

STATE OF NORTH CAROLINA

PUBLIC TRANSPORTATION GRANT
AGREEMENT FOR BUSES AND BUS
FACILITIES
PROGRAM – SECTION 5339

COUNTY OF WAKE

**NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION**

**FAIN NUMBER: NC-2016-007-00
NC-2017-050-00**

and

CFDA NUMBER: 20.526

GUILFORD COUNTY

PROJECT NUMBER: 18-39-049U

DUNS # 071563613

THIS AGREEMENT made this the ____day of _____, 20____, (hereinafter referred to as AGREEMENT) by and between the NORTH CAROLINA DEPARTMENT OF TRANSPORTATION (hereinafter referred to as "Department", an agency of the State of North Carolina) and **GUILFORD COUNTY**, (acting in its capacity as the grant recipient hereinafter referred to as the "Grantee").

WHEREAS, 49 U.S.C. Chapter 53 of in the above referenced Federal grant program including, but not limited to; section 5305 (5303 & 5304) Metropolitan & Statewide Planning and Non-Metropolitan Transportation Planning, 5307 Urbanized Area Formula Grants, 5310 Enhanced Mobility of Seniors & Individuals with Disabilities, 5311 Formula Grants for Rural Areas, 5339 Buses and Bus Facilities Grants Program, 5311(f) Intercity Bus, awards of federal discretionary grants, and assistance under the Tribal Transit Program, and/or State grant program including, but not limited to, Advanced Technology, Intern/Apprentice program, Urban State match programs, Rideshare, ROAP and SMAP.

WHEREAS , the funds provide federal administrative, operating, and capital assistance for public transportation in rural and small urban areas by way of a formula grant program to be administered by the State; and

WHEREAS, the purpose of this grant is to enhance access of people in small urban and nonurbanized areas for purposes such as health care, shopping, education, recreation, public services, and employment by encouraging the maintenance, development, improvement, and use of public passenger transportation systems; and

WHEREAS, the Grantee has been designated as the recipient of these funds, and

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes (N.C.G.S.) designated the Department of Transportation as the agency of the State of North Carolina responsible for administering all Federal and/or State programs relating to public transportation, and granted the Department authority to do all things required under applicable Federal and/or State legislation to properly administer the public transportation within the State of North Carolina; and

WHEREAS, the Governor of North Carolina has designated the North Carolina Department of Transportation as the agency to receive and administer Federal funds, in accordance with the relevant section of the Fixing America's Surface Transportation (FAST) Act, Public Law No. 114-94, December 4, 2015, and other authorizing legislation that may be enacted, the Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law No. 112-141, July 6, 2012, as amended by the "Surface Transportation and Veterans Health Care Choice Improvement Act of 2015," Public Law No. 114-41, July 31, 2015, and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for

Users (SAFETEA-LU), Public Law No. 109-59, August 10, 2005, as amended by the SAFETEA-LU Technical Corrections Act of 2008, Public Law No 110-244, June 6, 2008. Under this program; and

WHEREAS, in order to assist in providing transportation services, the Department, under the terms of this Agreement shall make grants of Administrative, Operating and Capital assistance to the Grantee; and

WHEREAS, the Department and the Grantee desire to secure and utilize grant funds for the above referenced purposes.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the Department and the Grantee agree as follows:

Section 1. Purpose of Agreement. The purpose of this Agreement is to provide for the undertaking of nonurbanized and small urban public transportation services as described in the project application (hereinafter referred to as "Project") properly prepared, endorsed, approved, and transmitted by the Grantee to the Department, and to state the terms and conditions as to the manner in which the Project will be undertaken and completed.

Section 2. Project Implementation. The Grantee shall carry out the Project as follows:

- a. **Scope of Project.** Guilford County will use capital funds to purchase nine 20' Light Transit Vehicle with wheelchair lift in order to provide transportation to seniors, disabled individuals located in the underserved rural parts of Guilford County. They will provide transportation to medical and socialization services, adult day care, senior centers and other necessary destinations.
- b. The Grantee shall undertake and complete the nonurbanized area public transportation services in accordance with the procedures and guidelines set forth in the following documents:
 - (1) Federal Transit Administration (hereinafter referred to as "FTA") [Circular 9040.1G](#), dated November 24, 2014;
 - (2) FTA Master Agreement, [FTA MA\(23\)](#), dated October 1, 2016;
 - (3) The State Management Plan for Federal and State Transportation Programs (hereinafter referred to as "State Management Plan"); and
 - (4) The Grant application for financial assistance.

