Protest. The Procurement and Contracts Manager may, where appropriate, request additional information from the protestor to aid in the review. RTA reserves the right to meet with the protestor to review the matters raised in the Protest, if deemed necessary.
 - All Bidders or proposers who have a reasonable prospect of receiving an award will be notified of the Protest and its basis.
 - If a timely Protest is received before Bid opening and the matter is unresolved, RTA will extend the Bid receipt deadline as needed to resolve the Protest and implement any required remedial actions unless one of the exceptions listed below applies.
 - When a Protest is filed after the selection but before the award, the award will be withheld pending resolution. All eligible Bidders will be informed of the Protest. If necessary, those Bidders may be asked to extend their Bid acceptance period to allow time for Protest resolution.
 - Upon receipt of a bona fide Protest, RTA may suspend the procurement process. However, RTA reserves the right to proceed with procurement or contract if:
 - The item or service is urgently required.
 - The Protest is determined to be vexatious or frivolous.
 - Delays caused by suspension would result in undue harm, including performance delays.
 - Within ten working days of receiving a Protest, the Procurement and Contracts Manager will issue a written decision addressing the

substantive issues raised. This period may be extended if additional time is necessary. The decision will be final unless the protestor files a timely written appeal to the RTA's Executive Director.

- A written appeal must be submitted to the Executive Director within five working days of the Procurement and Contract Manager's decision. The appeal must include:
 - The factual basis for the appeal, including any new or previously unavailable information.
 - Specific allegations of RTA's failure to follow its Procurement Policy or Protest procedures.
 - Allegations of Federal or State law or regulation violations, if applicable.
 - Any additional relevant information.
- The Executive Director will issue a written decision within ten working days, extendable if necessary. The decision will be final unless the protestor appeals to the FTA.
- For the purposes of this section, "working days" refer to days that RTA's Administrative Office is open for business.
- If the RTA denies an appeal, the protestor will be informed in writing of the right to appeal the decision to the FTA. Upon denial, RTA will lift any procurement suspension and proceed with the process.

Remedy

If a Protest is upheld, in whole or in part, RTA will take corrective action to address the specific issues raised. This may include:

- Re-solicitation of Bids.
- Revised evaluation or determinations.
- Termination of the contract.

Protests to FTA

- The FTA will review Protests only on the following grounds:
 - RTA failed to have or follow its protest procedures.
 - RTA failed to review a complaint or Protest.
 - Federal law or regulation violations occurred.
- For projects using FTA funds, RTA will notify FTA of all Protests. Copies of protest-related correspondence and decisions will be shared with FTA. The Procurement and Contracts Manager will also inform FTA of Protest denials.

- A protestor must exhaust all administrative remedies with RTA before appealing to the FTA.
- An appeal to FTA must be filed within five working days of the date the protestor became aware, or should have been aware, of the RTA Executive Director's decision. "Working days" for this purpose refer to days when FTA Region Five or Headquarters offices are conducting normal business.

6.2 DISPUTE RESOLUTION

Any dispute concerning a question of fact arising under a Contract 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 the terms and conditions of the Contract have first been exhausted. Pending final resolution of any dispute, the Contractor shall continue to perform the contracted services diligently and in accordance with the RTA's written direction.

BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors
FROM: Melanie Piana, Program Director
SUBJECT: FY25-26 Financial Audit
DATE: March 19, 2026
REQUESTED ACTION: Board of Directors Approval

Approval Request:

The memo seeks board approval for the Fiscal Year 2025-2026 financial and single audit performed by Maner Costerisan, including an add-on National Transit Database (NTD) audit.

Background Information:

The RTA entered into a three-year agreement with Maner Costerisan in 2024 for annual financial and single-audit services. We are now entering year two of that contract. The scope covers RTA's annual financial statements and includes the first year of QLINE audit support since taking ownership, beginning in FY 2025.

Attachment: FY 2025-2026 Financial Audit

Regional Transit
Authority of
Southeast Michigan



Year Ended
September 30,
2025

Financial
Statements

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Regional Transit Authority of Southeast Michigan
Detroit, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Regional Transit Authority of Southeast Michigan (the Authority), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Regional Transit Authority of Southeast Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Regional Transit Authority of Southeast Michigan, as of September 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As described in Note 1 to the financial statements, the Authority adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*, during the year ended September 30, 2025. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying other supplementary information, as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Lansing, Michigan
March 20, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Management's Discussion and Analysis

This section of the annual report of the Regional Transit Authority of Southeast Michigan ("RTA") presents management's discussion and analysis of RTA's financial performance during the fiscal year that ended on September 30, 2025. Please read it in conjunction with RTA's financial statements, which follow this section.

Financial Highlights

- RTA continued to build partnerships with mobility providers and other stakeholders during the fiscal year ended September 30, 2025 as it sought to achieve its mission, including the completion of an update to its Regional Master Transit Plan. The RTA Program completed several studies and continued the execution of the Detroit to Ann Arbor Express ("D2A2") and the Detroit to Airport Express ("DAX") services. It also continued to supported the MyRide2 service, the Mobility Wallet pilot, and the Coordinated Human Services Transportation Plan ("Mobility4All Plan"). RTA also hired three new staff members during fiscal year 2025.
- Effective October 1, 2024, RTA assumed operational responsibility for the Qline, previously administered by M-1 Rail and subsidiaries ("M-1 Rail"). The general fund had a transfer in of operations which totaled \$6.5 million related to this transaction.
- The assets of the RTA exceeded its liabilities at the close of the most recent fiscal year by \$107.6 million (net position). Of this amount, \$5.2 million was restricted for Qline, \$2.3 million was unrestricted and the remainder was investment in capital assets which cannot be easily liquidated to pay for operational needs.
- The RTA's total net position increased by \$107.5 million from operations during fiscal 2025, primarily due to the transfer of operations for Qline.
- The General Fund received \$20.4 million in revenues. The General fund had \$19.9 million in expenditures. The General Fund fund balance increased by \$7.6 million.
- At the end of the current fiscal year, restricted fund balance was \$5.2 million, and unassigned fund balance for the General Fund was approximately \$1.3 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to RTA's basic financial statements. RTA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of RTA's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of RTA's assets and liabilities, with the difference being net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of RTA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. RTA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. RTA maintains one governmental fund, which is the general fund.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Management's Discussion and Analysis

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating RTA's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds (modified accrual) statements with similar information presented for government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the general fund balance sheet and the general fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between the general fund and governmental activities.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents the management's discussion and analysis, which is considered required supplementary information.

RTA adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of RTA, assets exceeded liabilities by \$107,657,020 at the end of the September 30, 2025 fiscal year.

	Summary of Net Position	
	2025	2024
Assets		
Current and other assets	\$ 10,192,420	\$ 1,963,011
Capital assets, net	100,548,428	171,682
Total assets	<u>110,740,848</u>	<u>2,134,693</u>
Liabilities		
Other liabilities	2,553,361	1,953,996
Compensated absences and SBITA payable	530,466	65,550
Total Liabilities	<u>3,083,827</u>	<u>2,019,546</u>
Net position		
Net Investment in capital assets	100,126,175	171,682
Restricted for:		
Qline operations - Michigan CFDF, PA 106 of 1985	5,244,449	-
Unrestricted (deficit)	2,286,396	(56,535)
Total net position	<u>\$ 107,657,020</u>	<u>\$ 115,147</u>

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Management's Discussion and Analysis

The net position consisted of three components for 2025, which was investment in capital assets of \$100.1 million, restricted for Qline operations of \$5.2 million and unrestricted net position of \$2.3 million.

RTA's net position increased by \$107.5 million during the current fiscal year.

	Statement of Activities	
	2025	2024
Revenues		
Program revenues:		
Operating grants and contributions	\$ 19,412,607	\$ 6,365,577
Charges for service	677,264	160,906
General revenues:		
Other revenue	401,329	64,040
Total revenues	<u>20,491,200</u>	<u>6,590,523</u>
Expenses	<u>23,538,947</u>	<u>6,823,967</u>
Special Item	<u>110,589,620</u>	<u>-</u>
Change in net position	107,541,873	(233,444)
Net position:		
Beginning of year	<u>115,147</u>	<u>348,591</u>
End of year	<u>\$ 107,657,020</u>	<u>\$ 115,147</u>

Total revenue increased by \$13.9 million during the year due additional federal and state funding to support the Qline operations. The special item of \$110.6 million is the result of transferred operations from the Qline during the year.

Total expense increased by \$16.7 million during the year due to the corresponding expenses associated with operation of the Qline.

Summary of Fund Financial Statements

General Fund. As noted earlier, the focus of the governmental fund (modified accrual) financial statements is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing RTA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the RTA's general fund reported an ending fund balance of \$7.6 million, an increase of \$7.6 million from the prior year. \$1.1 million of the fund balance is considered nonspendable related to prepaids and inventory.

At the end of the current fiscal year, restricted fund balance was \$5.2 million for Qline operations, and unassigned fund balance for the General Fund was \$1.3 million.

The increase in total fund balance of \$7.6 million is mainly due to transfer of Qline operations to the RTA.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Management's Discussion and Analysis

Budgetary Highlights

RTA adopts an annual budget for the General Fund. A budgetary comparison schedule has been provided as supplementary information to demonstrate compliance with this budget.

There were no budget amendments during fiscal year 2025. Actual revenues and expenditures varied from the adopted budget. The most significant variances are discussed below.

- Grant revenue was budgeted based on allocations for this fiscal year, over the life of the projects, resulting in actual results under budget by \$2.7 million.
- Similarly, fare revenue was budgeted for the life of the project and was over budget by \$68,784.
- Salaries and benefits were under budget by \$850,000 due to vacant positions and those positions that were not filled until later in the fiscal year.

Capital Asset and Debt Administration

Capital Assets. The following is a summary of capital assets and the associated accumulated amortization:

	2025	2024
Land	\$ 1,107,007	\$ -
Construction in progress	24,377	-
Rail infrastructure	84,900,269	-
Vehicles	59,880,451	-
Other equipment and infrastructure	650,194	-
Intangibles	2,335,308	-
Subscriptions	553,053	343,365
Less accumulated depreciation/amortization	<u>(48,902,231)</u>	<u>(171,683)</u>
Net capital assets	<u>\$ 100,548,428</u>	<u>\$ 171,682</u>

The capital assets of RTA consist primarily of Qline capital assets, after transfer of operations.

Long-term Obligations.

At the end of the current fiscal year, RTA had long-term obligations of \$530,466. Long-term obligations included \$422,253 of subscriptions payable and \$108,213 of compensated absences.

Economic Factors and Next Year's Budget

RTA has secured administrative funds through the year ending September 30, 2029, if managed in accordance with the Business Plan. It is within RTA's legal authority, as the designated recipient of state and federal funds, to secure existing state and federal formula funding for RTA's planning and administrative operations. RTA has not yet exercised that authority to secure a long-term funding source.

The fiscal year 2026 budget was adopted and totals \$25 million. The budget includes continued operation of the D2A2 and DAX service lines, Qline operations, MyRide2 service, the Mobility Wallet pilot, Access to Transit, and the Mobility4All Plan as well as launching a transit application, which created a single platform for trip-planning, real-time information, fare payment, and multimodal coordination across Southeast Michigan.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Management's Discussion and Analysis

Requests for Information

This financial report is designed to present its users with a general overview of RTA's finances and to demonstrate RTA's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Regional Transit Authority of Southeast Michigan, 1001 Woodward Avenue, Suite 1400, Detroit, Michigan 48226.

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BASIC FINANCIAL STATEMENTS

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Statement of Net Position

September 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,994,103
Accounts and grants receivable	7,124,391
Prepays	10,291
Inventory	1,063,635
Capital assets, not being depreciated/amortized	1,131,384
Capital assets, net of depreciation/amortization	<u>99,417,044</u>
Total assets	<u>110,740,848</u>
Liabilities	
Accounts payable and other accrued liabilities	1,830,956
Accrued payroll and related liabilities	150,812
Refundable advance	81,361
Due to State	490,232
Long-term obligations:	
Due within one year	230,471
Due in more than one year	<u>299,995</u>
Total liabilities	<u>3,083,827</u>
Net position	
Net investment in capital assets	100,126,175
Restricted for:	
Qline operations - Michigan CFDF, PA 106 of 1985	5,244,449
Unrestricted	<u>2,286,396</u>
Total net position	<u>\$ 107,657,020</u>

The accompanying notes are an integral part of these financial statements.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Statement of Activities

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Regional transit program	\$ 23,535,104	\$ 677,264	\$ 19,412,607	\$ (3,445,233)
Interest on subscriptions payable	3,843	-	-	(3,843)
Total	<u>23,538,947</u>	<u>677,264</u>	<u>19,412,607</u>	<u>(3,449,076)</u>
General revenues				
Other revenue				<u>401,329</u>
Net income (loss) before special item				<u>(3,047,747)</u>
Special Item				
Transfer of operations (Note 8)				<u>110,589,620</u>
Change in net position				<u>107,541,873</u>
Net position, beginning of year				<u>115,147</u>
Net position, end of year				<u><u>\$ 107,657,020</u></u>

The accompanying notes are an integral part of these financial statements.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Balance Sheet

General Fund
September 30, 2025

Assets

Cash and cash equivalents	\$ 1,994,103
Accounts and grants receivable	7,124,391
Prepays	10,291
Inventory	1,063,635

Total assets \$ 10,192,420

Liabilities

Accounts payable	\$ 1,830,956
Accrued payroll and related liabilities	150,812
Refundable advances	81,361
Due to State of Michigan	490,232

Total liabilities 2,553,361

Fund balance

Nonspendable	1,073,926
Restricted for:	
Qline operations - Michigan CFDF, PA 106 of 1985	5,244,449
Unassigned	1,320,684

Total fund balance 7,639,059

Total liabilities and fund balance \$ 10,192,420

The accompanying notes are an integral part of these financial statements.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Reconciliation

Fund Balance for General Fund
to Net Position of Governmental Activities
September 30, 2025

Fund balance - general fund \$ 7,639,059

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statements.

Capital assets, not being depreciated/amortized	1,131,384
Capital assets, being depreciated/amortized	99,417,044

Certain liabilities, such as compensated absences and technology subscriptions, are not due and payable in the current period, and therefore are not reported in the funds.

Compensated absences	(108,214)
Current portion of subscription liability	(122,258)
Long-term portion of subscription liability	(299,995)

Net position of governmental activities \$ 107,657,020

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The accompanying notes are an integral part of these financial statements.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Statement of Revenues, Expenditures, and Change in Fund Balance

General Fund

For the Year Ended September 30, 2025

Revenues

Grants and contracts	\$ 19,412,607
Fare revenue	677,264
Other revenue	401,329

Total revenues

20,491,200

Expenditures

Current -

Transportation:

Salaries, wages and fringe benefits	5,168,458
Services	10,249,070
Materials and supplies	2,155,445
Utilities	563,206
Insurance	876,277
Travel	72,452
Other expenses	691,489

Debt Service	<u>134,643</u>
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Total expenditures

19,911,040

Excess of revenues over (under) expenditures

580,160

Other financing sources (uses)

Subscriptions issued	553,053
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Special Item

Transfer of operations (Note 8)	<u>6,496,831</u>
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Net change in fund balance

7,630,044

Fund balance, beginning of year

9,015

Fund balance, end of year

\$ 7,639,059

The accompanying notes are an integral part of these financial statements.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Reconciliation

Net Change in Fund Balance of General Fund
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2025

Net change in fund balance - general fund \$ 7,630,044

Amounts reported for the governmental activities in the statement of activities are different because:

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and governmental combinations) is to increase net position.

Transfer in of capital assets related to governmental combination 104,092,789

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense in the current period.

Depreciation and amortization (5,758,038)
Capital outlay 2,041,995

Transactions related to long-term obligations are reported as other financing sources and expenditures in governmental funds, but the borrowings increase long-term liabilities and repayments reduce long-term liabilities in the statement of net position. These amounts consist of:

Subscriptions issued (553,053)
Principal payments on subscriptions 130,800
Change in the accrual for compensated absences (42,664)

Change in net position of governmental activities \$ 107,541,873

The accompanying notes are an integral part of these financial statements.

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NOTES TO FINANCIAL STATEMENTS

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Transit Authority of Southeast Michigan ("RTA") was created by the Michigan Legislature through Public Act No. 387 of 2012 and is governed by a 10-member board that is appointed for three-year terms by the county executives of Wayne, Oakland, and Macomb counties, the chair of the Washtenaw County Board of Commissioners, the Mayor of Detroit, and the Governor of Michigan. The Governor's appointee serves as RTA's chair, without a vote.

The purpose of RTA is to plan for and coordinate public transportation in the four-county region of southeast Michigan, including the City of Detroit, and to deliver rapid transit in a region where none exists. RTA is the entity through which transit providers must apply for state and federal funds, and through which those funds are allocated to providers. RTA is also responsible for developing a Regional Master Transit Plan to guide present and future service and is empowered to put funding questions on the ballot for public vote.

For financial reporting purposes, RTA is not a component unit of any other governmental entity. There are no fiduciary funds or component units included in the accompanying financial statements.

Basis of Presentation

The financial statements of RTA consist of government-wide financial statements, which include the statements of net position, statements of activities, and fund financial statements, which includes the balance sheets and statement of revenue, expenditures, and changes in fund balances.

Government-wide Financial Statements

The government-wide financial statements report information about all of RTA's assets, liabilities, net position, revenue, and expenses, and transfer of operations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

Fund Financial Statements

For purposes of the fund financial statements, RTA reports its activities using governmental funds. Each governmental fund is treated as a separate accounting entity and is accounted for using a self-balancing set of accounts that includes assets, liabilities, fund balance, revenues, and expenditures. Governmental funds are presented by fund type in the fund financial statements. RTA utilizes the following governmental fund:

The *general fund* is the operating fund of RTA. It is used to account for all financial resources other than those required to be accounted for in another fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period and within 12 months for grants from governmental agencies. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Monies virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with prescribed compliance requirements are reflected as revenue at the time of receipt, or earlier if the susceptible-to-accrual criteria are met.

Expenditures that are incurred for purposes for which both restricted and unrestricted fund balances are available are applied first to available restricted fund balances, then to unrestricted fund balances. Expenditures that are incurred for purposes for which committed, assigned, and unassigned fund balances are available are applied first to available committed fund balances, then to available assigned fund balances, and finally to unassigned fund balances.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

Assets, Liabilities and Equity

Cash and Investments

Cash consists of RTA's checking and savings accounts.

In accordance with Michigan Compiled Laws, RTA is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or Federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds registered under the Investment Company Act of 1940 with RTA to purchase only investment vehicles, which are legal for direct investment by local units of government in Michigan.

Receivables and Unearned Revenue

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are shown as unearned revenue.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Inventory

Inventories are accounted for utilizing the consumption method and are valued at lower of cost (first-in, first-out) or market. Inventories consist of maintenance and repair parts.

Capital Assets

Capital assets, which include equipment and infrastructure assets, are recorded in the governmental activities columns in the government-wide financial statements. Capital assets are those assets with an initial individual cost of \$10,000 and an estimated useful life of more than two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, infrastructure, buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

	Years
Rail Infrastructure	8-40
Motor Vehicles	3-20
Other Equipment and Infrastructure	3-25
Subscriptions	3-10
Intangibles	30

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

Subscription-Based Information Technology Arrangements

RTA has noncancellable subscription-based information technology arrangements (SBITA). RTA recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. RTA recognizes subscription liabilities with an initial, annual value of \$10,000 or more.

At the commencement of a subscription, RTA initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. The related subscription assets are amortized on a straight-line basis over the remaining subscription term.

Key estimates and judgments related to subscriptions include how RTA determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. RTA uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, RTA generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that RTA is reasonably certain to exercise.

RTA monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Compensated Absences

RTA recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements.

A liability for compensated absences is recorded in the general fund only if the liability has matured because of employee resignations or retirements.

Paid time off is earned in varying amounts depending on the number of years of service of an employee and is made available on the anniversary date of the employee. The liability for compensated absences includes salary-related benefits, where applicable.

Upon termination, an employee receives payment for the balance of unused paid time off, which is credited to an employee each pay period.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

Fund Balance Classification

RTA's fund balances are classified as follows, based on the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - these fund balances consist of amounts that are not in a spendable form (such as inventory or prepaid expenditures) or that are required to be maintained intact.

Restricted - These fund balances consist of amounts that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed - These fund balances consist of amounts that are constrained to specific purposes by RTA itself, using its highest level of decision-making authority, which is the Board of Directors. To be reported as committed, such amounts cannot be used for any other purpose unless the Board of Directors takes action to remove or change the constraint. The Board of Directors typically establishes (and modifies or rescinds) fund balance commitments by passage of a resolution, or through adoption and amendment of the budget.

Assigned - These fund balances consist of amounts that RTA intends to use for a specific purpose. Such intent can be expressed by the governing body, which is the Board of Directors, or by an official or body to which the Board of Directors delegates the authority, such as RTA's duly authorized agents. Assigned fund balances are typically established through adoption or amendment of the budget.

Unassigned - These fund balances consist of amounts that are not restricted, committed, or assigned and are available for any lawful purpose of the fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

Change in Accounting Principle

RTA implemented GASB Statement No. 102, *Certain Risk Disclosures*, on October 1, 2024. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If a government determines that those criteria for disclosures have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. There were no material impacts on the Authority's financial statements as a result of the implementation of GASB Statement No. 102.

2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law. All annual appropriations lapse at the end of the fiscal year.

Under the State's Uniform Budgeting and Accounting Act, actual expenditures for any budgeted expenditure category are not to exceed the amounts budgeted for that category. The Uniform Budgeting and Accounting Act permits governmental entities to amend their budgets during the year, and requires amended budgets to be approved by the governing body prior to expending funds in excess of the amount budgeted for that category.

During the year ended September 30, 2025, RTA incurred expenditures in excess of the amounts budgeted as follows:

	Final Budget		Actual		Over Budget
General Fund					
Other expenses	\$ 5,500	\$	691,489	\$	(685,989)
Debt Service	\$ -	\$	134,643	\$	(134,643)

Revenue was sufficient to cover the excess expenditures.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

3. CASH AND CASH EQUIVALENTS

The following summarizes the categorization of cash and cash equivalents as of September 30, 2025:

Statement of net position

Cash and cash equivalents	<u>\$ 1,994,103</u>
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Deposits

Bank deposits:

Petty Cash	\$ 591
Checking and savings accounts	<u>1,993,512</u>
	<u>\$ 1,994,103</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, RTA's deposits might not be returned. As of September 30, 2025, \$214,045 of RTA's bank balance of \$1,986,578 was exposed to custodial credit risk because it was uninsured and uncollateralized.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

4. CAPITAL ASSETS

Capital asset activity for RTA for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions and Transfers In	Disposals	Ending Balance
Capital assets, not being depreciated or amortized:				
Land	\$ -	\$ 1,107,007	\$ -	\$ 1,107,007
Construction in progress	-	24,377	-	24,377
Total capital assets, not being depreciated or amortized	-	1,131,384	-	1,131,384
Capital assets, being depreciated or amortized:				
Rail infrastructure	-	84,900,269	-	84,900,269
Vehicles	-	60,548,774	(668,323)	59,880,451
Other equipment and infrastructure	-	652,425	(2,231)	650,194
Intangibles	-	2,335,308	-	2,335,308
Subscriptions	343,365	553,053	(343,365)	553,053
Total capital assets, being depreciated or amortized	343,365	148,989,829	(1,013,919)	148,319,275
Total capital assets	343,365	150,121,213	(1,013,919)	149,450,659
Less accumulated depreciation or amortization for:				
Rail infrastructure	-	(24,081,885)	-	(24,081,885)
Vehicles	-	(24,181,227)	668,323	(23,512,904)
Other equipment and infrastructure	-	(618,829)	2,231	(616,598)
Intangibles	-	(655,184)	-	(655,184)
Subscriptions	(171,683)	(207,342)	343,365	(35,660)
Total accumulated depreciation or amortization	(171,683)	(49,744,467)	1,013,919	(48,902,231)
Capital assets, net	\$ 171,682	\$ 100,376,746	\$ -	\$ 100,548,428

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

5. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of RTA for the year ended September 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Direct borrowings and direct placements					
Subscriptions payable	\$ -	\$ 553,053	\$ 130,800	\$ 422,253	\$ 122,258
Compensated absences	65,550	138,705	96,042	108,213	108,213
Total long-term obligations	<u>\$ 65,550</u>	<u>\$ 691,758</u>	<u>\$ 226,842</u>	<u>\$ 530,466</u>	<u>\$ 230,471</u>

6. RETIREMENT PLAN

RTA provides retirement benefits for all eligible employees through a 401(a) defined contribution plan, which is administered by ADP, was established by the Board and may be amended by the Board. Employees are not required to contribute for this benefit. The employer is required to contribute 7 - 10% of applicable covered payroll, which was \$90,144 in the current year. The employer met the required contributions to the plan for the year. Covered payroll was \$901,441.

RTA also provides retirement benefits for eligible employees through another 401(a) defined contribution plan obtained through the assumption of operational responsibility for the Qline. Employees are not required to contribute for this benefit. The employer is required to contribute 3 - 17% of applicable covered payroll, which was \$14,319 in the current year. The employer met the required contributions to the plan for the year. Covered payroll was \$498,935.

Total accrued contributions payable for both plans at year end were \$21,213.

7. RISK MANAGEMENT

RTA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which they carry commercial insurance. RTA has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three years.

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Financial Statements

8. TRANSFER OF OPERATIONS

Effective October 1, 2024, the Regional Transit Authority (RTA) assumed operational responsibility for the QLine, which had previously been administered by M-1 Rail and its subsidiaries (collectively, M-1 Rail). This transaction meets the definition of a transfer of operations under GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, as the RTA acquired the ongoing operations, assets, and certain liabilities of the QLine without providing significant consideration. The transfer was initiated for the purpose of placing the QLine under the oversight of a public transit authority.

No consideration was exchanged between the RTA and M-1 Rail. The transferred operations included QLine transit services, associated personnel, and related infrastructure, vehicles, equipment, and supplies. The RTA intends to continue providing QLine services consistent with those previously delivered by M-1 Rail, thereby meeting the service-continuation requirement for a transfer of operations. All program employees were offered employment with the RTA.

Liabilities assumed as part of the transfer included accrued leave balances, accounts payable, and a future obligation related to updating vehicle wrap advertisements, which was recognized as a liability upon transfer. In accordance with GASB Statement No. 69, the RTA recognized the assets and liabilities transferred at their respective carrying values as of the transfer date.

The net position of the transferred operations was recognized as a special item in the statement of activities for the year ended September 30, 2025. The amounts recognized are presented below.

	Fund Level	Government Wide Level
	General Fund	Governmental Activities
Assets		
Cash	\$ 1,201,067	\$ 1,201,067
Accounts receivable	5,085,579	5,085,579
Prepaid	21,094	21,094
Inventory	863,163	863,163
Capital assets	-	104,092,789
Total assets	<u>7,170,903</u>	<u>111,263,692</u>
Liabilities		
Accounts payable	<u>(674,072)</u>	<u>(674,072)</u>
Net transfer in for Qline operations (special item)	<u>\$ 6,496,831</u>	<u>\$ 110,589,620</u>



REQUIRED SUPPLEMENTARY INFORMATION

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Statement of Revenues, Expenditures, and Change in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Grants	\$ 22,126,535	\$ 22,126,535	\$ 19,412,607	\$ (2,713,928)
Fare revenue	608,480	608,480	677,264	68,784
Other revenue	220,200	220,200	401,329	181,129
Total revenues	<u>22,955,215</u>	<u>22,955,215</u>	<u>20,491,200</u>	<u>(2,464,015)</u>
Expenditures				
Current -				
Transportation:				
Salaries, wages and fringe benefits	6,022,016	6,022,016	5,168,458	(853,558)
Services	11,255,369	11,255,369	10,249,070	(1,006,299)
Materials and supplies	3,987,500	3,987,500	2,155,445	(1,832,055)
Utilities	658,030	658,030	563,206	(94,824)
Insurance	1,280,770	1,280,770	876,277	(404,493)
Travel	112,628	112,628	72,452	(40,176)
Other expenses	5,500	5,500	691,489	685,989
Debt Service	-	-	134,643	134,643
Total expenditures	<u>23,321,813</u>	<u>23,321,813</u>	<u>19,911,040</u>	<u>(3,410,773)</u>
Excess of revenues over (under) expenditures	<u>(366,598)</u>	<u>(366,598)</u>	<u>580,160</u>	<u>946,758</u>
Other financing sources (uses)				
Subscriptions issued	-	-	553,053	553,053
Special Item				
Transfer of operations (Note 8)	6,496,831	6,496,831	6,496,831	-
Net change in fund balance	<u>6,130,233</u>	<u>6,130,233</u>	<u>7,630,044</u>	<u>1,499,811</u>
Fund balance, beginning of year	<u>9,015</u>	<u>9,015</u>	<u>9,015</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,139,248</u></u>	<u><u>\$ 6,139,248</u></u>	<u><u>\$ 7,639,059</u></u>	<u><u>\$ 1,499,811</u></u>

SINGLE AUDIT ACT COMPLIANCE

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REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Agency / Cluster /Program Title	Assistance Listing Number	Grantor Number	Federal CY Expenditures	Federal Expenditures to Subrecipients
U.S. Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:				
Pass Through from Michigan Department of Transportation:				
Access to Transit Program	20.505	MI-80-X004-08; 2022-0126-P6	\$ 105,713	\$ -
Regional Transit Technology Strategic Plan	20.505	MI-2019-014-02; 2017-0119-P10_R1	99,551	-
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			205,264	-
Federal Transit Cluster:				
Direct:				
COVID-19 Federal Transit - Formula Grants - ARPA 5307	20.507	MI-2022-005-01	2,244,196	-
COVID-19 Federal Transit - Formula Grants - ARPA 5307	20.507	MI-2022-005-02	1,302,419	-
Federal Transit - Formula Grants - 5307 Preventive Maintenance	20.507	MI-2025-016-00; 2022-0126-P9	1,093,949	-
Federal Transit - Formula Grants - D2A2 Express w. CMAQ	20.507	MI-2021-036-02; 2017-0119-P7	890,833	-
Federal Transit - Formula Grants - DAX	20.507	MI-2024-002-01; 2022-0126-P4	1,163,604	-
Total Federal Transit Cluster			6,695,001	-
Transit Services Program Cluster:				
Direct:				
Enhanced Mobility of Seniors and Individuals w. Disabilities	20.513	MI-2024-009-01; 2022-0126-P7	204,052	204,052
Enhanced Mobility of Seniors and Individuals w. Disabilities	20.513	MI-2024-009-02	263,615	-
Enhanced Mobility of Seniors and Individuals w. Disabilities	20.513	MI-2024-009-03	17,539	-
Total Transit Services Program Cluster			485,206	204,052
Total U.S. Department of Transportation			7,385,471	204,052
Total Expenditures of Federal Awards			\$ 7,385,471	\$ 204,052

REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs of the Regional Transit Authority of Southeast Michigan ("RTA"). Federal awards received directly from federal agencies, as well as federal awards passed through other agencies, are included on this schedule.

The information in the accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because this schedule presents only a selected portion of RTA's operations, it is not intended to, and does not, present the financial position or changes in financial position of RTA.

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is the basis of accounting used to prepare RTA's government-wide financial statements. There were no differences between the expenditures presented in the accompanying schedule of expenditures of federal awards and the expenditures incurred under these programs using the modified accrual basis of accounting, which is the basis of accounting used to prepare RTA's fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, in which certain types of expenditures are not allowable or are limited as to reimbursement.

2. DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, RTA has not elected to use the de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of the
Regional Transit Authority of Southeast Michigan
Detroit, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Regional Transit Authority of Southeast Michigan (the Authority), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 20, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given the limitations, during the audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lansing, Michigan
March 20, 2026

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of the
Regional Transit Authority of Southeast Michigan
Detroit, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Regional Transit Authority of Southeast Michigan's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Regional Transit Authority of Southeast Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lansing, Michigan
March 20, 2026

DRAFT

**REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,000,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

**REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2025**

FINDINGS/COMPLIANCE

Control Deficiencies and Material Weaknesses Related to Internal Controls Over the Financial Statements.

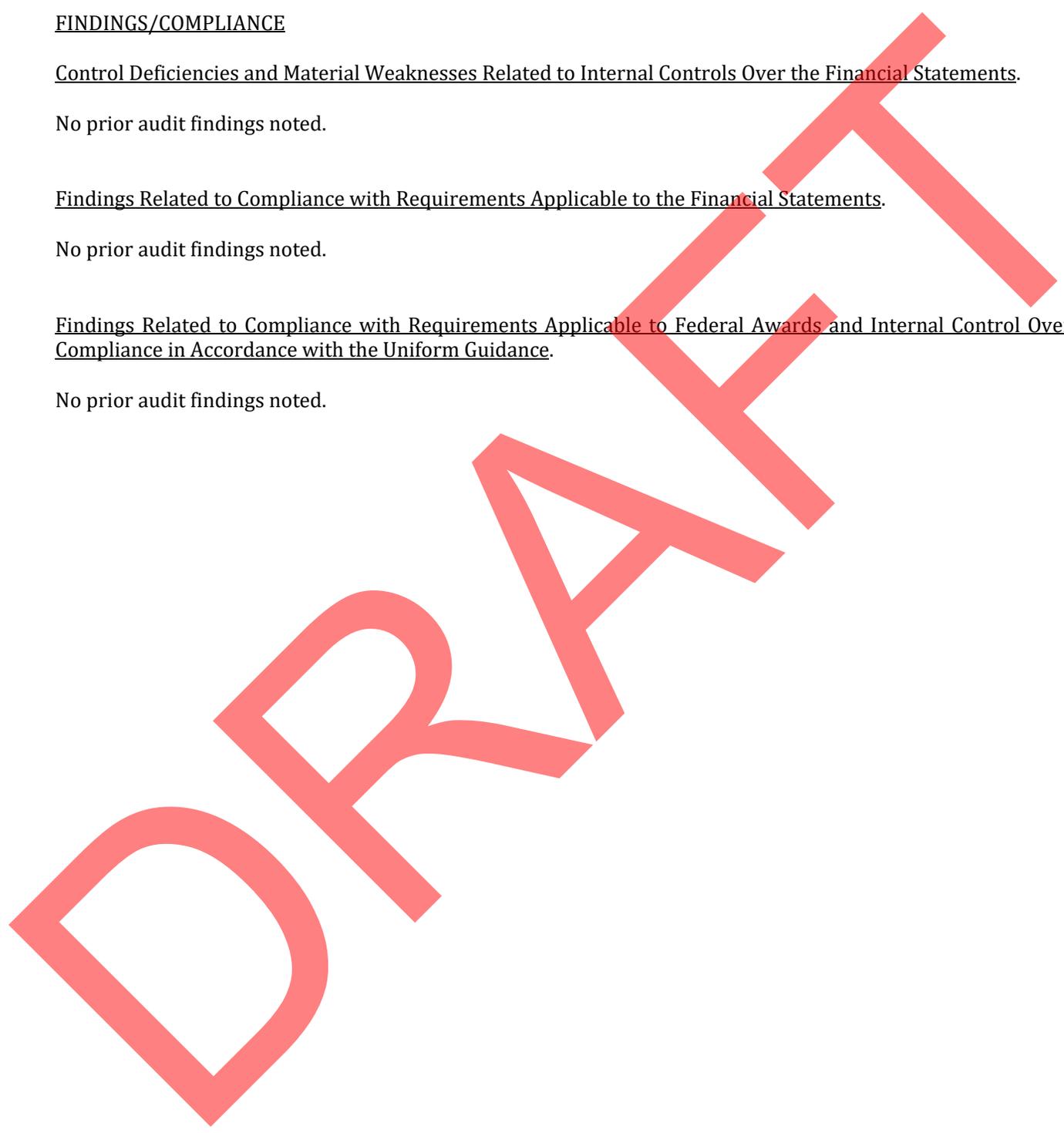
No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to the Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to Federal Awards and Internal Control Over Compliance in Accordance with the Uniform Guidance.

No prior audit findings noted.





BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Becky Lasecki, Procurement & Contracts Manager

SUBJECT: Legal Counsel Services Procurement Award

DATE: March 19, 2026

REQUESTED ACTION: Board of Directors Approval

Approval Request:

The memo seeks board approval to enter into a three (3)-year contract with up to two (2) one (1)-year renewal options for Legal Counsel services with Dykema Gossett PLLC, with a contract amount not to exceed \$200,000 per year.

Procurement Process:

This solicitation followed RTA's procurement policy for goods and services exceeding \$350,000, the federal threshold for a formal RFP acquisition. The Evaluation Committee included the Executive Director, QLINE General Manager, Program Director, and Procurement and Contracts Manager. Five (5) vendors submitted qualified proposals, which were scored for methodology and technical approach, staffing and team members, past performance, and price.

Selection Rationale:

Serving as RTA's legal counsel since 2018, Dykema Gossett submitted a competitive proposal demonstrating a deep understanding of the RTA's broad range of legal needs. Dykema has extensive experience in RTA's enabling legislation, QLINE legal history, agency compliance policies and procedures, contracts and procurement, and union labor needs. Dykema currently represents the RTA in ongoing litigation. Dykema scored the highest in the evaluation scoring and offered a reasonable pricing structure that fits within the RTA's budget projections.



Scope of Work:

The initial term of this contract will begin on April 1, 2026, and end on March 31, 2029. Dykema will continue serving as general counsel, providing as-needed expert legal advice and representation across a broad range of public transit matters.

Budget Impact:

Dykema’s proposed fee structure is competitive in the marketplace and aligns with the RTA’s budget.



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Julia Roberts, Planning & Innovation Director

SUBJECT: RTA Providers’ Fiscal Year 2026 State Applications

DATE: March 19, 2026

REQUESTED ACTION: Board of Directors Approval

Approval Request:

Motion to approve the RTA Providers’ Fiscal Year (FY) 2027 Michigan Department of Transportation (MDOT) State Applications.

Background Information:

MDOT provides state operating assistance to transit providers throughout Michigan annually under the Local Bus Operating (LBO) program. LBO is housed within MDOT’s Comprehensive Transportation Fund (CTF) and the amount of funding that is apportioned to LBO within the CTF is subject to annual budget appropriations. The current LBO budget is at a historical high of \$271 million. The Governor’s Budget proposal is recommending an additional \$45 million for a total of \$315 million. These increases are needed to keep LBO tracking with operational cost growth, which means the overall reimbursement percentages are generally staying flat. To account for that, MDOT instructed providers to use 28% as the overall reimbursement rate. This is likely not the final LBO appropriation amount and will be updated accordingly. The bulk of the funding in the LBO program is for Urban Operating Assistance.

Table 1.0 shows the relationship between the amount of submitted eligible expenses and the 28% reimbursement rate for Fiscal Year 2027.

Table 1.0: Eligible Expenses and LBO Reimbursement by Provider (FY 2027) (millions \$)

Provider	Eligible Expenses	Estimated LBO (28%)
AAATA	\$ 68.5	\$ 19.2
DDOT*	\$180.3	\$ 50.5
DTC	\$ 19.4	\$ 5.4
RTA	\$ 22.3	\$ 6.2
SMART	\$187.0	\$ 52.4
	\$477.5	\$133.7

* based on FY 2026 eligible expenses



Table 2.0 shows the relationship between the amount of budgeted expenses and the 26% reimbursement rate in Fiscal Year 2026. The comparison of the two tables show that overall expenses in the region have increased by 5% while LBO is raised by 2%. This improves the amount of LBO available to the region by \$23 million in real dollars and \$14 million if the state matched last year's reimbursement rate.

Table 2.0: Eligible Expenses and LBO Reimbursement by Provider (FY 2026) (millions \$)

Provider	Budgeted Expenses	LBO (26%)
AAATA	\$ 65.8	\$ 17.1
DDOT	\$180.3	\$ 46.9
DTC	\$ 16.9	\$ 4.4
RTA	\$ 22.5	\$ 5.9
SMART	\$139.8	\$ 36.3
	\$425.3	\$ 110.6

MDOT provides matching funds to support capital projects funded by the standard federal formula programs (e.g. 5307, 5339, 5337, and 5310). The new state approach to annual applications no longer includes formula capital requests due to align with federal multi-year grant awards. So, the RTA will focus on capital needs in the federal funding split, including the amounts identified by providers and the funding sources that they anticipate receiving.