The aforementioned documents, and any subsequent amendments or revisions thereto, are herewith incorporated by reference, and are on file with and approved by the Department in accordance with the terms and conditions of this Agreement. Nothing shall be construed under the terms of this Agreement by the Department or the Grantee that shall cause any conflict with Department, State, or Federal statutes, rules, or regulations.

Section 3: Cost of Project/Project Budget. The total cost of the Project approved by the Department is **FIVE HUNDRED FORTY THOUSAND DOLLARS (\$540,000)** as set forth in the Project Description and Budget, incorporated into this Agreement as Attachment A. The Department shall provide, from Federal and State funds, the percentages of the actual net cost of the Project as indicated below, not in excess of the identified amounts for eligible Administrative, Operating, and Capital expenses. The Grantee hereby agrees that it will provide the percentages of the actual net cost of the Project, as indicated below, and any amounts in excess of the Department's maximum (Federal plus State shares). The net cost is the price paid minus any refunds, rebates, or other items of value received by the Grantee which have the effect of reducing the actual cost.

Capital WBS	Capital Total	Capital Federal (80%)	Capital State (10%)	Capital Local (10%)
44637.13.2.3	\$540,000	\$432,000	\$54,000	\$54,000
Agreement #				
Project Total	Project Total	Project Total Federal	Project Total State	Project Total Local
	\$540,000	\$432,000	\$54,000	\$54,000

Section 4: Period of Performance. This Agreement shall commence upon the date of execution, unless specific written authorization from the Department to the contrary is received. The period of performance for all expenditures shall extend from **July 1, 2017 to June 30, 2018**, unless written authorization to the contrary is provided by the Department. Any requests to change the Period of Performance must be made in accordance with the policies and procedures established by the Department or FTA. The Grantee shall commence, carry on, and complete the approved Project with all practicable dispatch, in a sound, economical, and efficient manner.

Section 5. Grantee's Capacity.

- a. The Grantee agrees to maintain sufficient legal, financial, technical, and managerial capability to:
 - (1) Plan, manage, and complete the Project and provide for the use of Project property;
 - (2) Carry out the safety and security aspects of the Project; and
 - (3) Comply with the terms of this agreement, the Master Agreement between the FTA and the Department, the Approved Project Budget, the Project schedules, the Grantee's annual Certifications and Assurances to the Department, and applicable Federal and State laws, regulations, and directives.
- b. No Overdue Tax Debts Certification – Non-Governmental Grantees Only. The Grantee shall complete and submit to the Department a sworn written statement pursuant to N.C.G.S. 143C-6-23(c), stating that the Grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the Federal, State, or local level. The Grantee acknowledges that the written statement must be submitted to the Department prior to execution of this Agreement and disbursement of funds. The certification will be incorporated into this Agreement as Attachment B.
- c. Administrative Requirements. The Grantee agrees to comply with the following Federal and State administrative requirements:
 - (1) U.S. DOT regulations, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards, [2 C.F.R. Part 200](#).
 - (2) [Title 19A North Carolina Administrative Code \(N.C.A.C.\) Subchapter 5B](#).
- d. Application of Federal, State, and Local Laws, Regulations, and Directives. To achieve compliance with changing federal requirements, the Grantee makes note that federal, state and local requirements may change and the changed requirements will apply to this Agreement as required.
- e. Grantee's Primary Responsibility to Comply with Federal and State Requirements. Irrespective of involvement by any other participant in the Project, the Grantee agrees that it, rather than the participant, is ultimately responsible for compliance with all applicable Federal and State laws, regulations, and directives, the Master Agreement between the FTA and the Department, and this Agreement, except to the extent that the Department determines otherwise in writing. Unless otherwise authorized in writing by the Department, the Grantee shall not assign any portion of the work to be performed under this Agreement, or execute any contract, amendment, or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this Agreement without the prior written concurrence of the Department. Further, the Grantee shall incorporate the provisions of this Agreement into any lease arrangement and shall not enter into any lease arrangement without the prior concurrence of the Department. Any lease approved by the Department shall be subject to the conditions or limitations governing the lease as set forth by the FTA and the Department. If the Grantee leases any Project asset to another party, the Grantee agrees to retain ownership of the leased asset, and assure that the Lessee will use the Project asset to provide mass transportation service, either through a "Lease

and Supervisory Agreement" between the Grantee and Lessee, or another similar document. The Grantee agrees to provide a copy of any relevant documents.