BOARD OF DIRECTORS MEMORANDUM

TO: RTA Board of Directors

FROM: Julia Roberts, Planning & Innovation Director

SUBJECT: RTA Subrecipient Agreement with DDOT

DATE: March 19, 2026

REQUESTED ACTION: Board of Directors Approval

Approval Request:

Motion to allow the Executive Director to execute Subrecipient Agreement Contract No.1 with the City's Detroit Department of Transportation (DDOT).

Background Information:

In late 2025, DDOT and the Federal Transit Administration (FTA) asked the RTA if it could develop a plan to spend \$2.4M in federal funding that would otherwise be lost to the region this fiscal year (i.e., by September 30, 2026). The funding comes from the Job Access and Reverse Commute (JARC) and New Freedom (NF) programs.

The RTA developed a plan in collaboration with DDOT and FTA to spend the funding on eligible JARC/NF programs that benefit Detroit. This includes the operations and administration of the Detroit to Ann Arbor (D2A2) and Detroit Air Xpress (DAX) highway express bus services, mobility management partnerships with AgeWays and PEAC, and the expansion of PEAC travel training services into Detroit. The plan includes the RTA providing \$1.5M in 2 CFR 200.306 compliant local match through current revenue streams such as D2A2 and DAX fares, in-kind and other organization contributions.

The funding is proposed to be passed through to the RTA from DDOT. The attached subrecipient agreement codifies that arrangement. \$3.7M is the total combined of remaining federal and matching local amounts, for reference. This coordinated effort leverages connections regionally so that approximately \$1.6M in one-time American Rescue Plan Act (ARPA) funding could be deferred for continuing the region's programs into FY 2027-2029.

Attachment: RTA FY 2026 Subrecipient Agreement with DDOT.

SUBRECIPIENT AGREEMENT
BETWEEN
CITY OF DETROIT, MICHIGAN
AND
REGIONAL TRANSIT AUTHORITY OF SOUTHEAST
MICHIGAN
CONTRACT NO.

1

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EXHIBITS:

A – Scope of Services
B – Budget
C – FTA Grants
D – Payments/Reimbursement Procedures and Requirements
E – Reserved
F – Duplication of Benefit
G – Conflict of Interest
H – Certification Regarding Lobbying
I – Reserved
J – Payroll Register Instructions & Payroll Register (J-1 Sample)
K – Check Register (Sample)
L – Budgetary Status Report (Sample)
M – Private Care Mileage Report (Sample)
N – Time Distribution Summary
O – Additional Requirements

OTHER REQUIRED DOCUMENTS:

- Combined Affidavits and Covenants
 - Slavery Era
 - Political Contributions
 - Hiring Policy
 - Equal Opportunity
- Combined Accounts Receivable Clearance and Income Tax Clearance
- Certificate of Liability Insurance Form
- Vital Information Form
- Organization Employment Application (Sample)

**FEDERAL TRANSIT ADMINISTRATION
SUBRECIPIENT AGREEMENT**

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is entered by and between the City of Detroit (“City”), a Michigan municipal corporation acting by and through its **Department of Transportation** (“Department”), with offices located at 1301 East Warren Avenue, Detroit, Michigan 48211, and **Regional Transit Authority of Southeast Michigan** (“Subrecipient” and “RTA”), a public authority, organized and existing pursuant to Public Act 387 of 2012, as amended, with offices at 1001 Woodward, Suite 1400, Detroit, Michigan 48225. The City or Department and the Subrecipient may be referred to individually as a “Party” or collectively as the “Parties” to this Agreement.

WITNESSETH:

WHEREAS, the City was awarded multiple grants by the U.S. Department of Transportation Federal Transit Administration (“FTA”), in the total amount of (\$101,601,399.00) (“FTA Grant Funds”), specifically identified as FTA awards MI-57-X015 and MI-37-X041, for FY 2008 - 2010, Section 5310 funds - New Freedom Program Grant (\$4,663,137.00) and Job Access and Reverse Commute Program Grant (JARC) (\$6,938,262.00), each subject to applicable local matching funds, which are available and eligible to support the scope of work described herein, and;

WHEREAS, use of the Grant Funds is subject to compliance with the terms and conditions set forth in that certain grant agreements between the FTA and the City, FTA Master Agreement, version 33, dated April 25, 2025 (“FTA Master Agreement”), including FTA Circular 4220.1G, FTA Circular 9050.1, FTA Circular 4702.1B and FTA Circular 9045.1, and

WHEREAS, the City entered into a previous contract for services funded with FTA Grants Funds (“Previous Contract”), and the City and RTA now desire to enter into this Agreement for the remainder of services to be performed, as described in Exhibit A “Scope of Services”, attached hereto and made a part hereof (herein called the “Services”).

NOW THEREFORE, in consideration of the premises, the mutual undertakings and benefits to accrue to the parties and to the public, the parties hereto agree as follows:

1. ENGAGEMENT OF SUBRECIPIENT

1.01 The City hereby engages the Subrecipient and the Subrecipient hereby agrees to perform the Services in accordance with the terms and conditions of this Agreement, including Exhibits A, B, C, D, E, F, G, H, I, J, K, L, M, N and O attached hereto and made a part hereof.

2. SCOPE OF SERVICES

2.01 The Subrecipient shall perform in a satisfactory and proper manner, as determined within the sole discretion of the City, the Services as described in Exhibit A. In the event that there is any dispute between the parties regarding the extent and character of the Services to be performed, or

the quality of performance required under this Agreement, the reasonable interpretation and determination of the City shall govern.

2.02 The Services shall be performed at such locations as are appropriate to the proper performance of the Services.

2.03 The Services shall be undertaken in such sequence as directed by the City to assure their proper and expeditious completion in light of the objectives of this Agreement.

2.04 The Services shall include conferences and consultations deemed necessary by the City to ensure that the Subrecipient properly and fully performs the Services in accordance with this Agreement and the FTA Grants.

2.05 The Subrecipient shall use its best efforts and devote such skill, knowledge, and professional ability as is necessary to most effectively and efficiently carry out and perform the Services during the term of this Agreement.

2.06 The Subrecipient shall obtain and maintain, at its sole cost and expense, all required licenses, registrations, accreditations, permits and approvals as may be required by law for its operation and the performance of Services under this Agreement. The Subrecipient shall ensure that its employees and subcontractors shall also maintain all required licenses, registrations, accreditations, permits and approvals as may be required by law for the performance of Services hereunder. Such licensing requirements include obtaining a City business license from the Building Safety, Engineering and Environmental Department, as applicable.

2.07 The Subrecipient must use Grant Funds in compliance with all applicable terms and conditions of the Grants, which are hereby incorporated by reference into this Agreement. Such terms and conditions include but are not limited to the FTA Master Agreement, version 30, dated November 2, 2022. Subrecipient acknowledges that it has reviewed the Grants and has knowledge of all applicable terms and conditions set forth or referenced therein.

3. TERM OF PERFORMANCE

A. Term of Performance.

3.01 The term of performance under this Agreement shall begin on the Effective Date and continue through **September 30, 2026**, unless otherwise extended or terminated as provided herein.

B. Effective Date.

3.02 This Agreement shall become effective upon both (1) the approval by City Council, and (2) execution by the Purchasing Director of the City of Detroit (“Effective Date”). The Subrecipient shall have no authority to commence the Services without prior approval by the City and only if in accordance with the Grants, no payments shall be authorized by the Office of Chief Financial Officer of the City of Detroit, and the City shall not be liable for reimbursement for any materials or services purchased, or payment for any costs incurred by the Subrecipient, or any Services rendered by the Subrecipient, until the Effective Date.

C. Extension of Time.

3.03 The Subrecipient may request a time extension. Such request shall be made ninety (90) days prior to the expiration date of this Agreement, and subject to the City's determination that conditions warrant an extension beyond the expiration date. Any time extension shall constitute an amendment to this Agreement and shall be subject to Article 17, herein. In no event shall such change result in an increase in the compensation hereunder.

D. Reimbursement for Prior Expenses

3.04 After the Agreement has become effective, the City may make payments to Subrecipient for eligible Services rendered or performed prior to the effective date of this Agreement, as approved by the Department and allowed by the FTA grant. However, no payments shall be authorized by the Office of Chief Financial Officer of the City of Detroit, nor shall the City be liable for reimbursement for any materials or services purchased, or payment of any cost incurred by the Subrecipient prior to October 1, 2025, or any Services rendered by the Subrecipient unless and until the requirements of Section 3.02 have been satisfied.

4. PERSONNEL AND ADMINISTRATION

4.01 To ensure proper performance of the Services and a quality Work Product (as hereinafter defined), the Subrecipient warrants that all Subrecipient personnel assigned to the performance of the Services ("Employees"), or any other consultants, agents or subcontractors engaged by the Subrecipient to perform the Services ("Subcontractors") are fully qualified and authorized to work and perform the Services under Federal, State, and local laws, rules, and regulations.

4.02 The Subrecipient shall notify the City within thirty (30) days of any change in ownership or executive leadership or any other significant corporate changes that impact on the ability of the Subrecipient to carry out any federal funding under this Agreement or other federal, state or local funding. The Subrecipient's right to assign or sublet this Agreement shall be in accordance with Article 16, herein

4.03 The City shall have the right of prior approval of all Subcontractors. Each Employee and Subcontractor employed by the Subrecipient in the performance of this Agreement shall devote such time, attention, skill, knowledge, and ability as is necessary to most effectively and efficiently perform the Services to conform to the highest practices in the industry.

The City may, within its sole discretion, and upon such terms and conditions as it deems appropriate, assign qualified City employees to work with the Subrecipient in completing the Services when good and sufficient cause exists to do so and when it is not inconsistent with the terms of this Agreement. It is expressly understood and agreed by the parties hereto that the Subrecipient shall be primarily and ultimately responsible to the City for the proper and expedient completion of the Services and assumes all liability and holds the City harmless for such performance by City personnel when such performance is pursuant to the request of the Subrecipient.

Notwithstanding the above, the Subrecipient shall reimburse the City for the cost and expense of the City personnel, including but not limited to, the wages paid, proper allowance for vacation, sick time and the City's contribution to the pension system, and the City's cost or expense for

compensation, insurance or benefits when such assistance is given at the Subrecipient's request or when such costs and expenses for City employees are budgeted for and assigned to the Subrecipient.. All costs to the Subrecipient of the expenses described herein for City employees assigned to work with the Subrecipient, other than City employees budgeted for and assigned to the Subrecipient, shall not be eligible for reimbursement by the City to the Subrecipient. City personnel, other than City employees budgeted for and assigned to the Subrecipient, shall not be deemed to be performing services or giving assistance at the request of the Subrecipient unless such request is in writing and signed by the Subrecipient and unless such services are not of a character normally performed by City personnel when the City is not a contracting party, for example, services of building inspectors acting within the scope of their ordinary duties. Any payment by the City for reimbursement to Subrecipient of the cost and expense of City personnel may be reduced by the reimbursement owed by the Subrecipient to the City.

4.04 The relationship of the Subrecipient to the City is that of an independent contractor and neither party to this Agreement shall claim any liability benefits, such as worker's compensation, pension rights or liabilities arising out of or related to a contract for hire or employer/employee relationship, and no such liabilities or benefits shall arise or accrue to either party or either party's agent or employee with respect to the City as a result of the performance of this Agreement, unless expressly stated in this Agreement. No relationship other than that of independent contractor shall be implied between the parties or either party's agent or employee and the Subrecipient hereby agrees to hold the City harmless from any such claim and any costs or expenses related thereto.

4.05 In all cases in which an Employee or a Subcontractor must be replaced for any reason, the Subrecipient shall supply an acceptable replacement to the City as soon as possible. Except where the Employee or Subcontractor withdrawn pursuant to a written request by the City, the Subrecipient shall furnish such replacement on a no-charge basis for the period of time necessary for any retraining or job orientation.

4.06 All work to be performed, and the Services hereunder shall be coordinated by a project coordinator, duly designated by the Subrecipient and acceptable to the City ("Project Coordinator"), who shall in addition to his or her other duties, act as liaison between the Subrecipient and the City.

The Project Coordinator shall arrange the time schedule related to delivery of Services and shall monitor the Subrecipient's performance, provided that the Subrecipient shall remain responsible for satisfaction of all requirements as to the time schedule, as set forth in this Agreement, notwithstanding the actions or inactions of the Project Coordinator. The Project Coordinator or their designated assistant shall meet regularly with representatives of the City to discuss progress made and any problems which may have arisen.

4.07 The Project Coordinator shall inform the City promptly as soon as any of the following conditions become known to them:

- a. Problems, delays, or adverse conditions which materially affect the ability to complete any Services or prevent the meeting of any time schedule for delivery of any of the Services. This disclosure shall be accompanied by a statement of the action taken, or contemplated, by the Subrecipient and any City assistance needed to resolve the situation; or
- b. Favorable development of events which enable meeting time schedules sooner than

anticipated.

The Subrecipient shall inform the City of the reasons for the occurrence of events specified in subsections "a" and "b" of this Section, as well as additional pertinent information.

4.08 For the term of this Agreement and for one (1) year thereafter, the Subrecipient shall not employ any employee of the City, or any agent, or contractor of the City in which the employee was in any way involved in the award or management of the contract, or the employment would require the sharing of confidential information as specified in the 2019 Detroit City Code 2-5-71.

4.09 The Subrecipient shall not receive any payment from the City for any costs under this Agreement for fringe benefits, including but not limited to, overtime pay, holiday pay, sick pay, vacation pay, retirement benefits, pension benefits, or insurance benefits, or any other costs of the Subrecipient's Employees or Subcontractors in addition to or in lieu of those set forth in, and pursuant to, the compensations specified in Section 5.01 and Exhibit B, herein, unless such expenses are expressly allowable under the Grants.

4.09 **Certifications.** The Subrecipient certifies that the Subrecipient, its Employees, and Subcontractors are not subject to debarment, suspension or determination of ineligibility by the Federal government in its System for Award Management (SAM) or otherwise, or any state, or local government. If there is a finding of fraud, misappropriation of funds or ineligibility the Subrecipient shall notify the City within thirty (30) days of the government's determination. Failure to report or notify the City of such misconduct may result in the termination of this Agreement, and the suspension, decrease or reallocation of future grant funds. The Subrecipient shall ensure that its Subcontractors and sub-Subrecipients include a provision substantially the same as this Section in all subcontracts and subawards.

5. COMPENSATION AND INTEREST DEPOSITS

A. Compensation

5.01 The City agrees to pay the Subrecipient an amount up to Two Million, Three Hundred Ninety-Three Thousand, Three Hundred Eighty-Seven and 20/100, **(\$2,393,387.20)** for the complete and proper performance of the Services rendered. Such compensation shall be paid only as provided in Exhibit B, herein, and is inclusive of any and all remuneration to which the Subrecipient may be entitled by this Agreement.

B. Interest on Deposits.

5.02 Any interest earned in excess of five hundred dollars (\$500.00) per year on deposits of Grant Funds shall be returned to the City. Interest earnings of up to five hundred dollars (\$500.00) per year may be retained by the Subrecipient solely for administrated expenses but must be accounted for in the Subrecipient's records. The Subrecipient shall report to the City on all such earned interest in any amount.

6. METHOD OF PAYMENT and USES OF FUNDS

A. Method of Payment

6.01 Except in relation to an agreement which may be entered into by the Chief Financial Officer of the City and the Subrecipient of a fixed fee payment for reimbursement of costs of the

Subrecipient for administration of the Services that complies with the requirements of 2 CFR 200, payment under this Agreement will be made on a cost reimbursement basis. The Subrecipient shall submit a requisition for reimbursement consistent with and pursuant to all requirements, including acceptable invoice with sufficient supportive documentation, as set forth in Exhibit B and Exhibit D. Payments to the Subrecipient are governed by, the Grants and Subrecipient shall comply with 2 CFR 200 Subpart E. Request for reimbursement must be accompanied with all necessary documentation substantiating eligibility of the payment or cost for which reimbursement is requested, or as may be determined by the City. The City shall approve payment, in whole or in part, upon satisfactory receipt, review and approval of the completed requisition for reimbursement payment. The City may request further explanation or documentation and the Subrecipient shall provide such further explanation or documentation immediately upon request. Reimbursement may be contingent upon certification of the Subrecipient's financial management system in accordance with the standard specified in 2 CFR 200.

All requisitions for reimbursement shall provide the following:

- a. Each payment request must be signed by the authorized representative of the Subrecipient and submitted by the 15th day of each month in accordance with 2 CFR 200.415. Failure to submit a complete payment request with all necessary documents in a timely manner will be considered incomplete and may result in: (1) the delay in payment; (2) the suspension of payment until the City determines whether the Services rendered warrant payment and is commensurate with the work perform, or (3) affect the award of future federal funds. The City reserves the right to withhold payment until receipt of evidence of acceptable performance under this Agreement.
- b. Requisitions for payment shall be directed to the attention of the individual or department specified as the Program Manager in Section 6.05.
- c. All request for reimbursements must be incurred during the term of this Agreement, and for necessary and reasonable expenses or purchases allowable under 2 CFR 200, and other applicable federal laws and regulations. All requests for reimbursement must be for expenses incurred or purchases for eligible costs made during the term of this Agreement.
- d. No request for payment may be submitted later than ninety (90) days after the termination date of the Agreement.
- e. Subrecipient shall begin to submit payment requests within ninety (90) days from the Effective Date of this Agreement.

6.02 The requisition for reimbursement shall include the monthly performance report specified in Section 8.06, herein.

6.03 All Grant Funds obligated or committed by the Subrecipient during the term of this Agreement must be expended on or before the termination date of this Agreement. Grant Funds that are not expended by the termination date shall be returned to the City. Any Grant Funds held by the City as of the termination date and not expended may be reallocated or reprogrammed by the City.

B. Payment for Indirect Cost

In order to receive payment for indirect costs, the Subrecipient shall within ninety (90) days of the execution date of this Agreement, prepare and submit to the City for review and approval an Indirect Cost Proposal including all necessary support documentation consistent with the provisions for such a proposal required by 2 CFR Part 200, and other Federal publications. The City may require a more detailed budget breakdown than the indirect cost specified in Exhibit B, and the Subrecipient shall provide such supplementary budget information in a timely fashion and in the form and content prescribed by the City. In the absence of such an Indirect Cost Proposal, the Subrecipient shall not request payment for any Indirect Costs as defined in 2 CFR 200, Subpart E, notwithstanding any Indirect Costs specified in Exhibit B. The maximum amount of Indirect Costs paid under this Agreement shall not exceed the lesser of (1) the amount provided for by the City-approved Indirect Cost Proposal or (2) the amount of any Indirect Cost line item in Exhibit B, and in no case shall the City pay any Indirect Costs until the Subrecipient has submitted the Indirect Cost Proposal and the City has reviewed and approved same. Except as provided for by this Agreement, the Subrecipient shall not charge under this Agreement direct costs which have been or will be paid from another source, or have been or will be submitted to another source.

6.04 Payment for services provided under this agreement is governed by the terms of the 2019 Detroit City Code, Sections 17-5-281 through 17-5-288 entitled “Prompt Payment of Vendors.”

The individual responsible for accepting performance under this Agreement and from whom payment should be requested is (“**Program Manager**”):

DeMarcus Garrett
Detroit Department of Transportation
City of Detroit
1301 East Warren Avenue
Detroit, Michigan 48211

C. Prompt Payment to Subcontractors.

The Subrecipient agrees to promptly pay each subcontractor performing work under this Agreement for satisfactory performance of their work, no later than thirty (30) days from receipt of each payment the Subrecipient receives from the City. This section applies to both Disadvantaged Business Enterprise (DBE) subcontractors and non-DBE subcontractors. Additionally, the Subrecipient must return any retainage payments to those subcontractors within thirty (30) days after the subcontractor’s work is satisfactory completed.

D. Overpayment to Subrecipient

6.05 The City has the right to rely on the Subrecipient for submission of accurate invoices, including the support documents. Should any discrepancy in the records, or any other inaccuracy or inaccuracies, result in overpayment or ineligible expenditures, such overpayments or ineligible expenditures shall be recovered from the Subrecipient, as provided by 2 CFR 200. If the Subrecipient receives a notice of overpayment, the Subrecipient may protest the overpayment determination in accordance with Section 15, herein.

6.06 In the event of any audit findings which result in the disallowance of any use of funds or amounts paid under this Agreement, the Subrecipient, at the sole discretion of the City, shall repay

the amount of the disallowed funds to the City, even if the audit occurs after the expiration date or termination date of this Agreement.

When the City is required to repay said disallowed funds to the FTA, it is understood that any reasonable time period given to the Subrecipient for repayment of the disallowed funds to the City may be limited to the time period that the FTA allows the City for repayment.

7. PROCUREMENT

7.01 The Subrecipient agrees to adhere, and agrees to ensure that its subcontractors and sub-Subrecipients at all tiers adhere, to the requirements for procurement set forth in 2 CFR Part 200, CFR Parts 625 and 630 and elsewhere, FTA Circular 4220.1F, FTA Circular 4702, FTA Circular 9045.1, and FTA Circular 9050, the Grant Agreements, and the City requirements regarding procurement of goods or services using Grant Funds in whole or in part. The Subrecipient shall coordinate with, and follow the direction of, the City's Compliance Officer to produce Independent Cost Estimates and Disadvantaged Business Enterprise Goals (DBE Goals) in accordance with the requirements of FTA Circular 4220.1F and the FTA Master Agreement.

All procurement transactions by Subrecipient under this Agreement shall be conducted in a manner that provides maximum open and free competition consistent with applicable requirements of 2 CFR 200.317-326, and the 2019 Detroit City Code, Section 17-5-1 *et seq.* Provided that, however, pursuant to 2 C.F.R. 200.319(c), the Detroit equalization credits found at Section 17-5-12 of the Detroit City Code shall not be used. The Subrecipient will remain fully obligated under the terms and conditions of this Agreement. The Subrecipient may not award or permit an award of a contract to a party that is debarred, suspended or ineligible to participate in a Federal program.

7.02 The Subrecipient must establish written selection procedures for procurement transactions, and the procedures must be adequate to ensure fair pricing and to avoid the purchase of unnecessary or duplicate items, pursuant to 2 CFR 200.318(d). The procurement procedures shall not restrict or eliminate competition. The Subrecipient shall certify compliance with 42 U.S.C 5155 to prevent duplication of benefits as described in Exhibit F, herein.

7.03 The Subrecipient agrees that the City shall not honor any reimbursement request from the Subrecipient without sufficient documentation of its procurement process.

7.04 The Subrecipient agrees to purchase only eligible goods and services as specified under this Agreement, as well as the provisions of 2 C.F.R. 200 and the Grants to qualify for reimbursements. The Subrecipient shall obtain written approval for any travel outside the metropolitan area with funds provided under this Agreement.

7.05 Acquisition cost of goods or services of Five Thousand Dollars (\$5,000) and above must be procured through written purchase orders, with a minimum of three (3) quotes to ensure proper cost reasonableness.

7.06 The Subrecipient shall comply, and shall ensure that all subcontractors and sub-Subrecipients comply, with all federal laws, regulations, and requirements providing protections for construction employees, including:

- a. Prevailing Wage Requirements of: (i) Federal transit laws, specifically 49 U.S.C. §

5333(a) and (b), (FTA’s “Davis Bacon Related Act”); (ii) The Davis-Bacon Act, 40 U.S.C. §§ 3141 – 3144, 3146, and 3147; and (iii) U.S. DOL regulations, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act),” 29 CFR Part 5.

- b. Wage and Hour Requirements of: (i) Section 102 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3702, and other relevant parts of that Act, 40 U.S.C. § 3701, et seq.; and (ii) U.S. DOL regulations, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act),” 29 CFR Part 5.
- c. “Anti-Kickback” Prohibitions of: (i) Section 1 of the Copeland “Anti-Kickback” Act, as amended, 18 U.S.C. § 874; (ii) Section 2 of the Copeland “Anti-Kickback” Act, as amended, 40 U.S.C. § 3145; and (iii) U.S. DOL regulations, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States,” 29 CFR Part 3.
- d. Construction Site Safety of: (i) Section 107 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3704, and other relevant parts of that Act, 40 U.S.C. § 3701, et seq.; and (ii) U.S. DOL regulations, “Recording and Reporting Occupational Injuries and Illnesses,” 29 CFR Part 1904; “Occupational Safety and Health Standards,” 29 CFR Part 1910; and “Safety and Health Regulations for Construction,” 29 CFR Part 1926.
- e. Fair Labor Standards of the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201, et seq. to the extent that the FLSA applies to employees performing work with federal assistance provided through the Underlying Agreement involving commerce, and as the FTA otherwise determines applicable.

7.07 All prime construction contracts in excess of \$2,000 awarded under this Agreement must include a provision for compliance with the Davis-Bacon Act, 40 U.S.C. §§ 3141 – 3144, and 3146 – 3148, as supplemented by Department of Labor regulations, 29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”. Subrecipient acknowledges that all such contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The Subrecipient must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The Subrecipient entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act, 40 U.S.C. § 3145, as supplemented by Department of Labor regulations, 29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”. The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of a public work, to give up any part of the compensation to which he or she is otherwise entitled. The

non-federal entity must report all suspected or reported violations to the federal awarding agency.

7.08 All contracts awarded under this Agreement in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations, 29 CFR Part 5. Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer based on a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

7.09 This agreement may be terminated if the Subrecipient fails to show documentation for its procurement procedures upon request by the City. The Subrecipient states that neither the Subrecipient, nor its Employees or Subcontractors are subject to debarment, suspension or a determination of ineligibility by the Federal government and acknowledges that the City is relying upon this declaration.

8. AUDITS, MONITORING, RECORD KEEPING TRACKING AND REPORTS

8.01 **Audits**: The Subrecipient will submit to the City a copy of the organization's annual audit report for each year during which this Agreement is in force and, in accordance with the requirements under 2 CFR 200, the Subrecipient shall also provide for an independent audit, as requested by the City.

The Subrecipient shall establish and maintain a system of accounting and internal controls that comply with generally accepted accounting principles and all federal, state, and local accounting principles and governmental accounting and financial reporting standards that are applicable to federal, state and/or local grants, awards, and or contracts.

8.02 The Subrecipient shall make available all books, data, documents, reports, statistics, sub-agreements, leases, third party contracts, arrangements, other third party agreements of any type, and supporting materials related to those records (collectively "Records") and project sites directly pertinent to this Agreement for monitoring, audits, inspections, examinations and making excerpts and transcriptions by the City, the US Department of Transportation and the FTA, or the Comptroller General of the United States, and otherwise comply with 49 U.S.C. § 5325(g). The Subrecipient shall make available all Records, and shall provide access to all project sites, upon request by any of these entities at all reasonable times and within the time period required under applicable law, but in no case to exceed 15 days of such request. The Subrecipient shall make available all such Records, in their entirety, including all identifying labels and case names, with no deletions, for all such monitoring, audits, inspections, examinations, and making of excerpts and transcriptions. The Subrecipient shall keep full and complete records documenting all Services performed or payments made under this Agreement including, but not limited to, records of all activities performed pursuant to this Agreement and all financial records associated therewith. The Subrecipient shall require compliance with this Article in all agreements with Subcontractors and sub-Subrecipients, as well as to permit monitoring access by the City to all relevant books and

records and to the site of any construction or other work performed hereunder. Any deficiencies noted in any audit report related to this Agreement must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient of notice of the deficiency. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payment. All access rights to Records set forth in this Section shall survive the expiration or effective termination date of this Agreement and shall last at least as long as the record retention period specified in Section 8.04, herein.

8.03 Nothing contained herein shall be construed or permitted to operate as any restriction upon the power granted to the City Council by the Detroit City Charter to audit and allow all accounts chargeable against the City. The City shall have the right to examine and audit all books, records documents and other such supporting data as the City may deem necessary of the Subrecipient and any Subcontractors or sub-Subrecipient's rendering Services under this Agreement whether direct or indirect which will permit adequate evaluation of the payment requests, cost or pricing data submitted by the Subrecipient. The Subrecipient shall include or cause to be included a similar covenant allowing for City and Federal audit and monitoring in all Subcontractors and sub-Subrecipient's contracts whose services will be charged directly or indirectly to the City. The City may delay any payment to the Subrecipient pending the results of any such audit or monitoring without penalty or interest.

8.04 **Records Retention:** All financial Records pertinent to this Agreement shall be kept in accordance with generally accepted accounting practices and with 2 CFR 200.302. The Subrecipient shall keep a property inventory for all property purchased in whole or in part with Grant Funds consistent with all Federal property management requirements, including but not limited to the those set forth in 49 CFR 18.36(i) and the applicable U.S. DOT Common Rule and with all other applicable terms of this Agreement, as provided in this Agreement.

The Subrecipient shall maintain all records in accordance with 2 CFR 200 for the purpose of determining compliance with the requirements of this Agreement. All records shall be retained for not less than five (5) years after final completion of the Services under this Agreement and expenditure or return of all Grant Funds, or when the Subrecipient no longer receives, uses, or retains program income and/or miscellaneous revenue, irrespective of whether said date occurs after the expiration date or termination date of this Agreement. The Subrecipient shall follow the retention requirements under 2 C.F.R. §§ 200.333 through 200.337.

8.05 **Monitoring:** The Subrecipient agrees to allow representatives of the City to make periodic inspections for the purpose of ascertaining that the Subrecipient is properly performing the Services set forth in Exhibit A. Such inspections shall be made at any time during normal business hours of the Subrecipient. If, in the course of such inspections, the representative(s) of the City or representatives of the FTA note any deficiencies or substandard performance in the compliance with this Agreement, such deficiencies or substandard performance may be reported promptly to the Subrecipient in writing. The Subrecipient agrees to promptly remedy and correct any such reported deficiencies within ten (10) days of notification by the City or FTA. If action to correct such deficiencies or substandard performance is not taken by the Subrecipient within a reasonable

period of time after being notified, the City may initiate contract suspension or termination procedures.

8.06 Tracking and Reports: At the end of the term of this Agreement, the Subrecipient shall prepare, complete and submit performance reports and other information to demonstrate compliance with the applicable regulations and requirements. Failure to timely prepare and submit the required reports and documents shall constitute a material breach of this Agreement and may lead to suspension and/or termination of this Agreement, as well as recovery of funds provided under this Agreement.

8.07 The Subrecipient shall, upon request by the City, provide to the City all data, data documentation, and information as necessary, in the sole discretion of the City, to allow the City to meet the City's reporting requirements. This data may include Client Data including, Personally Identifiable Information (“PII”). This will be requested for the purpose of validating eligibility and ensuring equitable distribution of programs and services. This data may be shared internally among City personnel and externally with the City’s consultants, all of whom have received detailed training on PII management and attested to their obligation to adhere to best security practices and to protect individual privacy.

Data must be provided in a machine-readable format. Acceptable formats include JSON, CSV, and XML. If the Subrecipient is collecting any data within a software platform or other information system that includes an Application Programming Interface or API, selected teams or consultants at the City must be provided access and documentation.

The Subrecipient must designate at least one point of contact within its organization who will liaise directly with the selected City teams and consultants regarding data requests and questions. This individual(s) shall work directly with the City teams and consultants to identify the data format, model, update cadence, and assist with any emerging issues related to the Subrecipient’s data over the course of this Agreement.

The Subrecipient shall be governed by the financial responsibility requirements set forth in Articles 6, 7 and 8 of this Agreement.

8.08 Client Data. In such cases where client data is collected, the Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Subrecipient’s responsibility with respect to Services provided under this Agreement, is prohibited, unless written consent is obtained from such person receiving service, and in the case of a minor, that of a responsible parent or guardian.

8.09 Close-outs. The Subrecipient’s obligations under this Agreement shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but not limited to: making final payments, disposing of program assets (including the return of all unused material, equipment, unspent funds, program income balances, and accounts), and determining the custodianship of records. Notwithstanding the forgoing, the terms of this Agreement shall remain

in effect during any period that Subrecipient has control over Grant Funds, including program income, but shall not extend beyond ninety (90) days after the termination date of this Agreement.

8.10 **Statements.** False statements or claims made or given to the City in connection with this Agreement may result in criminal, civil or administrative sanctions, penalties, debarment from participations in Federal, State or City awards or contracts, and/or any other remedies available at law.

9. COMPLIANCE WITH FEDERAL AND LOCAL LAWS, RULES AND SECURITY REGULATIONS

9.01 The Subrecipient shall comply, and shall ensure that all Employees, Subcontractors, and sub-Subrecipients also comply, with the United States Constitution and all applicable Federal, State, and local laws, ordinances, codes, regulations, guidance, administrative requirements, and policies, including, but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; all security regulations in effect from time to time on the City of Detroit's premises; codes and regulations for materials belonging to the City or developed in relationship to the Service rendered externally; where applicable and where not prohibited by state or federal law circulars, Mayor's Executive Orders, or all applicable City of Detroit Human Rights requirements, including without limitation 2019 Detroit City Code, Section 23-1-1 et seq.; and 2 CFR Part 200, as well as all terms and conditions of the Grant Agreements, the FTA Master Agreement, and other related statutes and regulations. The Subrecipient shall undertake all feasible efforts to ensure that all Employees, Subcontractors, and sub-Subrecipients are aware of their compliance obligations, whether through distribution of information in writing or other media, training sessions, informational meetings, or other means.

9.02 **Environmental Compliance.** Subrecipient shall comply with all applicable standards, orders or requirements of all applicable environmental and resource use laws, regulations, and requirements, and follow applicable guidance, now in effect or that may become effective in the future, including state and local laws, ordinances, regulations, and requirements and follow applicable guidance, including those issued under:

- a. The National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. §§ 4321, et seq., as limited by 42 U.S.C. § 5159, and CEQ's implementing regulations 40 CFR Part 1500 – 1508, as well as Joint FHWA and FTA regulations, "Environmental Impact and Related Procedures," 23 CFR Part 771 and 49 CFR Part 622
- b. The Clean Air Act, 42 USC 7401 et seq., including Section 306 thereof,
- c. The Clean Water Act, 33 USC 1251 et seq., including Section 508 thereof,
- d. The Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 USC 6901 et seq., as amended by 42 U.S.C. 6962, including Section 6002 thereof,

- e. The Wild and Scenic Rivers Act of 1968, 16 USC § 1271 *et seq.*
- f. The Coastal Zone Management Act of 1972, 16 USC § 1451 *et seq.*
- g. The Endangered Species Act of 1973, 16 U.S.C. § 1531 *et seq.*
- h. The Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC §9601 *et seq.*
- i. Executive Order 11738, and Environmental Protection Agency Regulations, 40 CFR Part 15, which prohibits the use under non-exempt Federal contracts, grants, or loans of facilities included on the EPA List of Violating Facilities.
- j. Executive Order No. 11514, as amended, “Protection and Enhancement of Environmental Quality,” March 5, 1970, 42 U.S.C. § 4321 note (35 Fed. Reg. 4247)
- k. “Environmental Justice Policy Guidance for Federal Transit Administration Recipients,” August 15, 2012
- l. Executive Order No. 11990 relating to “Protection of Wetlands,” and
- m. Executive Order No. 11988, as amended, “Floodplain Management.”
- n. 49 U.S.C. § 303 and joint FHWA and FTA regulations, “Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites,” 23 CFR Part 774 and 49 CFR Part 622
- o. Laws and regulations related to historic preservation, including Section 106 of the National Historic Preservation Act, as amended, 54 U.S.C. § 306108, the Archeological and Historic Preservation Act of 1974, as amended, 54 USC § 312501, *et seq.*, and U.S. Advisory Council on Historic Preservation regulations, “Protection of Historic Properties,” 36 CFR Part 800, as well as the American Indian Religious Freedom Act, 42 USC § 1996, and Executive Order No. 13007, “Indian Sacred Sites,” May 24, 1996, 42 USC § 3161 note (61 Fed. Reg. 26771).
- p. Laws and regulations related to energy conservation, including the Energy Policy and Conservation Act, as amended, 42 U.S.C. § 6321, *et seq.* and FTA regulations, “Requirements for Energy Assessments,” 49 CFR Part 622, subpart C.

The Subrecipient shall include in all subcontracts and subawards a provision that requires compliance with all such standards, orders or requirements. The Subrecipient shall report all

violations to the FTA, to the USEPA Assistant Administrator for Enforcement (EN-329), and to the City.

9.03 The Subrecipient shall comply with and recognize mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act, P.L. 94-163.

9.04 **Contract Compliance.** The Subrecipient shall include in all procurement contracts under this Agreement and cause to be included in all subcontracts under such contracts the provisions of the Federal regulations at 2 CFR 200.326, including without limitation those set forth in Appendix II of Part 200, as applicable, including, but not limited to:

- a. maintain written standards of conduct for conflicts of interest, or organizational conflicts of interest, pursuant to 2 CFR 200.318; for such purposes, “Organizational Conflict of Interest” is defined as a situation in which the nature of work under this contract and the Contractor’s organizational, financial, contractual or other interests are such that, (1) award of the contract may result in an unfair competitive advantage; or (2) the Contractor’s objectivity in performing the contract work may be impaired. The standards of conduct must apply to all officers, employees, board members, or agents of the Subrecipient and its Subcontractors and sub-Subrecipients who are engaged in the selection, award, or administration of this Agreement or any subcontract or sub-subrecipient agreement thereto, as well as their immediate family members or partners and any entity or organization that employs or is about to employ any such person. The standards of conduct must prohibit all such individuals from: (1) engaging in any activities involving the City’s, the Subrecipient’s, or its Subcontractors’ and sub-Subrecipients’ selection, award, or administration of an agreement in which the individual has a present or potential financial or other significant interest, or (2) accepting a gratuity, favor, or anything of monetary value from a present or potential subrecipient or subcontractor of any tier to this Agreement, unless the gift is unsolicited and has an insubstantial financial or nominal intrinsic value.
- b. encourages intergovernmental or inter-agency agreements to procure common goods and services, as described in 2 CFR 200.29 and 2 CFR 299.318;
- c. the Subrecipient shall, when conducting procurement, use fair and reasonable methodology to avoid state or local preferences, as described in 2 CFR 200.319;

9.05 **Lobbying.** The Subrecipient shall comply with all requirements of 31 USC § 1352 and the rule entitled “New Restrictions On Lobbying” found at 24 CFR Part 87 (hereinafter, the “Lobbying Rule”). The parties hereto acknowledge that the Lobbying Rule requires, but is not limited to requiring, that the Subrecipient and all parties at lower tiers, including sub-Subrecipients, contractors and subcontractors, not use any Federal appropriated funds to pay 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, including subawards at all tiers, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement, including subawards at all tiers.

The parties further acknowledge that the Lobbying Rule requires that under certain conditions, specified therein, affected parties make certifications, file statements, and make disclosures, regarding the use of appropriated Federal funds, and regarding the use of funds which are other than appropriated Federal funds, in regard to the above-described lobbying activities. The language of the certification required from the Subrecipient and from all affected parties, including but not limited to the parties at all lower tiers, is attached to this Agreement as Exhibit H. The meaning of the terms in this Section and in said certification shall be construed pursuant to the definitions of said terms as they are defined in the Lobbying Rule. The Subrecipient shall require all parties at all lower tiers to comply with all requirements of the Lobbying Rule applicable to said parties and shall include the language of the certification, and require that the language of the certification be included, in the award documents for all subawards at all tiers, including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements. The Subrecipient shall adhere to the terms of the certification and shall require all parties at lower tiers to so adhere.

9.06 **Religious Activities.** The Subrecipient warrants that the Services being provided with grant funds are not used to support any inherently religious activities, such as worship, religious instruction, or proselytization or other sectarian purposes. In addition to, and not in substitution for, other provisions of this Agreement regarding the provision of public services with federal funds, the Subrecipient:

- a. Represents that it is not, or may not be deemed to be, a religious or denominational institution or organization of an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization;
- b. Agrees that, in connection with public services:
 1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment to persons on the basis of religion and it will not discriminate against any person applying for public services on the basis of religion; and will not limit such services or give preference to persons on the basis of religion;
 2. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of such public services assisted with federal funds;
 3. The portion of the facility used to provide public services assisted in whole or in part under this Agreement and shall contain no religious symbols or decorations.