- (1) Significant Participation by a Third Party Contractor. Although the Grantee may enter into a third party contract, after obtaining approval from the Department, in which the third party Contractor agrees to provide property or services in support of the Project, or even carry out Project activities normally performed by the Grantee (such as in a turnkey contract), the Grantee agrees that it, rather than the third party Contractor, is ultimately responsible to the Department for compliance with all applicable Federal and State laws, regulations, and directives, except to the extent that the Department determines otherwise in writing.
- (2) Significant Participation by a Subcontractor. Although the Grantee may delegate any or almost all Project responsibilities to one or more subcontractors, the Grantee agrees that they, rather than the subcontractor, is ultimately responsible for compliance with all applicable Federal and State laws, regulations, and directives, except to the extent that the Department determines otherwise in writing.
- (3) Significant Participation by a Lessee of a Grantee. Although the Grantee may lease project property and delegate some or many project responsibilities to one or more lessees, the Grantee agrees that they, rather than any lessee, is ultimately responsible for compliance with all applicable Federal laws, regulations, and directives, except to the extent that FTA determines otherwise in writing.

f. Grantee's Responsibility to Extend Federal and State Requirements to Other Entities.

- (1) Entities Affected. Only entities that are signatories to this Agreement for the Project are parties to this agreement. To achieve compliance with certain Federal and State laws, regulations, or directives, however, other Project participants, such as subrecipients and third party Grantees, will necessarily be involved. Accordingly, the Grantee agrees to take the appropriate measures necessary to ensure that all Project participants comply with applicable Federal and State laws, regulations, and directives affecting their performance, except to the extent the Department determines otherwise in writing.
- (2) Documents Affected. The applicability of provisions of Federal and State laws, regulations, and directives determine the extent to which their requirements affect a Project participant. Thus, the Grantee agrees to include adequate provisions to ensure that each Project participant complies with those Federal and State laws, regulations, and directives, except to the extent that the Department determines otherwise in writing. In addition, the Grantee also agrees to require its third party contractors, subrecipients, and lessees to include appropriate requirements to ensure compliance with applicable Federal and State laws, regulations, and directives in each lower tier subcontract and subagreement for the Project, except to the extent that the Department determines otherwise in writing. Additional requirements include the following:
 - (a) Third Party Contracts. Because Project activities performed by a third party contractor must comply with all applicable Federal and State laws, regulations, and directives, except to the extent the Department determines otherwise in writing, the Grantee agrees to include appropriate clauses in each third party contract stating the third party contractor's responsibilities under Federal and State laws, regulations, and directives, including any provisions directing the third party contractor to extend applicable requirements to its subcontractors at the lowest tier necessary. When the third party contract requires the third party contractor to undertake responsibilities for the Project usually performed by the Contractor, the Grantee agrees to include in that third party contract those requirements applicable to the Contractor imposed by the Grant Agreement for the Project or the FTA Master Agreement and extend those requirements throughout each tier except as the Department determines otherwise in writing. Additional guidance pertaining to third party contracting is contained in the FTA's "Best Practices Procurement Manual"
<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf>.

FTA and the Department caution, however, that FTA's "Best Practices Procurement Manual" focuses mainly on third party procurement processes and may omit certain other Federal requirements applicable to the work to be performed.

- (b) Subagreements. Because Project activities performed by a subcontractor / subrecipient must comply with all applicable Federal and State laws, regulations, and directives except to the extent that the Department determines otherwise in writing, the Grantee agrees as follows:

- 1 Written Subagreement. The Grantee agrees to enter into a written agreement with each subrecipient (subagreement) stating the terms and conditions of assistance by which the Project will be undertaken and completed.
- 2 Compliance with Federal Requirements. The Grantee agrees to implement the Project in a manner that will not compromise the Grantee's compliance with Federal and State laws, regulations, and directives applicable to the Project and the Grantee's obligations under this Agreement for the Project and the FTA Master Agreement. Therefore, the Grantee agrees to include in each subagreement appropriate clauses directing the subrecipient to comply with those requirements applicable to the Grantee imposed by this Agreement for the Project or the FTA Master Agreement and extend those requirements as necessary to any lower level subagreement or any third party contractor at each tier, except as the Department determines otherwise in writing.