9.07 **Drug-Free Workplace.** The Subrecipient shall maintain a drug-free workplace in any place it performs services under this Agreement, and in accordance with the requirements of 2 CFR 2424, as well as with 49 U.S.C. § 5331; FTA regulations, “Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations,” 49 CFR Part 655; and Applicable provisions of U.S. DOT regulations, “Procedures for Transportation Workplace Drug and Alcohol Testing Programs,” 49 CFR Part 40. The Subrecipient shall certify and carry out the drug-free workplace requirements.

9.08 **Environmental Review.** Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the City of Detroit of a “Release of Funds” from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties further agree that the provision of any funds is conditioned on the City’s determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. In addition, the Subrecipient or subcontractor is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including, but not limited to, property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. Violation of this provision may result in the denial of any funds under this Agreement.

9.09 **Small and Disadvantaged Businesses Enterprises.** The Subrecipient shall comply with 2 CFR 220.321(b) (1) through (6) to assure that small businesses, minority businesses, women’s business enterprises, veteran-owned businesses and labor surplus area firms are used when possible when the Subrecipient procures property or services under this Agreement.

The Subrecipient agrees and assures that:

- a. It must not discriminate based on race, color, national origin, or sex in the award and performance of any FTA or U.S. DOT-assisted contract, or in the administration of its DBE program or the requirements of 49 CFR Part 26;
- b. It must take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of U.S. DOT-assisted contracts;
- c. Its DBE program, as required under 49 CFR Part 26 and as approved by U.S. DOT, is incorporated by reference and made part of the Underlying Agreement; and
- d. Implementation of its DBE program approved by U.S. DOT is a legal obligation and failure to carry out its terms shall be treated as a violation of this Master Agreement.

The Subrecipient agrees and assures that it will include the following assurance in each solicitation lists, sub-agreement, third-party contract it signs with a sub-Subrecipient or Third Party Contractor

and agrees to obtain the agreement of each of its sub-Subrecipients, Third Party Contractors, and Third-Party Subcontractors to include the following assurance in every sub-agreement and third-party contract it signs:

- a. The Subrecipient, each Third-Party Contractor, and each Third-Party Subcontractor must not discriminate based on race, color, national origin, or sex in the award and performance of any FTA or U.S. DOT-assisted sub-agreement, third party contract, and third-party subcontract, as applicable, and the administration of its DBE program or the requirements of 49 CFR Part 26;
- b. The Subrecipient, each Third-Party Contractor, and each Third-Party Subcontractor must take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of U.S. DOT-assisted sub-agreements, third-party contracts, and third-party subcontracts, as applicable;
- c. Failure by the Subrecipient and any of its Third-Party Contractors or Third-Party Subcontractors to carry out the requirements of this subparagraph 12.e(4)(ii) is a material breach of this sub-agreement, third party contract, or third-party subcontract, as applicable; and
- d. The following remedies, or such other remedy as the Recipient deems appropriate, include, but are not limited to, withholding monthly progress payments, assessing sanctions, liquidated damages, and/or disqualifying the Subrecipient, Third Party Contractor, or Third Party Subcontractor from future bidding as non-responsible.

9.10 **Hatch Act.** The Subrecipient shall comply with all provisions of the Hatch Act and that no part of the activity will involve political activities, nor will personnel employed in the administration of the activity be engaged in activities in contravention of Title V, Chapter 15, of the United State Code.

9.11 **American with Disabilities Act.** The Subrecipient shall comply with all provisions of Title II of the Americans with Disabilities Act, as amended, (“ADA”) which prohibits discrimination against persons with disabilities in all services, programs, and activities made available by State and local governments. The Department of Justice (“DOJ”) has coordination authority for the ADA in accordance with Executive Order 11250. The DOJ regulations cover all State and local governments and extend the prohibition of discrimination in Federally assisted programs established by Section 504 of the Rehabilitation Act of 1973 to all activities of State and local governments, including those that do not receive Federal financial assistance.

9.12 **The Architectural Barrier Act of 1968.** The Architectural Barriers Act, as amended, (“ABA”) requires buildings and facilities that are constructed by or on behalf of, or leased by the United States, or buildings financed, in whole or in part, by a grant or loan made by the United States to be accessible to persons with mobility impairments. The Architectural and Transportation Barriers Board (“ATBCB”) has coordination authority for the ABA.

9.13 **Section 504 of the Rehabilitation Act of 1973, as amended.** The Subrecipient shall comply with all provisions of section 504 of the Rehabilitation Act of 1973, which prohibits

discrimination against persons with disabilities in any program or activity receiving Federal financial assistance.

9.14 **Age Discrimination.** The Subrecipient shall comply with all provisions of the Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance, directly or through contractual, licensing, or other arrangements use age distinctions or take any other actions which have the effect, on the basis of age of: (a) excluding individuals from denying them the benefits subjecting them to discrimination under, a program or activity receiving Federal financial assistance; or (b) denying or limiting individuals their opportunity to participate in any program or activity receiving Federal financial assistance.

9.15 **Uniform Relocation Act.** The Subrecipient shall comply with all provisions of the Uniform Relocation Act, as amended, (“Uniform Act”), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. Government-wide regulations that implement URA can be found at 49 CFR Part 24.

9.16 **OSHA.** The Subrecipient shall comply with all provisions of the Occupational and Safety Health Act (“OSHA”), enacted by Congress to ensure worker and workplace safety. The goal of OSHA is to make sure employers provide their workers a place of employment free from recognized hazards to safety and health, such as exposure to toxic chemicals, excessive noise levels, mechanical dangers, heat or cold stress, or unsanitary conditions.

9.17 **Domestic Preferencing.** Except to the extent that the FTA issues a written waiver thereof, the Subrecipient shall comply, and shall ensure that all of its subcontractors and sub-Subrecipients comply, with all applicable domestic preference requirements, including but not limited to:

- a. **Buy America.** The domestic preference procurement requirements of 49 U.S.C. § 5323(j), and FTA regulations, “Buy America Requirements,” 49 CFR Part 661, to the extent consistent with 49 U.S.C. § 5323(j).
- b. **Build America, Buy America Act.** Construction materials used in the Project are subject to the domestic preference requirement of the Build America, Buy America Act, Pub. L. 117-58, div. G, tit. IX, §§ 70911 – 70927 (2021), as implemented by the U.S. Office of Management and Budget, the U.S. Department of Transportation, and FTA.
- c. **Cargo Preference.** The shipping requirements of 46 U.S.C. § 55305, and U.S. Maritime Administration regulations, “Cargo Preference – U.S.-Flag Vessels,” 46 CFR Part 381.
- d. **Fly America.** The air transportation requirements of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974, as amended, 49 U.S.C.

§ 40118, and U.S. General Services Administration (U.S. GSA) regulations, “Use of United States Flag Air Carriers,” 41 C.F.R. §§ 301-10.131 – 301-10.143.

- e. **Uniform Administrative Requirements.** Compliance with 2 CFR § 200.322, “Domestic Preferences for Procurements.”
- f. **Rolling Stock Procurements.** Compliance with the limitation on certain rolling stock procurements at 49 U.S.C. § 5323(u).

9.18 The Subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the FTA.

9.19 **Motor Vehicle Safety.** The Subrecipient must ensure all motor vehicles are operated under this Agreement, including those of its subcontractors and sub-Subrecipients, in compliance with: (1) The safety requirements of U.S. FMCSA regulations, “Federal Motor Carrier Safety Regulations,” 49 CFR Parts 390 – 397, (2) U.S. FMCSA regulations, “Commercial Driver’s License Standards, Requirements, and Penalties,” 49 CFR Part 383, and “State Compliance with Commercial Driver’s License,” 49 CFR Part 384, (3) Executive Order No. 13043, “Increasing Seat Belt Use in the United States,” April 16, 1997, 23 U.S.C. § 402 note, (62 Fed. Reg. 19217), including the adoption and promotion of on-the-job seat belt use policies, (4) Laws and regulations regarding texting while driving, including Executive Order No. 13513, “Federal Leadership on Reducing Text Messaging While Driving,” October 1, 2009, 23 U.S.C. § 402 note, (74 Fed. Reg. 51225) and U.S. DOT Order 3902.10, “Text Messaging While Driving,” December 30, 2009, as well as the following provision, which shall be included in all subcontracts and subawards under this Agreement substantially as set forth herein:

(i) Safety. The Subrecipient agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Subrecipient owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the Award, or when performing any work for or on behalf of the Award; (ii) Subrecipient Size. The Subrecipient agrees to conduct workplace safety initiatives in a manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving.”

9.20 All federal, state, and local regulations that may be applicable to the Subrecipient or its Employees, Subcontractors, and sub-Subrecipients, whether or not expressly set forth or referenced in this Agreement, are subject to amendment, revision, repeal, reinterpretation, and other changes from time to time. The Subrecipient acknowledges that such changes may occur during the Term of this Agreement and that compliance with all applicable regulations includes compliance with all applicable changes to those regulations. The Subrecipient will make reasonable efforts to identify all such changes and remain in compliance with all changes in applicable regulations over time throughout the Term of this Agreement.

9.21 **Telecommunication and Video Surveillance Services or Equipment**. The Subrecipient must not obligate or expend grant funds to (i) procuring or obtaining, or (ii) extending or renewing a contract to procure or obtain “any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, Section 889, Federal Acquisition Circular (FAC) 2019-05.

“Covered telecommunication” is defined as

- (i) telecommunication equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- (ii) for the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- (iii) telecommunications or video surveillance services provided by such entities or using such equipment; or
- (iv) telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

10. FAIR EMPLOYMENT PRACTICES, NON-DISCRIMINATION REQUIREMENTS AND DENIAL OF SERVICES

10.01 **Nondiscrimination**: It is the policy of the City that prejudice, intolerance, bigotry, discrimination, and the disorder occasioned thereby, threaten the civil rights and privileges of the people of the city and menace their institutions. The Civil Rights, Inclusion and Opportunity Department (“CRIO”) is authorized pursuant to Chapter 23 of the 2019 Detroit City Code to investigate claims of discrimination, to prevent discrimination in: education, employment, medical care facilities, housing accommodations, commercial space, places of public accommodation, public service, resort or amusement, or other forms of discrimination prohibited by law, based upon race, color, religious beliefs, national origin, age, marital status, disability, public benefit status, sex, sexual orientation, or gender identity or expression; to take such action as necessary to secure the equal protection of civil rights, and the responsibility to enforce the Americans with Disabilities Act (ADA), and Title VI of the Civil Rights Act of 1964, including the following:

- a. Fair Housing Act (42 U.S.C. 3601 et. seq.) and implementing regulations at 24 CFR Part 100;
- b. Executive Order 11063 and implementing regulations at 24 CFR Part 107;
- c. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d-200d-4) and implementing regulations, including those at 49 CFR Part 21;
- d. 49 U.S.C. § 5332;

- e. FTA Circular 4702.1B, “Title VI Requirements and Guidelines for Federal Transit Administration Recipients;”
- f. FTA Circular 9045.1, “New Freedom Program Guidance and Application Instructions;”
- g. FTA Circular 4220.1G, “Third-Party Contracting Guidance;”
- h. FTA Circular 9050.1, “The Job Access and Reverse Commute (JARC) Program Guidance and Application Instructions;”
- i. Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and Department of Health and Human Services implementing regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance, 45 CFR Part 90;
- j. Sections 504 of the Rehabilitation Act of 1973 (29 U. S. C. 794) and implementing regulations at 24 CFR 8
- k. Executive Orders 11625, 12432, and 12138
- l. Elliot-Larsen Civil Rights Act, Act No 453, Michigan Public Acts of 1976, as amended.
- m. Executive Order No. 13116, “Improving Access to Services for Persons with Limited English Proficiency,” August 11, 2000, 42 U.C.S. 200d-1 note.

In accordance with the United States Constitution and with all Federal legislation and regulations governing fair employment practices and Equal Employment Opportunity, including, but not limited to, Title VI of the Civil Rights Act of 1964, P.L. 88-352, 78 STAT. 252, and United States Department of Justice Regulations, 28 CFR Part 42, issued pursuant to that Title; Title VII of the Civil Rights Act of 1964, 42 USC Sec. 2000(e) et seq., federal transit law, specifically 49 U.S.C. § 5332, as provided in section 12 of the Master Agreement; FTA Circular 4220.1G, which states that no employee or client or otherwise qualified handicapped individual will be excluded from participation solely by reason of his or her handicap, will be denied the benefits of, or will be subjected to discrimination under any program or activity receiving Federal financial assistance, United States Department of Labor regulations, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” 41 C.F.R. Part 60, and the requirements set forth in FTA Circular 4704.1 “Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients;” as well as in accordance with the Michigan Constitution and all state laws and regulations governing fair employment practices and equal opportunity, including but not limited to, the Michigan Civil Rights Act, P.A. 1976 No. 453, including Section 209, and the Michigan Handicappers Civil Rights Act, P.A. 1976 No. 220, the Subrecipient agrees that it will not discriminate against an employee or application for employment with respect to hire, tenure, terms, conditions or privileges of employment with respect to race, color religion, national origin, age, sex, height, weight, marital status, or handicap that is unrelated to the individual's ability to perform the duties of a particular assignment or position. Subrecipient shall follow other federal guidance pertaining to EEO laws,

regulations, and requirements.

Also, in performance of this Agreement, the Subrecipient shall comply with the ADA, which prohibits discrimination against individuals with disabilities and provides enforcement standards. The Subrecipient shall take, and shall ensure that its Subcontractors and sub-Subrecipients also take, affirmative action in hiring if required by US Department of Transportation regulations set forth in 49 CFR Part 21 or US Department of Labor regulations set forth in 41 CFR Part 60, including but not limited to (1) in recruitment advertising, recruitment, and employment; (2) in rates of pay and other forms of compensation; (3) in the selection for training, including apprenticeship, and upgrading; and (4) in transfers, demotions, layoffs, and terminations. The Subrecipient hereby recognizes the right of the United States and the State of Michigan to seek judicial enforcement of the foregoing covenants against discrimination, against itself or its contractors and/or subcontractors connected directly or indirectly with the performance of this Agreement.

10.02 The Subrecipient agrees that it will notify, or cause to be notified, Subcontractors of the obligations relative to nondiscrimination under this Agreement when soliciting same and will include or cause the provisions of this Article to be included in all contracts and/or subcontracts, as well as provide the City a copy of any contract upon request.

10.03 The Subrecipient agrees to fully cooperate with any investigation covered under this Article. Breach of the terms and conditions of this Article shall constitute as a material breach of this Contract and, as such, are governed by the provisions for termination as set forth herein.

10.04 **Denial of services:** The Subrecipient shall not deny service to any person unless, in the reasonable judgment the Subrecipient, such person refuses to cooperate with program goals, creates conflict among the staff or other participants, abuses the program and/or is physically or verbally threatening to the Subrecipient staff or to participants. The Subrecipient shall provide the City with written notification of the full circumstances of each situation where it has found it necessary to deny services for these reasons.

11. CONFLICT OF INTEREST

11.01 The Subrecipient warrants that its participation in this Agreement will conform to the requirements of the Detroit City Code, Section 2-5-34 “Disclosure by Contractors”, and all applicable federal regulations, including Sections 2 CFR 200.318, and further warrants that such participation will not result in any Organizational Conflict of Interest, as defined herein.

11.02 In the event the Subrecipient has any conflict of interest as defined herein, the Subrecipient shall disclose such conflict of interest fully in the submission of the proposal, and immediately upon discovery during the life of the contract.

11.03 The Subrecipient agrees that if it discovers any conflict of interest or potential conflict of interest with respect to this contract, it shall make an **immediate and full disclosure in writing to the Director of the Department**, and to the **Detroit Board of Ethics**, which shall include a description of the action which the Subrecipient has taken or intends to take to eliminate or neutralize the conflict. The Department may, in its sole discretion, seek a Board of Ethics Advisory Opinion or terminate the contract if doing so would be in the best interest of the City.

11.04 In the event the Subrecipient was aware of any conflict of interest before the award of this

contract and intentionally did not disclose the conflict, the Department may terminate the contract for default, and subject the Subrecipient to debarment or other applicable penalties.

11.05 The provisions of this Article shall be included in all subcontracts and consulting agreements.

11.06 No federal, state, or local elected official nor any member of the City of Detroit Planning Commission or employee of the Department nor any corporation owned or controlled by such person, shall be allowed to participate in any share or part of this contract or to realize any benefit from it.

11.07 No member, officer, or employee of the City, no member of the governing body of the City or any other local government, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

11.08 The Detroit Board of Ethics reserves the discretion to determine the proper treatment of any conflict of interest disclosed under Detroit City Code Section 2-5-1 *et seq.*

11.09 The Subrecipient covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Services under this Agreement. The Subrecipient further covenants that in the performance of this Agreement, no person having any such interest shall be employed. The Subrecipient further covenants that no elected or appointed official, or employee of the City and no other public official who exercises any function or responsibilities in the review or approval of the undertaking or performance of this Agreement has any personal or financial interest, direct or indirect in this Agreement or the proceeds thereof.

11.10 The Subrecipient also hereby warrants that it shall not and has not employed any person to solicit or secure this Agreement upon any agreement or arrangement for payment of a commission, percentage, brokerage or contingent fee, either directly or indirectly, and that if this warranty is breached, the City may, at its option, terminate this Agreement without penalty, liability or obligation and, in addition, may, at its election, deduct from any amounts owed to the Subrecipient hereunder, the amounts of any such commission, percentage, brokerage or contingent fee.

12. INDEMNITY AND DAMAGES

12.01 The Subrecipient agrees to hold harmless the City from and against any and all violations, liabilities, obligations, judgments, damages, penalties, settlements, claims, costs, charges, losses and expenses including, without limitation, reasonable fees and expenses for attorneys, expert witnesses, and other consultants, at the prevailing market rate for such legal services, expert witnesses, and other consultants, which may be imposed upon, incurred by, or asserted against the City by reason of any of the following arising from this Agreement:

- a. Any negligent or tortuous act, error or omission of the Subrecipient or any of its Associates for whose acts any of them may be liable, regardless of whether or not it is caused in part by a person indemnified hereunder.

- b. Any failure by the Subrecipient or any of its Associates to perform its obligations, either expressed or implied, under this Agreement.

The Subrecipient also agrees to hold harmless the City from any and all injury to the person, or damage to property of, or any loss or expense incurred by, an employee of the City or any third-party which arises out of or pursuant to the Subrecipient's performance, or that of its Associates under this Agreement.

12.02 The Subrecipient agrees that it is Subrecipient's responsibility, and not the responsibility of the City, to safeguard the property and materials that it or its Associates use or have in their possession while performing this Agreement. Further, the Subrecipient agrees to hold the City harmless for any loss of or damage to such property and materials.

12.03 In the event of any claim, action, or proceeding, by any third party against the City, arising from the performance of the Subrecipient, and/or its contractors, subcontractors and/or sub-Subrecipients, hereunder, upon Notice from the City the Subrecipient shall pay for the full reasonable cost of the City incurred in defending against such claims, actions or proceedings, and the Subrecipient shall indemnify the City against any loss, cost, expense, liability or settlement arising out of such claim, action or proceeding, whether or not such claim, action or proceeding, is successful.

12.04 The indemnification obligation under this Article shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Subrecipient under Workers Compensation Acts or other employee benefit acts. In addition, the Subrecipient agrees to hold the City harmless from the payment of any deductible on any insurance policy.

12.05 The Subrecipient agrees that this Article "Indemnity and Damages" shall apply to all matters described herein, whether the matter is litigated or not, that occur or arise between the Subrecipient or its Associates, and the City, and agrees to hold the City harmless therefrom as provided in this Article.

12.06 The Subrecipient shall hold the City harmless with respect to any damages arising from any violation by it or its Associates of all laws, regulations, codes and policies named or referred to in Articles 9 and 10. The Subrecipient shall require as part of any contractual or subcontractual agreement entered into under this Agreement, that the subcontractors or sub-Subrecipients comply with all such laws and regulations as are applicable to them hereunder and require them to perform in such a manner so as to allow the Subrecipient and the City to remain in compliance with such laws and regulations as apply to the Subrecipient and the City hereunder. The Subrecipient shall commit no trespass on any public or private property in performing any of the Services hereunder.

12.07 Notwithstanding anything to the contrary in this Agreement, Subrecipient's indemnification obligations set forth in this Agreement including, but not limited to, those described in this Article shall survive termination of this Agreement.

13. INSURANCE

13.01 The Subrecipient shall require that all of its subcontractors and sub-Subrecipients maintain

during the term of this Agreement the following insurance:

- a. **Worker's Compensation Insurance** for Employees which meets the State of Michigan's statutory requirements and Employer's Liability Insurance with minimum limits of **FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS** for each accident, person and disease.
 - i. Workers Compensation and Employers Liability Insurance will only be required for those subcontractor or sub-Subrecipients that employ or will employ one or more employees during the term of this agreement (including any amendment or extension). If a subcontractor or sub-Subrecipient has no employees and will not have any during the term of this agreement, it shall so certify on a form prescribed by the City, which shall be attached to this agreement as an Exhibit.
 - ii. Any subcontractor or sub-Subrecipient that has provided such a certification and which later (but still during the term of this Subrecipient agreement) intends to employ one or more persons, must provide the City notice of its intention at least thirty (30) days prior to employing any such person. Along with such notice, or as soon thereafter as may be feasible within the judgment of the Department, the Subrecipient shall provide the City with satisfactory evidence of Workers Compensation and Employers Liability Insurance, which complies with the terms of subparagraph a, above.
- b. **Commercial General Liability Insurance**, which conforms to the following minimum requirements:
 - i. Names the "**City of Detroit**," as its respective interest may appear **as an additional insured**;
 - ii. The **policy** limits shall be **ONE MILLION DOLLARS (\$1,000,000.00)** each occurrence; **TWO MILLION DOLLARS (\$2,000,000.00)** minimum aggregate;
 - iii. The policy shall include coverage for independent contractor's liability.
- c. **Automobile Liability Insurance** covering **all owned, hired, and non-owned vehicles** with personal protection insurance to comply with the provisions of the Michigan No Fault Insurance Act, including residual liability insurance, with minimum combined single limit of **ONE MILLION DOLLARS (\$1,000,000.00)** per occurrence.
 - i. Automobile Liability Insurance covering owned automobiles will only be required for those subcontractors or sub-Subrecipients that own or will own one or more automobiles during the term of the Agreement (including any amendment or extension). If a subcontractor or sub-Subrecipient does not

own an automobile and will not have any during the term of this agreement, it shall so certify on a form prescribed by the Department, which shall be attached to this agreement as an Exhibit.

- ii. Any subcontractor or sub-Subrecipient that has provided such a certification and which later (but still during the term of this Agreement) intends to acquire one or more automobiles, must provide the Department notice of its intention at least thirty (30) days prior to taking title to any such automobile. Along with such notice, or as soon thereafter as may be feasible within the judgment of the Department, the subcontractor or sub-Subrecipient shall provide the City with satisfactory evidence of insurance, including owned auto coverage, which complies with the terms of subparagraph c, above.
- d. The subcontractor or sub-Subrecipient shall comply with all applicable flood insurance laws, including any requirement of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), to carry flood insurance for any building located in a special flood hazard area (100-year flood zone) before accessing federal assistance to acquire, construct, reconstruct, repair, or improve such building.
- e. The subcontractor or sub-Subrecipient shall comply with the provisions of 49 U.S.C. § 31138(e)(4) and US Federal Motor Carrier Safety Administration (“U.S. FMCSA”) regulations, “Minimum Levels of Financial Responsibility for Motor Carriers,” 49 CFR Part 387.
- f. The subcontractor or sub-Subrecipient shall obtain sufficient **Fidelity Bonds** or other similar dishonesty protection insurance to protect federal funds from loss due to theft, fraud and/or undue physical damage such fidelity bonding or dishonesty protection shall cover employees in an amount equal to the cash advances from the City.

13.02 The subcontractor or sub-Subrecipient shall be responsible for payment of all deductibles contained in any insurance required hereunder.

13.03 If during the term of this Agreement, changed conditions or other pertinent factors should in reasonable judgment of the City render inadequate the insurance limits, or types of coverage, the subcontractor or sub-Subrecipient shall furnish on demand such additional coverage as may reasonably be required under the circumstances. All such insurance shall be affected at the subcontractor’s or sub-Subrecipient’s expense, under valid and enforceable policies issued by insurers of recognized responsibility which are well rated by national rating organizations and are acceptable to the City.

13.04 Certificates of Insurance evidencing the required insurance coverage shall be submitted by the Subrecipient at the time it executes this Agreement or at such later time, prior to the commencement of any services under this agreement, as may be appropriate within the judgment

of the City. Any agreement by the City to a delayed submission of insurance certificates shall be evidenced by a form prescribed by the City and signed by the project manager which shall be attached to this Agreement as an Exhibit. All policies shall name the subcontractor or sub-Subrecipient as the insured and shall be accompanied by a commitment from the insurer that such policies shall not be canceled or reduced without at least thirty (30) days prior notice to the City.

The comprehensive liability insurance certificate and policy shall name the additional insured required by Section 13.01 b (1) hereof. Certificates of Insurance evidencing all required coverages shall be submitted to the Office of the Chief Financial Officer, Office of Contracting and Procurement, Suite 1008, Coleman A. Young Municipal Center, Detroit, Michigan 48226 prior to the commencement of performance under this Agreement and at least fifteen (15) days prior to the expiration dates of expiring policies.

13.05 The Subrecipient shall cause all contracts and subgrants under this Agreement which are between the Subrecipient and its contractors, including subcontracts at lower tiers, and all subgrants, if any, to require that the contractors, subcontractors, and subgrantees, if any, shall maintain all of the insurance required by this Article and that the liability insurance shall name as an additional insured the City as defined in Section 13.01 b. (1).

13.06 The provisions of this Agreement requiring subcontractors or sub-Subrecipients to carry said insurance shall not be construed in any manner as waiving or restricting the liability of the Subrecipient or any subcontractors or sub-Subrecipients under this Agreement.

13.07 In addition to the above requirements, the Subrecipient and its subcontractors and sub-Subrecipients shall, if applicable, comply with the bonding and insurance requirements set forth in 2 CFR 200; specifically, 2 CFR 200.325, including without limitation those regarding bonding insurance.

14. TERMINATION AND REVERSION OF ASSETS

14.01 The City may suspend or terminate this Agreement for cause if the Subrecipient materially fails to comply with any term of this Agreement, and further, the City may terminate this Agreement for convenience. In the event that the City so suspends or terminates this Agreement then the City shall so suspend or terminate this Agreement pursuant to federal regulations and pursuant to Sections 14.01, 14.02, 14.03, 14.04, 14.05 and 14.06, except that if there is any conflict between the federal regulations and this Agreement, then the said federal regulations shall govern.

14.02 The City may terminate this Agreement for cause upon giving written notice of termination to the Subrecipient at least twenty-four (24) hours before the effective date of the termination, should the Subrecipient: (1) fail to fulfill in a timely and proper manner its obligations under this Agreement; or (2) violate any of the covenants, agreements, provisions or stipulations of this Agreement; the Subrecipient shall be liable to the City for any damages it sustains by virtue of this Subrecipient's breach or any reasonable costs the City might incur enforcing or attempting to

enforce this Agreement, including reasonable attorney's fees. The City may withhold any payment(s) to the Subrecipient (as may be due under this Agreement or otherwise) for the purpose of setoff until such time as the exact amount of damages due to the City from the Subrecipient is determined. It is expressly understood that the Subrecipient will remain liable for any damages the City sustains in excess of any setoff. If the Agreement is so terminated, the City may take over the performance of the Services and prosecute the same to completion by contract or otherwise, and the Subrecipient shall be liable to the City for any costs occasioned to the City, thereby.

14.03 The City or the Subrecipient may terminate this Agreement without cause or for convenience at any time, without incurring any further liability whatsoever, other than as stated in this Article, by giving written notice of such termination (herein called a "Notice of Termination"), specifying the effective date thereof, at least twenty-four (24) hours prior to the effective date of such termination. The amount of the payment shall be computed by the City on the basis of the Services provided, which, in the judgment of the City, represents a fair value of the Services provided, less the amount of any previous payments made, which final payment the Subrecipient agrees shall constitute full and complete payment and satisfaction under this Agreement. Should the City or the City's designee undertake any part of the Services which are to be performed by the Subrecipient, the Subrecipient shall not be entitled to any compensation for the Services so performed. This Section is subject to the maximum sum payable provision in Section 5.01.

14.04 After receipt of a Notice of Termination and except as otherwise directed by the City, the Subrecipient shall:

- a. Immediately comply with the provisions of the Notice of Termination, and take all steps necessary to minimize disruption of, or impact to the City as the result of the termination;
- b. Stop work under the Agreement on the date and to the extent specified in the Notice of Termination, and immediately notify the City of any special circumstances precluding stoppage of the work;
- c. Obligate no additional federal project funds for payroll costs and other costs beyond such date as the City shall specify except as necessary and with written approval from the City, and place no further orders on contractors for materials, services, or facilities, except as may be necessary for completion of such portion of the work under this Agreement as is not terminated; and require all contractors to place no further orders on subcontractors for materials, services, or facilities, except as may be necessary for completion of such portion of the work under Agreement as is not terminated;
- d. Terminate all orders and contracts to the extent that they relate to the portion of work so terminated, and cause to be terminated all subcontracts, if any, to such extent;
- e. Take necessary or directed action to protect and preserve property in the Subrecipient's possession in which the City has or may acquire an interest and, as directed by the city, deliver the property to the City;

- f. Perform the continued portion of the Agreement;
- g. As of the date the termination is effective, preserve all Agreement records (as hereinafter defined) and submit to the City such records and reports as the City shall specify, and furnish to the City an inventory of all furnishings, equipment and other property purchased for the Project (if any), and all pertinent keys to files, buildings and property and carry out such directives as the City may issue concerning the safeguarding or disposition of files and property; and
- h. Submit within thirty (30) days a final report of receipts and expenditures of funds relating to this Agreement, and a listing of all creditors, contractors, lessors, and/or other parties with which the Subrecipient has incurred financial obligations pursuant to this Agreement (if any), and a listing of all subcontractors, if any.

14.05 Upon completion or other termination of this Agreement, (1) all finished or unfinished original documents or copies (when originals are unavailable) data, studies, surveys, drawings, maps, models, photographs, files, intermediate materials, supplies, notes, reports or other materials (herein collectively called the "Work Product") prepared by the Subrecipient under this Agreement or in anticipation of this Agreement, and (2) all property, including without limitation, all materials, supplies, and equipment, which were/was purchased by the Subrecipient on a cost basis hereunder and which has not been consumed in the normal and proper performance by the Subrecipient hereunder as of the effective date of the Notice of Termination or the expiration date hereof, shall become the sole and exclusive property of the City, whether or not in the Subrecipient's possession, free from any claim or retention of rights thereto on the part of the Subrecipient, except as herein specifically provided, and shall promptly be delivered to the City upon the City's request and the City shall return all Subrecipient's properties to it. The Subrecipient acknowledges that any intentional failure or intentional delay on its part to deliver the Work Product to the City may cause irreparable harm to the City, if not adequately compensable in damages and for which the City has no adequate remedy at law the Subrecipient accordingly agrees that the City shall in such event seek and obtain injunctive relief in a court of competent jurisdiction and compel delivery of the Work Product the Subrecipient hereby consents to as well as all applicable damages and costs. The City shall have full and unrestricted use of the Work Product for the purpose of completing the Project. In regard to the property so purchased on a cost basis, the City may at its sole option setoff against any Agreement payments due to the Subrecipient hereunder, the actual amount(s) which had been reimbursed by the City to the Subrecipient for the cost(s) of all such property acquired on a cost basis less the amount as determined by the City for any such property delivered to the City.

14.06 Each party shall assist the other party in the orderly termination of this Agreement and the transfer of all aspects hereof, tangible or intangible, as may be necessary for the orderly, non-disrupted business continuance of each party.

14.07 It is understood by the parties hereto that Federal regulations require that this Agreement remain in force for so long as the Subrecipient has control over federal funds, including program income. Therefore, notwithstanding the other requirements set forth herein regarding (1) termination of this Agreement and (2) the expiration date of this Agreement, the Subrecipient shall comply with all requirements of this Agreement for a period which shall extend beyond the expiration date and/or termination date of this Agreement for so long as the Subrecipient shall continue to maintain control over such funds.

15. PROCEDURES FOR FILING AN APPEAL

15.01 In the event that the Subrecipient disagrees with the decision of the City concerning the following:

- a. Bias, discrimination or conflict of interest on the part of the City;
- b. City's claim of Subrecipient's failure to comply with the procurement process;
- c. City's claim of Subrecipient's errors in computing reimbursement payment requests;
- d. City's denial of payments due to Ineligible expenses; City's denial of contract amendment request;
- e. City's denial of contract modification request; and/or,
- f. City's claim of Subrecipient's failure to comply any other City/Federal regulations or procedures described in the agreement;

the Subrecipient may file a written appeal of that determination with the City. All appeals must state the grounds for the appeal with specific facts, and identify, with specificity, the action(s) being appealed. Documents supporting the appeal should be included where appropriate. Appeals must include a description of the relief or corrective action requested. Appeals will be rejected, as without merit, if they address non-procedural issues such as:

- a. A program manager's professional judgment on the administration of the Agreement; or,
- b. The City's assessment of its own and/or other agencies needs requirements.

15.02 All appeals must be submitted in writing, and addressed and mailed or hand delivered to:

Director, Detroit Department of Transportation
Coleman A. Young Municipal Center
2 Woodward Avenue - Suite 908
Detroit, MI 48226

E-mails or fax copies will not be accepted.

15.03 All appeals must be signed by the appealing party or authorized agent and must include return address and telephone number of the appealing agency. Appeals regarding Subrecipient's agreement can be made any time after the contract has been approved by the City of Detroit.

15.04 This appeal procedure will be the only administrative remedy available to Subrecipient, Appeals that do not follow this procedure will not be considered.

16. ASSIGNMENT, CONTRACTING, OR SUBCONTRACTING

16.01 The Subrecipient shall not assign, including but not limited to through a change of ownership or control, or encumber directly or indirectly, any interest whatsoever in this Agreement, and shall not transfer any interest in the same, whether by assignment or novation, without the prior written consent of the City thereof. Any such consent given in any one instance shall not relieve the Subrecipient of its obligation to obtain the prior written consent of the City to any further assignment. All assignments, contracts, and subcontracts shall follow the Procurement process under Article 7, "Procurement," and 2 CFR 200.317 – 200.326.

16.02 None of the Services covered by this Agreement shall be subcontracted out by the Subrecipient without prior review and approval by the City. Such approval shall not constitute a basis for privity between the City and any subcontractors of the Subrecipient, and the Subrecipient agrees to indemnify and hold the City harmless from such claims initiated pursuant to any such contracts it enters into in performance of this Agreement.

16.03 This Agreement shall inure in all particulars to the City, its agents, successors, and assigns.

16.04 In the event that the Subrecipient, under this Agreement, enters into one or more subcontracts with subcontractors, the Subrecipient shall obtain or include under its General Liability policy an independent contractor's liability insurance coverage in addition to all other types of coverage required hereunder.

16.05 The parties hereto acknowledge that the FTA requires all grant recipients and Subrecipient's to keep records and report on the use of federal grant funds. Therefore the Subrecipient shall ensure that for all contracts and subcontracts enter into for Services under this Agreement that each sub-contractor or sub-Subrecipient maintain and submit records and report in sufficient detail on all use of federal grant funds, so as (1) to enable the City to meet all of its Federal reporting and monitoring obligations and (2) to enable the Subrecipient to meet all of its reporting and monitoring obligations under this Agreement and/or as required by Federal regulations. At a minimum, all record keeping and reporting requirements imposed on the contractor by the Subrecipient shall include all record keeping and reporting requirements similarly required of the Subrecipient herein, unless otherwise specifically provided for in this Agreement. In the event of any dispute between the parties hereto as to reporting requirements required hereunder or to be required of contractors and/or subcontractors, the reasonable determination of the City shall govern.

16.06 Costs to be paid under this Agreement which are the result of costs incurred under:

- a. Cost type contracts with for-profit organizations, or cost type portions of contracts with for-profit organizations; or
- b. Cost type subcontractors with for-profit organizations, or cost type portions of subcontracts with for-profit organizations; shall be allowable only if such costs are consistent with the Federal cost principles set forth at 48 CFR Part 31 and 2 CFR Part 200.

16.07 The Subrecipient shall include in all contracts under this Agreement, and cause to be included in all subcontracts under such contracts, all clauses described in the Federal regulations at 24 CFR 570, and 2 CFR 200, including without limitation those set forth in Appendices I through XII of said Part 200, as applicable.

17. AMENDMENTS AND BUDGET MODIFICATIONS

17.01 The City may consider it in its best interest to change, modify, or extend a term or condition of this Agreement. Any such change, extension, or modification, which is mutually agreed upon by the City and the Subrecipient, shall be incorporated in a written amendment ("Amendment") to this Agreement. Such Amendment shall not invalidate this Agreement, nor relieve or release the Subrecipient or the City from any of its obligations under this Agreement, except for those parts thereby amended.

An amendment to this Agreement shall be required if a major revision is needed to be made in the Subrecipient's approved scope of work. A major revision refers to circumstances very different from what was stated in the original agreement. For example, such major revisions shall include but not limited to:

- a. A new activity is proposed.
- b. An entirely new population is targeted or is proposed to be served.
- c. An entirely different method of doing business will be used.
- d. Additional money will be added to the agreement, more work will be performed, and more people will be hired.

17.02 **Budget Modification.** The Subrecipient may, if the City approves in writing, modify the line-item budget by requesting the modification in writing and articulating the need for the modification with specificity. Any modification of the line-item budget must be approved in writing by the City before the Subrecipient modifies the line-item budget or commits to the expenditure of funds outside the currently approved line-item budgeted.

17.03 Budget revision requests will not exceed the total cost of the Agreement, and requests made may not exceed 10% for pay raises originally unrecognized in the budget. All minor changes that do not affect the time frame, outcome, or total cost of the project shall be approved by letter. These may include but not limited to:

- a. Change in address of the organization's administrative office, but not a change in the neighborhood or client served;
- b. Change in hours of operation; but not change in total service units or number of people served;
- c. Change in job titles, but not of pay or personnel;
- d. Shifts in costs from one budget line-item category to another; and
- e. Addition of a new budget line-item that will be consistent with the originally approved scope of work and will not change total budgeted amount of the contract.

17.04 No Amendment to this Agreement may be effective and binding upon the parties unless

it expressly makes reference to this Agreement, is in writing, is signed and acknowledged by duly authorized representatives of both parties, and is approved by the appropriate City departments and City Council.

18. CONFIDENTIALITY

18.01 In order that the Subrecipient effectively fulfill its covenants and obligations to the City under this Agreement, it may be necessary or desirable for the City to disclose confidential and proprietary information to the Subrecipient's employees, consultants, subcontractors, and agents (collectively "Associates") pertaining to the City's past, present, and future activities. Since it is difficult to separate confidential and proprietary information from that which is not, the Subrecipient shall instruct its Associates to regard all information gained by each such person as a result of the Services to be performed hereunder as information which is proprietary to the City and not to be disclosed to any organization or individual without prior consent of the Director of the Department.

18.02 The Subrecipient agrees to take appropriate action with respect to its Associates to ensure that the obligations of non-use and nondisclosure of confidential information concerning this Agreement are fully satisfied.

18.03 All of the reports, information, data, etc., prepared or assembled by the Subrecipient under this Agreement are confidential and the Subrecipient agrees that they shall not be made available to any individual or organization without prior written consent of the Director of the Department except as required by federal law pursuant to Article 9 herein, and except as required by any other requirements or provisions of this Agreement. The reports and documents referenced in this paragraph may also be subject to disclosure under the Michigan or Federal Freedom of Information Acts.

18.04 The use or disclosure of information concerning services, applicants or recipients obtained in connection with the performance of this Agreement shall be restricted to purposes directly connected with the administration of the programs implemented by this Agreement.

19. HIRING POLICY

19.01 The Subrecipient agrees to establish a hiring policy in compliance with the 2019 Detroit City Code, Chapter 17, Finance and Taxation, Article V, Purchases and Supplies, Division 6, Criminal Conviction Questions for City Contractors, Sections 17-5-261 *et seq.*, which prohibits City contractors from inquiring regarding criminal conviction questions for applicants to fulfill City contracts until the contractor interviews the applicant or determines the applicant is qualified.