(3) Iran Divestment Act compliance

- (a) N.C.G.S. 147-86.59 requires that all bids or contracts or renewals with the State of North Carolina, North Carolina local governments, or any other political subdivision of the State of North Carolina have a certification that the Grantee is not on the Final Divestment List as created by the NC State Treasurer pursuant to N.C.G.S. § 147-86.58. In compliance with the requirements of the Iran Divestment Act 2015 and N.C.G.S. § 147-86.55 and 147-86.59, the Grantee shall not utilize the performance of the contract of any subcontractor that is identified on the Final Divestment List.

The State Treasurer's Final Divestment List can be found on the State Treasurer's website: www.nctreasurer.com/Iran and will be updated every 180 days, effective February 26, 2016.

- 1 By execution of this Agreement each Party certifies that neither it nor its Agents or Contactors/Subcontractors (1) are on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran; (2) shall not utilize on any contract with the State agency any subcontractor that is identified on the Final Divestment List; and (3) that the undersigned are authorized by the Parties to make this Certification.
- 2 During the term of this Agreement, should the Parties receive information that a person is in violation of the Act as stated above, the Department will offer the person an opportunity to respond and the Department will take action as appropriate and provided for by law, rule, or contract. Should this Act be voided by NC General Statute, this Agreement will remain valid; however this certification will no longer be required.

- g. No Federal/State Government Obligations to Third Parties. In connection with performance of the Project, the Grantee agrees that, absent the Federal/State Government's express written consent, the Federal/State Government shall not be subject to any obligations or liabilities to any subrecipient, third party contractor, lessee or other person or entity that is not a party to this Agreement for the Project. Notwithstanding that the Federal/State Government may have concurred in or approved any solicitation, subagreement, or third party contract, the Federal/State Government has no obligations or liabilities to such entity, including any subrecipient, third party contractor, or lessee.
- h. Changes in Project Performance (i.e., Disputes, Breaches, Defaults, or Litigation). The Grantee agrees to notify the Department immediately, in writing, of any change in local law, conditions

(including its legal, financial, or technical capacity), or any other event that may adversely affect the Grantee's ability to perform the Project as provided in this Agreement for the Project. The Grantee also agrees to notify the Department immediately, in writing, of any current or prospective major dispute, breach, default, or litigation that may adversely affect the Federal/State Government's interests in the Project or the Federal/State Government's administration or enforcement of Federal/State laws or regulations; and agrees to inform the Department, also in writing, before naming the Federal or State Government as a party to litigation for any reason, in any forum.

- i. Limitations of Agreement. This Agreement shall be subject to the availability of Federal and State funds, and contingent upon the terms and conditions of the Master Agreement between the FTA and the Department.

Section 6. Ethics.

- a. Code of Ethics. The Grantee agrees to maintain a written code or standards of conduct that shall govern the actions of its officers, employees, board members, or agents engaged in the award or administration of third party contracts, subagreements, or leases financed with Federal/State assistance. The Grantee agrees that its code or standards of conduct shall specify that its officers, employees, board members, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from any present or potential third party Grantee at any tier, any subrecipient at any tier or agent thereof, or any lessee. Such a conflict would arise when an employee, officer, board member, or agent, including any member of his or her immediate family, partner, or organization that employs, or intends to employ, any of the parties listed herein has a financial interest in the firm selected for award. The Grantee may set de Minimis rules where the financial interest is not substantial, or the gift is an unsolicited item of nominal intrinsic value. The Grantee agrees that its code or standards shall also prohibit the its officers, employees, board members, or agents from using their respective positions in a manner that presents a real or apparent personal or organizational conflict of interest or personal gain. As permitted by State or local law or regulations, the Grantee agrees that its code or standards of conduct shall include penalties, sanctions, or other disciplinary actions for violations by its officers, employees, board members, or their agents, its third party contractors or sub-recipients or their agents.
 - (1) Personal Conflicts of Interest. The Grantee agrees that its code or standards of conduct shall prohibit the Grantee's employees, officers, board members, or agents from participating in the selection, award, or administration of any third party contract, or sub-agreement supported by Federal/State assistance if a real or apparent conflict of interest would be involved. Such a conflict would arise when an employee, officer, board member, or agent, including any member of his or her immediate family, partner, or organization that employs, or intends to employ, any of the parties listed herein has a financial interest in the firm selected for award.
 - (2) Organizational Conflicts of Interest. The Grantee agrees that its code or standards of conduct shall include procedures for identifying and preventing real and apparent organizational conflicts of interest. An organizational conflict of interest exists when the nature of the work to be performed under a proposed third party contract or sub-agreement, may, without some restrictions on future activities, result in an unfair competitive advantage to the third party Grantee or sub-recipient or impair its objectivity in performing the contract work.
 - (3) Gifts. N.C.G.S. § 133-32 and Executive Order 24, of October 1, 2009, prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of this Agreement, Grantee attests, for its entire organization and its employees or agents, that it is not aware that any gift in violation of N.C.G.S. § 133-32 and Executive Order 24 has been offered, accepted, or promised by any employees of Grantee.
- b. Debarment and Suspension. The Grantee agrees to comply, and assures the compliance of each third party Grantee, sub-recipient, or lessee at any tier, with Executive Orders Nos. 12549 and 12689, (see 2 C.F.R. § 180) "Debarment and Suspension," 31 U.S.C. § 6101 note, and U.S. DOT

regulations, "Government-wide Debarment and Suspension (Non-procurement)," 49 C.F.R. Part 29. The Grantee agrees to, and assures that its third party contractors, sub-recipients, and lessees will, review the Excluded Parties Listing System at (<http://epls.arnet.gov/>) before entering into any contracts.

- c. Bonus or Commission. The Grantee affirms that it has not paid, and agrees not to pay, any bonus or commission to obtain approval of its Federal/State assistance application for the Project.
- d. Lobbying Restrictions. The Grantee agrees that:
 - (1) In compliance with 31 U.S.C. 1352(a), it will not use Federal assistance to pay the costs of influencing any officer or employee of a Federal agency, Member of Congress, officer of Congress or employee of a member of Congress, in connection with making or extending the Grant Agreement;
 - (2) It will comply with other applicable Federal laws and regulations prohibiting the use of Federal assistance for activities, designed to influence Congress or a State legislature with respect to legislation or appropriations, except through proper, official channels; and
 - (3) It will comply, and will assure the compliance of each sub-recipient, lessee, or third party contractor at any tier, with U.S. DOT regulations, "New Restrictions on Lobbying," 49 C.F.R. Part 20, modified as necessary by 31 U.S.C. § 1352.
- e. Political Activity. To the extent applicable, the Grantee agrees to comply with the provisions of the Hatch Act, 5 U.S.C. chapter 15, and U.S. Office of Personnel Management regulations, "Political Activity of State or Local Officers or Employees," 5 C.F.R. Part 151. The Hatch Act limits the political activities of State and local agencies and their officers and employees, whose principal employment activities are financed in whole or part with Federal funds including a Federal grant, cooperative agreement, or loan. Nevertheless, in accordance with 49 U.S.C. § 5307(k)(2)(B) and 23 U.S.C. § 142(g), the Hatch Act does not apply to a nonsupervisory employee of a public transportation system (or of any other agency or entity performing related functions) receiving FTA assistance to whom the Hatch Act would not otherwise apply.
- f. False or Fraudulent Statements or Claims. The Grantee acknowledges and agrees that:
 - (1) Civil Fraud. The Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. §§ 3801 et seq., and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its activities in connection with the Project. By executing this Agreement for the Project, the Grantee certifies or affirms the truthfulness and accuracy of each statement it has made, it makes, or it may make in connection with the Project. In addition to other penalties that may apply, the Grantee also understands that if it makes a false, fictitious, or fraudulent claim, statement, submission, certification, assurance, or representation to the Federal/State Government concerning the Project, the Federal/State Government reserves the right to impose on the Grantee the penalties of the Program Fraud Civil Remedies Act of 1986, as amended, to the extent the Federal/State Government deems appropriate.
 - (2) Criminal Fraud. If the Grantee makes a false, fictitious, or fraudulent claim, statement, submission, certification, assurance, or representation to the Federal/State Government or includes a false, fictitious, or fraudulent statement or representation in any agreement with the Federal/State Government in connection with a Project authorized under 49 U.S.C. chapter 53 or any other Federal law, the Federal/State Government reserves the right to impose on the Grantee the penalties of 49 U.S.C. § 5323(l), 18 U.S.C. § 1001 or other applicable Federal/State law to the extent the Federal/State Government deems appropriate.