19.02 The Subrecipient agrees to submit its hiring policy to the City of Detroit prior to the approval of this agreement by both parties.

20. OFFICE OF THE INSPECTOR GENERAL AND THE BOARD OF ETHICS

A. Office of the Inspector General

20.01 In accordance with Section 2-106.6 of the City Charter, this Agreement shall be voidable or rescindable at the discretion of the Mayor or Inspector General at any time if a Public Servant who is a party to this Agreement has an interest in this Agreement and either the Subrecipient or Public Servant fails to disclose such interest.

20.02 This Agreement shall also be voidable or rescindable if a lobbyist or Employee of the Subrecipient or any of its Associates offers a prohibited gift, gratuity, honoraria, or payment to a Public Servant.

20.03 A fine shall be assessed to the Subrecipient in the event of a violation of Section 2-106.6 of the City Charter. If applicable, the facts and circumstances surrounding such violation shall be referred to the appropriate prosecuting authorities.

20.04 Pursuant to Section 7.5-306 of the City Charter, the Inspector General shall investigate any Public Servant, City agency, program or official act, contractor and subcontractor providing goods and services to the City, business entity seeking contracts or certification of eligibility for City contracts and person seeking certification of eligibility for participation in any City program, either in response to a complaint or on the Inspector General's own initiative in order to detect and prevent waste, abuse, fraud and corruption.

20.05 In accordance with Section 7.5-310 of the City Charter, it shall be the duty of every Public Servant, contractor, subcontractor, and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the Inspector General in any investigation pursuant to Article 7.5, Chapter 3 of the City Charter, and Subrecipient acknowledges its duty and affirms its agreement to cooperates in any such investigation.

20.06 Any Public Servant who willfully and without justification or excuse obstructs an investigation of the Inspector General by withholding documents or testimony, is subject to forfeiture of office, discipline, debarment or any other applicable penalty.

20.07 As set forth in Section 7.5-308 of the City Charter, the Inspector General has a duty to report illegal acts. If the Inspector General has probable cause to believe that any Public Servant or any person doing or seeking to do business with the City has committed or is committing an illegal act, then the Inspector General shall promptly refer the matter to the appropriate prosecuting authorities.

B. Board of Ethics

20.08 In accordance with Section 2-106.10 of the City Charter and Section 2-5-106 of the 2019 Detroit City Code, it shall be the duty of every Public Servant, contractor and subcontractor, vendor and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the Board of Ethics in any investigation pursuant to this article, and Subrecipient acknowledges its duty and affirms its agreement to cooperates in any such investigation.

20.09 Any Public Servant who willfully and without justification or excuse obstructs an investigation of the Board of Ethics by withholding documents or testimony is subject to forfeiture of office, discipline, debarment or any other applicable penalty.

20.10 Any contractor, subcontractor, vendor, or licensee who willfully and without justification

or excuse obstructs an investigation of the Board of Ethics by withholding documents or testimony is subject to debarment or any other applicable penalty, and Subrecipient acknowledges its duty of cooperation and affirms its agreement to produce documents and provide testimony as requested.

20.11 Subject to state law, for one (1) year after employment with the City, a Public Servant shall not lobby or appear before the City Council or any City department, agency, board, commission or body, or receive compensation for any services in connection with any matter in which he or she was directly concerned, personally participated, actively considered or acquired knowledge while working for the City.

20.12 Subject to state law, for a period of one (1) year after employment with the City, a Public Servant shall not accept employment with any person or company that did business with the City during the former Public Servant's tenure if that Public Servant was in any way involved in the award or management of that contract or the employment would require the sharing of confidential information.

21. NOTICES

21.01 All notices, consents, approvals, requests and other communications (herein collectively called "Notice(s)") required or permitted under this Agreement shall be given in writing, and, when given by the Subrecipient, signed by an authorized representative of the Subrecipient, and delivered, or mailed by first-class mail and addressed as follows:

If to the City: City of Detroit Department of Transportation
1301 East Warren Avenue
Detroit, Michigan 48211
Attention: Director

With a copy to: City of Detroit Law Department
2 Woodward Avenue, Suite 500
Detroit, Michigan 48226
Attention: Corporation Counsel

If to the Subrecipient: Regional Transit Authority of Southeast Michigan
1001 Woodward Ave, Ste 1400
Detroit, Michigan 48226
Attention: Executive Director

With a copy to: Dykema
2723 South State St, Ste 400
Ann Arbor, Michigan 48104
Attention: Melvin Muskovitz

21.02 All notices shall be deemed given on the day of mailing. Either party to this Agreement may change its address for the receipt of notices at any time by giving notice thereof to the other as herein provided. Any notice given by a party hereunder must be signed by an authorized representative of such party.

21.03 Notwithstanding the requirement above as to the use of first-class mail, changes of address

notices, termination notices, notices to proceed and all legal notices of a pending action (complaint, summons, etc.) or failure to comply notices, shall be sent by registered first class mail, postage prepaid, return receipt requested.

22. MISCELLANEOUS

22.00 The Parties acknowledge that FTA has a vested interest in the settlement of any violation of federal law, regulation, or requirement, or any disagreement involving the Grants and Grant Agreements, this Agreement, and any subcontracts and subawards issued under this Agreement including, but not limited to, a default, breach, major dispute, or litigation, and that the FTA has reserved the right to concur in any settlement or compromise. Therefore:

- a. The Subrecipient must promptly notify the FTA Chief Counsel and FTA Regional Counsel of any legal dispute or violation of law arising from this Agreement any subcontracts and subawards issued under this Agreement, including a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason,
- b. The Subrecipient must promptly notify the U.S. DOT Inspector General, in addition to the FTA Chief Counsel or Regional Counsel, if it has knowledge of potential fraud, waste, or abuse, including conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct, or a false claim under the False Claims Act, 31 U.S.C. § 3729, et seq.
- c. The Subrecipient shall ensure that a provision substantially the same as that set forth in this section is included in all subcontracts and subawards to this Agreement.

22.01 No failure by the City to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right, term, or remedy consequent upon a breach thereof, will constitute a waiver of such breach of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall constitute in full force and effect with respect to any other then existing or subsequent breach thereof.

22.02 Each party reserves and shall have the exclusive right to waive, at its sole discretion, and to the extent permitted by law, any requirement, or provision, in its favor, under this Agreement unless such waiver is specifically prohibited herein. No act by or on behalf of the party shall be, or shall be deemed to be, a waiver of any such requirement or provision, unless the same be in writing, signed by the authorized representative of the party and expressly stated to constitute a waiver.

22.03 This instrument, including all exhibits and attachments as specified in Section 1.01 herein, which are attached hereto and are made a part of this Agreement, and all prior negotiations and agreements are merged herein. Any Purchase Order issued in connection with this Agreement that contains terms and conditions that conflict with the provisions of this Agreement shall have no force and effect, and shall be considered void, and the Subrecipient and its Associates acknowledges that Subrecipient may not rely upon any such conflicting terms and conditions. Further, neither the City nor the City's agents have made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by the Subrecipient by

implication or otherwise unless expressly set forth herein. The Subrecipient shall comply with all terms and conditions set forth in all Exhibits as attached hereto and shall utilize all sample forms included as Exhibits, as applicable, unless allowed otherwise by the City.

22.04 Unless the context otherwise expressly requires, the words "herein", "hereof", and the words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

22.05 All the terms and provisions of this Agreement shall be deemed and construed to be "covenants" and "conditions" as though the words specifically expressing or imparting covenants and conditions were used in each separate term and provision.

22.06 The headings of the sections in this Agreement are for convenience only and shall not be used to construe or interpret the scope of intent of this Agreement or in any way affect the same.

22.07 The rights and remedies set forth herein are not exclusive and are in addition to any of the rights and remedies provided by law or equity. This Agreement shall be governed by, subject to, and construed according to the laws of the State of Michigan. The parties agree, consent and submit to the personal jurisdiction of the U.S. District Court for the Eastern District of Michigan or of any competent court in Wayne County, Michigan, for any action brought against it arising out of this Agreement. The parties agree that service of process at the address and in the manner specified in Article 21 herein, will be sufficient notice and hereby waives any and all claims relative to such notice. The parties also agree that it will not commence any action against the other because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement, in any Courts other than those in the County of Wayne, State of Michigan, unless original jurisdiction can be had in either the Michigan Court of Appeals or the Michigan Supreme Court.

22.08 If any Affiliate, as hereinafter defined, of the Subrecipient takes any action which, if done by a party, would constitute a breach of this Agreement, the same shall be deemed a breach by the Subrecipient with right legal effect. "Affiliate" shall mean a parent, subsidiary or other company controlling, controlled by or in common control with the Subrecipient.

22.09 No failure or delay in performance of this Agreement, by either party, shall be deemed to be a breach thereof when such failure or delay is caused by an event or circumstance that is beyond the reasonable control of that party, absent such party's fault or negligence, and which by its nature could not have been foreseen by such party, or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). A Force Majeure Event includes, but is not limited to, any Act of God or the public enemy, strikes, lockouts, wars, acts of domestic or international terrorism, riots, epidemics, pandemics, explosions, sabotage, the binding order of any governmental authority, or any other cause, whether the kind herein enumerated or otherwise, which is not within the control of a party. Subrecipient's economic hardship and changes in the market conditions are not considered a Force Majeure Event. In the event of a dispute between the parties with regard to what constitutes a Force Majeure Event, the City's reasonable determination shall be controlling. Upon the occurrence of a Force Majeure Event, Subrecipient shall (i) give prompt written notice to the City that the Force Majeure Event has occurred, the anticipated effect on Contractor's performance, and its expected duration; (ii) use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized, (iii) keep the City apprised of Subrecipient's progress in remediating the effects of the Force Majeure Event; and (iii) promptly resume performance under the Agreement. If a Force Majeure Event prevents

Subrecipient from performing under the Agreement for a continuous period of at least ten (10) business days, the City may terminate this Agreement immediately in accordance with the provisions of Article 14 herein.

.10 The Subrecipient warrants that any products sold or processes used in the performance of this Agreement do not infringe upon or violate any patent, copyright, trademark, trade secret or any other proprietary rights of any third party. In the event of any claim by any third party against the City, the City shall promptly notify the Subrecipient and the Subrecipient shall pay for the full reasonable cost of the City defending such claims, but at the Subrecipient's expense, and shall indemnify the City against any loss, cost, expense or liability arising out of such claim, whether or not such claim is successful.

.11 The Subrecipient covenants that it is not, and will not become, in arrears to the City upon any contract, debt or other obligation to the City, including real property, personal property and income taxes. The Subrecipient further covenants that it (1) does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and (2) has not been convicted of the felony criminal violation under any Federal law within the preceding 24 months. The Subrecipient shall require that, as a condition of contracting, subcontracting, or subawarding using any federal funds, that any and all Subcontractors and sub-Subrecipients at all tiers shall also agree to be bound by the provisions of this Section.

.12 This Agreement may be executed in any number of counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Promptly after the execution thereof, the City shall submit to the Subrecipient a confirmed copy of this Agreement.

.13 As used herein, the singular shall include the plural, the singular, and the use of any gender shall be applicable to all genders.

.14 For purposes of the hold harmless provision contained herein, the term "City" shall be deemed to include the City of Detroit, and all other associated, affiliated, allied, or subsidiary entities now existing or hereafter created, their agents and employees, but shall not include the Subrecipient or any Subcontractors or sub-Subrecipients.

.15 If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

.16 The Subrecipient shall not, directly or indirectly, employ, award contracts to, or otherwise engage the services of, or fund any contractor, or subcontractor or Subrecipient, or principal as defined in the Federal regulations at 2 CFR 2424.300, during any period of debarment, suspension, or placement in ineligibility status or during any period during which said contractor or subcontractor or Subrecipient, or principal is proposed for debarment under 48 CFR Part 9, subpart 9.4 and 2 CFR Part 180, under the provisions of 2 CFR Part 2424. If during the term of this Agreement, the Subrecipient is placed on the debarred list, or is placed in ineligibility status, or is suspended, pursuant to the regulations at 2 CFR 2424, the Subrecipient shall immediately notify the City. The requirements of this Section shall apply equally to (1) all government-wide

debarment, suspension, placement in ineligibility status, or proposal for debarment whether due to such statuses under action taken by the FTA pursuant to the regulations at 2 CFR 2424, or by any other comparable Federal government action and to (2) such statuses which are not government-wide but which rather are limited to inclusion on a comparable department-wide list.

The Subrecipient shall submit to the City a certification regarding debarment or proposed debarment under 48 CFR Part 1, subpart 9.4, suspension, ineligibility and voluntary exclusion, and in conformance to the instructions thereon.

The Subrecipient shall require all parties who stand in a lower tier relationship to the Subrecipient, if any, to submit said certification to the Subrecipient, if such lower tier relationship is a covered transaction defined at 2 CFR 2424.300. The Subrecipient shall also require all parties who occupy a position with the Subrecipient defined at 2 CFR 2424.300 as a principal to submit said certification to the Subrecipient. The Subrecipient shall immediately notify the City if, pursuant to the requirements of any such certification received by the Subrecipient the party who had submitted said certification notifies the Subrecipient, or the Subrecipient otherwise learns that said certification is erroneous or has become erroneous by reason of changed circumstances.

The Subrecipient shall require all Subrecipient agreements, contracts, and subcontracts under this Agreement to contain a provision comparable to this Section.

.17 The payments under this Agreement are contingent upon receipt of grant funds by the City. The City of Detroit reserves the right to delay payment until receipt of adequate federal funds from the Federal government grantor agency, without penalty or interest.

.18 Duplication of Benefits. The Subrecipient must comply with the FTA requirements for duplication of benefits, imposed by Federal Register notice (FR-6218-N-01), and all other applicable rules and regulations. The Subrecipient shall carry out the activities under this Agreement in compliance with the City's policy and procedure to prevent duplication of benefits

.19 It is understood that this is not an exclusive service contract, and that during the term of this Agreement, the City may contract with other consulting firms and that the Subrecipient is free to render the same or similar advisory services to other clients as long as such advisory services do not interfere with Subrecipient's ability to perform its obligations under this Agreement.

.20 The Subrecipient warrants that it is currently registered to do business in the State of Michigan and consents to service of process at the address stated in Section 21.01, "Notices."

IN WITNESS WHEREOF, the City and the Subrecipient, by and through their duly authorized officers and representatives, have executed this Agreement as follows:

**CITY OF DETROIT,
a Michigan municipal corporation,
by and through its Department of Transportation**

BY: _____

Print: _____

ITS: Executive Director of Transit

**REGIONAL TRANSIT AUTHORITY
OF SOUTHEAST MICHIGAN,
a Michigan Public Authority**

BY: _____

Print: _____

ITS: Executive Director

Approved by Detroit City Council on:

Chief Procurement Officer

Approved as to form in accordance with § 7.5-206 of the 2012 City of Detroit Charter.

Corporation Counsel

THIS AGREEMENT IS NOT VALID OR AUTHORIZED UNTIL APPROVED BY THE DETROIT CITY COUNCIL AND SIGNED BY THE CHIEF PROCUREMENT OFFICER.

EXHIBIT A: SCOPE OF SERVICES

I. Introduction

The subrecipient shall provide enhanced mobility services for the Detroit Department of Transportation for seniors and individuals with disabilities in DDOT's ADA service area, as required by the Federal Transit Administration and in accordance with the Americans with Disabilities Act (ADA) of 1990. The provision of complementary paratransit is governed by US Dept. of Transportation and US Dept. of Justice regulations found in 49 CFR Parts 27, 37 and 38, available at <http://www.fta.dot.gov/documents/2011-23576.pdf>, and other Federal regulations.

II. Objective

For the Subrecipient to ensure successful service in compliance with FTA and federal regulations for enhanced mobility services.

III. Summary of Subrecipient Roles and Responsibilities

Enhanced Mobility Services:

- Operation and administration of RTA's contracted highway commuter bus services for Detroit to Ann Arbor (D2A2) and Detroit Air Xpress (DAX), as well as PEAC programming empowerment of students with disabilities to ride public transportation safely and independently.

Mobility Management:

- Coordination of D2A2 and DAX, as well as myride2 one-call, one-click options for travel training and trip planning, inclusive of older adults and people with disabilities through AgeWays and PEAC, with oversight and monitoring from the RTA.

IV. Key Processes and Deliverables

Reporting:

The Subrecipient shall submit on a quarterly basis, due the tenth day of the month following the end of the quarter, a report to the City and relevant stakeholders detailing programmatic activities (e.g., completed work, challenges, and any changes in Project scope or schedule).

FTA Compliance:

The Subrecipient will ensure that all activities adhere to FTA regulations, guidelines, and standards, and will provide guidance to the project manager and contractors to maintain compliance throughout the project. For this purpose, the Subrecipient will perform the following activities:

- **Clear Documentation of FTA Requirements:** Create comprehensive documentation that outlines all relevant FTA regulations, guidelines, and standards applicable to the Project. Make this document easily accessible to the project manager and contractors.
- **Contractual Obligations:** Clearly specify FTA compliance requirements in Project contracts and agreements with the project manager and contractors. Ensure that compliance is a contractual obligation.
- **Regular Training and Orientation:** Provide initial and ongoing training or orientation sessions for the project manager and contractors to ensure they fully understand FTA compliance requirements and their significance.

- **Compliance Audits and Inspections:** Conduct regular compliance audits and inspections at various stages of the Project. Use qualified auditors who are well-versed in FTA compliance. Share audit findings and recommendations with the project manager and contractors.
- **Reporting and Documentation:** Establish a formal reporting mechanism for documenting compliance status. Require the project manager and contractors to provide regular reports on how they are adhering to FTA requirements. Document any deviations and the actions taken to correct them.
- **Feedback and Issue Resolution:** Create a system for the project manager and contractors to seek guidance or report issues related to compliance. Ensure that issues are addressed promptly and collaboratively. Maintain a log of issue resolution actions.
- **Change Management:** If changes to the Project plan are necessary to maintain compliance, define a clear change management process. Any changes that affect compliance should be documented, approved, and communicated to all relevant parties in accordance with the following:
 - Review and assess any change orders proposed by the construction manager.
 - Ensure that changes are within scope, budget, and FTA compliance.
 - Foster open and transparent communication channels between the project stakeholders.
 - Ensure that any updates or modifications to FTA compliance requirements are communicated promptly to all concerned parties.
- **Document Control:** Implement a document control system to manage all compliance related documentation. Ensure that the most current and approved versions of documents

**EXHIBIT B:
FUNDING SOURCES AND BUDGET SUMMARIES**

I. Summary of Funding Sources and Amounts

FUNDING SOURCE	FEDERAL FUNDS	RTA MATCH	TOTAL
MI-37-X041			
MOBILITY MGMT	\$161,361	\$40,340	\$201,701
OPERATIONS	\$850,871	\$850,871	\$1,701,742
PROGRAM ADMIN	\$217,659	-	\$217,659
MI-57-X015			
MOBILITY MGMT	\$293,914	\$73,480	\$367,394
OPERATIONS	\$652,968	\$652,968	\$1,305,936
PROGRAM ADMIN	\$216,615	-	\$216,615
TOTAL	\$2,393,388	\$1,617,659	\$4,011,047

II. Budget Summary

The Contractor shall be paid for those Services performed pursuant to this Contract a maximum amount of Two Million Three Hundred Ninety-Three Thousand Three Hundred Eighty-Eight and 00/100 Dollars (\$2,393,388), for the term of this Contract as set forth in Section 3, Term of Performance.

EXHIBIT C: FTA Grants

EXHIBIT D

PAYMENT/REIMBURSEMENT PROCEDURES AND REQUIREMENTS

The following procedures shall be followed by the Subrecipient to facilitate the request for reimbursement of funds expended for budgeted items in performance of the Agreement. The Subrecipient shall submit all requests for reimbursement **by the 15th of each month**. Requests for reimbursement shall be made monthly, unless the City approves a different time interval for submission. All final reimbursements shall be submitted within 90 days of expiration of the contract unless the City approves a different time interval.

1. The Subrecipient shall submit **one original and one complete copy** of an Invoice that contains the following items of information:

A. Letter of transmittal on the Subrecipient's letterhead that:

1. provides the Subrecipient's legal name and Federal Employer I.D. Number,
2. states the total requested amount;
3. specifies the time period covered by the invoice;
4. specifies the Agreement Number;
5. specifies the amount of Indirect Costs included, if any;
6. specifies the amount to be credited toward the Advance,
7. reports all program income earned; and
8. is signed by an authorized representative of the Subrecipient.

B. A budgetary status report in the format of the sample attached hereto as Exhibit J which includes appropriate line items for Indirect Costs (if any) and the Advance (if any) and line items to report Program Income and Interest earned on the Advance (if any);

C. A check register listing the direct cost expenditures for the period listed in account order (see sample attached hereto as Exhibit K);

All items of expenditure listed on the check register shall be accompanied by invoices and receipts or other appropriate backup information, in check register order. The City may, in its sole discretion, and at its option, provide the Subrecipient with notice that cancelled checks will be additionally required to backup expenditures should the City decide it necessary. Unless otherwise notified, backup information shall be prepared as follows:

1. Receipts and Invoices - Copies of receipts and invoices shall be submitted in check register order. They shall include the date paid and the check number, and be signed or initialed by an authorized representative of the Subrecipient.
2. Mileage Reimbursement – All requests are to be on the "Private Car Mileage Report" (see sample attached hereto as Exhibit M).

D. Each submission shall contain a payroll register following the instructions given in Exhibit J (attached hereto and made a part hereof) and utilizing the form found attached hereto as a sample as Exhibit J-1. ADP payroll or similar information acceptable to the City may be substituted for the Exhibit H form if it contains essentially the same information categories.

E. Personnel and payroll costs shall be backed up with the Time Distribution Summary (Exhibit N hereof). Unless the City specifically requests the Subrecipient to submit time-related records for its review, time sheets, time cards, tax withholding records and other such records shall be kept on file by the Subrecipient in its offices to back up all personnel and payroll charges.

F. The signature of the Subrecipient's authorized representative is required on the forms to be submitted under paragraphs A, B, C, D, and E above.

2. The Subrecipient shall also submit together with each payment request, or at such time otherwise prescribed by the City Project Manager:

A. Performance Schedule. If performance, or submission of Performance Schedules under this Agreement should fall behind by 60 days or more with respect to the Performance Schedule of this Agreement, then in accord with Article 6 hereof, the City may, within its reasonable discretion, suspend payment in whole or in part to the Subrecipient under this Agreement, until the City determines whether progress on the Project warrants payment and is commensurate with work performed, or is otherwise justifiable.

B. Statement of Eligibility as instructed by the Project Manager.

3. Any submission that does not comply with these procedures and which does not include all of these required supporting documents, may be returned to the Subrecipient with a Letter of Deficiency stating the reason for return. Reimbursement processing in full or in part will not begin by the City until an acceptable invoice with sufficient supportive documentation is received.

4. Requests for reimbursement for a contract year must begin to be submitted to the City within 90 days of contract execution or the start of the contract term whichever is later and must be submitted monthly thereafter.

5. All request for reimbursement must be for expenses incurred or purchases made during the term of the contract.

6. No request for reimbursement may be submitted later than fifteen (15) days after the termination date of the contract.

7. The City reserves the right, without compliance with Article 17 of this Agreement, to amend any of the above items or to add or to delete items, if experience, technological advances, Grantor Agency mandate, or other pertinent issues should make such a change, addition or deletion reasonable and/or necessary.

8. Indirect costs (if any) listed on Budget (Exhibit B), shall be paid, pending City approval of the Subrecipient's indirect cost proposal, as follows:

A. The approved indirect cost percentage shall be multiplied by the Subrecipient's direct costs for the period

B. This sum shall be added to the total direct costs documented and approved for that period.

C. The indirect cost calculation shall be shown as the last item on Exhibit K, the check register.

D. Should the City disallow any direct costs from the request, and then the City shall recalculate and reduce the indirect costs accordingly.

Reserved

DUPLICATION OF BENEFITS CERTIFICATION

Definition: Duplication of benefits occurs when any person, business or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance, or when Federal financial assistance is provided to any person, business, or other entity through a program for any part of such loss to which financial assistance is received under any other program, insurance or any other source for the same costs, and the total amount exceeds the total need for those costs.

Certification:

I, _____ hereby certify that federal funds awarded by the City of Detroit through the FTA do not exceed the need for assistance, duplicate other assistance received by the Subrecipient for the same purpose, or duplicate any funds from the following sources:

- The Paycheck Protection Program
- Unemployment Compensation Benefits
- Insurance claims/proceeds
- Federal Emergency Management Agency (FEMA) funds
- Small Business Administration funds
- Other Federal, State or local funding
- Other Non-Profit, Private Sector or Charitable funding

This certification serves to acknowledge that the Subrecipient understands and agrees that FTA funds must be repaid if it is determined that such assistance is duplicative.

Name of Organization:

Authorized Representative's Signature:

Printed Name:

Title: _____

Date: _____

Conflict of Interest Certificate

CONFLICT OF INTEREST CERTIFICATE

I hereby affirm that I have received copies of the provisions of the Code of Federal Regulations relevant to conflict of interest in regards to Subrecipient Agreements under the 2 CFR 200, Uniform Administrative Requirement, Cost Principles and Audit Requirement for Federal Awards, and I hereby Certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to the performance of this contract.

Name of Organization: _____

Name: _____

(Print)

Signature _____ Date _____
President of Board of Directors

Or authorized representative:

Signature Authorized Representative: _____

Title: _____ Date _____

Certification Regarding Lobbying

The undersigned certifies, to the best of his knowledge or belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, 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 modification of any Federal contract, grant, loan, or cooperative agreement.
2. 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 Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipient's shall 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, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Subrecipient Organization Name:

Authorized Representative's Signature: _____

Printed Name: _____

Title: _____

Date: _____

Reserved

PAYROLL REGISTER INSTRUCTIONS

(Instructions for: Exhibit J-1 Payroll Register)

Post pay data.

List employees and titles. Titles must conform to the budgeted positions.

Post gross salaries, corresponding taxes, and deductions where applicable.

Post net salaries.

Total the columns.

Deposit withholding taxes immediately upon paying salaries in accounts specifically set up for deposit of withholding taxes. The withholding tax deposit checks listed in the Check Register must correspond exactly to the total amounts in the payroll register. Withholding tax deposit checks shall only be reimbursable by the City if Subrecipient has no legal access to funds deposited in such accounts. Employer F.I.C.A. taxes should be listed separately on the check register.

The sum of the gross employee totals by title in the payroll register must correspond exactly to the budgeted "Personnel" line item "Contract Costs This Month" section of the Budgetary Status Report.

The net amounts in the payroll register must correspond to the net amounts listed in the check register.

PAYROLL REGISTER (SAMPLE)

SUBRECIPIENT _____ Pay period - From: _____ to: _____
 Agreement Number: _____

PAYROLL REGISTER

Check Date	Check No.	Employee	Title	Gross	NOF %	FICA Total	Federal Total	State Total	City Total	Other Total	NET Total
Total	XXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXX		XXXXXX						

Prepared by: _____ Date: _____

Approved by: _____ Date: _____
 Subrecipient's Authorized Representative

CHECK REGISTER
(SAMPLE)

Subrecipient Name _____ Period Ending _____ Agreement Number _____

Instructions: List checks in account number order. Transfer account subtotals of amount charged to appropriate line items on the Budgetary Status Report.

<i>CHECK REGISTER</i>					
Acct. #	Check	Payee Name and Item Description	Check #	Total Amount on the	Amount Charged to NOF
				Total Direct Costs	

Approved Indirect Cost Rate _____ %
 Indirect Costs Charged \$ _____
 Total Charged \$ _____

Prepared by: _____ Date: _____ Approved by _____ Date: _____

**PRIVATE CAR MILEAGE REPORT
(SAMPLE)**

SUBRECIPIENT _____ AGREEMENT NUMBER _____

Total Mileage on Agreement Business _____
(Mileage traveled from home to job or from job to home is not reimbursable)

Prepared by: _____ Approved by: _____ Date: _____

Subrecipient's Authorized Representative _____

PRIVATE CAR MILEAGE REPORT					
Date	Starting Odometer Reading	Ending Odometer Reading	Total Mileage	Employee's Initials - Make & Year of Car: License Number _____	Destination or other explanation of purpose of trip (Explain how this mileage was related to NOF project activities.)

Prepared by: _____ Date: _____ Approved by: _____ Date: _____

Exhibit N

Time Distribution Summary

Subrecipient Name: _____

Period From: _____ To: _____

Agreement Number: _____

Prepared By: _____ Date: _____

Authorized By: _____ Date: _____

List All Personnel Charged to the Agreement and their work hours. Personnel listed must coincide with the payroll register. NOF of hours worked must be used to pro-rate charges for each individual employee's salary and withholding tax amounts charged to NOF and be shown on the payroll register calculations. The NOF % also applies to employer FICA taxes charged to this NOF Agreement.

Time Period	Name & Job Title	Hourly Rate	Total Hrs. Worked	NOF Hours Worked	NOF %
		\$			
		\$			
		\$			
		\$			
		\$			

Total All Hours: _____

Total Leave Hours, Holiday, Sick, Vacation for Period: _____

Exhibit O

Additional Requirements

The City has received funds from the FTA for costs that:

1. are necessary expenditures incurred under the terms of this Contract; and were incurred during the period that begins after the effective date of this Contract and ends on termination or expiration of this agreement which shall not be later than December 31, 2024.

Such funds are being used to fund this Agreement. The Subrecipient shall ensure that all Services performed are eligible expenses under the FTA Grant Agreement. As applicable, the Contractor shall adhere to the FTA Grant Agreement and the applicable, guidance, regulations and obligations in following documents that are required for enclosure in this Contract (the "Additional Requirements"):

O.1 - Debarment and Suspension Certification *(Signature required)*

O.2 - Certification for Contracts, Grants, Loans, and Cooperative Agreements *(Signature required)*

The Contractor agrees to comply with the Additional Requirements in all respects.

O1. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

1. By signing this Contract, the Contractor, also referred to herein as a "prospective lower tier participant", is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that this certification was erroneous when submitted or has been erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred,
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspensions Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS.

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation of this proposal.

SUBRECIPIENT:

BY:

Print:

ITS:

Date:

O.2 Certification for Agreements, Grants, Loans, and Cooperative Agreements

The Subrecipient hereby certifies, to the best of his or her knowledge and belief that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an 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, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) 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 Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall 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, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

SUBRECIPIENT:

BY:

Print:

ITS:

Date: _____



External Affairs Update

March 19, 2026



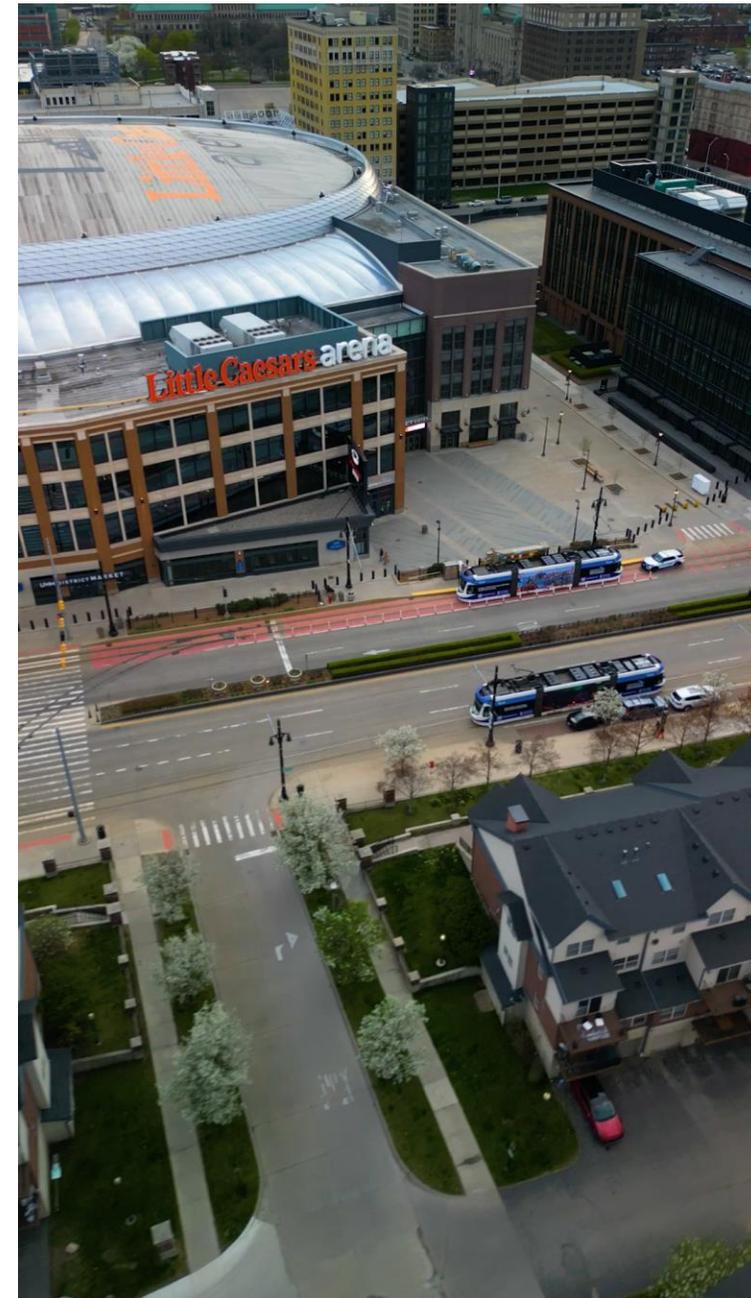
Regional Transit Authority
Of Southeast Michigan

Who We Are: The External Affairs Team

The External Affairs Team oversees RTA's public image, with the goal of enhancing greater awareness of the agency and its services, while promoting transit usage in Southeast Michigan. We use strategic messaging and a targeted communications strategy to elevate the RTA brand among riders, key stakeholders, and media outlets across the region.

The Award-Winning RTA

The External Affairs department received a prestigious 1st place national AdWheel award from APTA, recognizing activations on board the QLINE.



Regionwide Impact

Social Media

30,000 followers

700,000 people reached
(2026)

1,500+ posts across
Channels (2025)

Websites

150,000 page views
(last 90 days)

Newsletter

30,000+ subscribers
across channels

Transit App

35,000+ Royale users
thanks to partnership

New Website

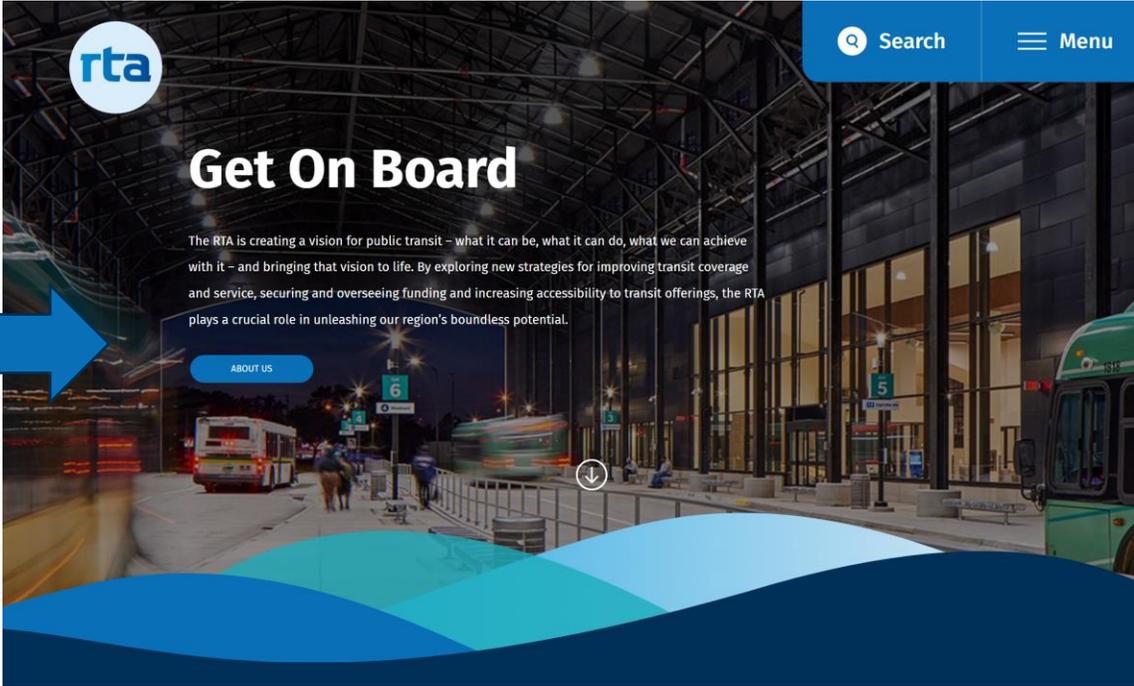
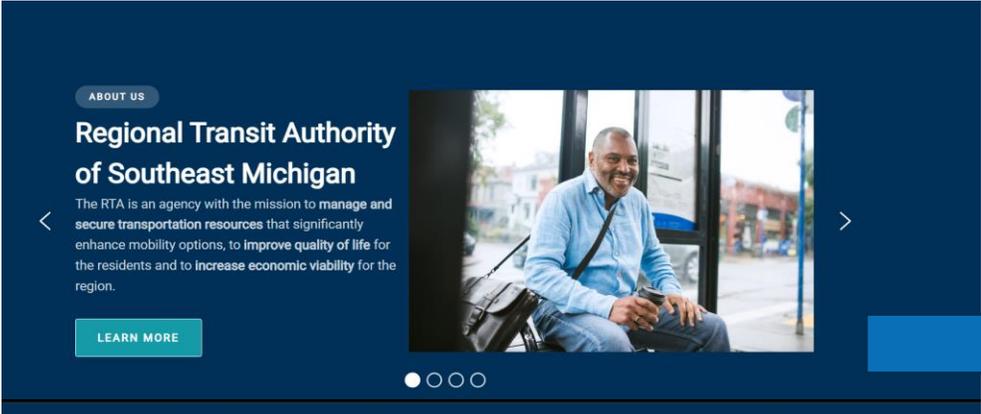
The RTA contracted with Gravity Works to redesign the agency's website.

+62% Total Users*

+27% Total Sessions*

+80% Total Views*

*Since 8/01/25



- Providers
- ▶ Ann Arbor Area Transportation Authority
 - ▶ Detroit People Mover
 - ▶ City of Detroit Department of Transportation
 - ▶ MoGo
 - ▶ Detroit Air Xpress
 - ▶ Suburban Mobility Authority for Regional Transportation

NEW QLINE WRAPS: MEDDC Partnership Celebrating the Pure Michigan 20th Anniversary



DAX + D2A2

- Ridership remains strong and trending upward
- DAX = average 18%+ YOY growth
- D2A2 = average 17%+ YOY growth, with very strong Feb. 2026 (8,500 riders, +1,500 riders from Feb. 2025)



Transit app

Marketing

- Organic & Paid Online Education
- 'GO' January
 - 54% growth in 'GO' trips / 3K+ organic views on TikTok
- Station/Stop Signage & Interior Decals
- St. Patrick's Day avatars

Performance Metrics – Feb. 2026

**Compared to Feb. 2025*

- Downloads: 9,392 — 24% growth*
- Users: 53,329 — 17% growth*
- Sessions: 1.9M — 30% growth*



Media Relations

- We've been **elevating the RTA's statewide profile** with recent media appearances on WDET and The Gongwer MichMash Podcast, which broadcast to **18 stations around Michigan**.
- We continue to foster relationships with the local media market as **the "go to" expert in the transit industry**.



Major Campaigns

- **D2A2 & DAX Survey Results**
 - Both services have **over 95% rider satisfaction**
 - 39% of D2A2 riders **use the service every week**
 - **73% of DAX riders** are local residents
- **Transit Employee Appreciation Day**
 - In-house graphics and videos
 - Transit app 'Thank A Driver' campaign
 - Regional collaboration with providers



On the Horizon

- New Marketing Agency Integration with French West Vaughn: Better Brand Cohesion (*D2A2 + DAX + QLINE: Powered by the RTA*)
- Radio Advertising Launch: Sports Radio 97.1 & Mix 92.3 Urban Radio
- Tigers Opening Day Media Push: #TakeTransit
- Bicycle Safety Awareness: Spring Education Campaign
- Event Sponsorships & QLINE Streetcar Activations