Section 7. Project Expenditures/Payment/Reimbursement.

- a. General. The Department shall reimburse the Grantee for allowable costs for work performed under the terms of this Agreement which shall be financed with Federal funds and/or State matching funds. The Grantee shall expend funds provided in this Agreement in accordance with the approved Project Budget(s), included as Attachment A to this Agreement. It is understood and agreed that the work conducted pursuant to this Agreement shall be done on an actual cost basis by the Grantee. Expenditures submitted for reimbursement shall include all eligible cost incurred within the Period Covered. The Period Covered represents the monthly or quarterly timeframe in which the Grantee reports expenditures to the Department. All payments issued by the Department

will be on a reimbursable basis unless the Grantee requests and the Department approves an advance payment. The Department allows Grantees in good standing to request advance payment (prior to issuing payment to the vendor) for construction projects, vehicles, and other high-cost capital items. The Grantee agrees to deposit any advance payments into its account when received and issue payment to the vendor within 3 (three) business days. The amount of reimbursement from the Department shall not exceed the funds budgeted in the approved Project Budget. The Grantee shall initiate and prosecute to completion all actions necessary to enable the Grantee to provide its share of project costs at or prior to the time that such funds are needed to meet project costs. The Grantee shall provide its share of project costs from sources other than FTA and State funds from the Department. Any costs for work not eligible for Federal and State participation shall be financed one hundred percent (100%) by the Grantee.

- b. Administrative Expenditures. In order to assist the Grantee in financing the administrative costs of the project, the Department shall reimburse the Grantee up to the percentage specified in the Approved Project Budget of allowable administrative costs which shall be determined by available funding.
- c. Operating Expenditures. In order to assist in financing the operating costs of the project, the Department shall reimburse the Grantee for the lesser of the following when providing operating assistance:
 - (1) The balance of unrecovered operating expenditures after deducting all farebox and other operating revenues, or
 - (2) Up to the percentage specified in the Approved Project Budget of the allowable total operating expenditures which shall be determined by available funding.
- d. Payment and Reimbursement. The Grantee shall submit a request for reimbursement to the Department for the Period Covered not more frequently than monthly, nor less frequently than quarterly, reporting on the Department's Uniform Public Transportation Accounting System (UPTAS) invoicing forms furnished by the Department for work performed under this Agreement. Expenditures submitted for reimbursement shall include all eligible cost incurred within the Period Covered. Failure to request reimbursement for expenses incurred within the Period Covered may result in non-payment. All requests for reimbursement must be submitted within (30) days following the end of the project's reporting period. Any Grantee that fails to submit a request for reimbursement for the first two quarters of agreement fiscal year by January 31st or the last two quarters by July 30th will forfeit their ability to receive reimbursement for those periods.

Additional forms must be submitted with reimbursement requests to report on contracting activities with Disadvantaged Business Enterprise (DBE) firms. Invoices shall be supported by documentation of costs unless otherwise waived by the Department. All requests must be submitted within thirty (30) days following the end of the quarter. Failure to request reimbursement for eligible projects costs as outlined may result in termination of the Project. Invoices shall be approved by the Department's Public Transportation Division and reviewed by the Department's External Audit Branch prior to payment.
- e. Indirect Cost or Central Service Allocation. Calculation of Indirect or Central Service Allocations will be consistent with the applicable US DOT common rules in 2 C.F.R. 200. These rates must be approved by NCDOT PTD or cognizant agency prior to the beginning or the period of performance. Approved rates will be retained as outlined in the SMP.
- f. Excluded Costs. The Grantee understands and agrees that, except to the extent the Department determines otherwise in writing, ineligible costs will be treated as follows:
 - (1) In determining the amount of Federal/State assistance the Department will provide, the Department will exclude:
 - (a) Any Project cost incurred by the Grantee before the effective date of the grant;
 - (b) Any cost that is not included in the latest Approved Project Budget;
 - (c) Any cost for Project property or services received in connection with a third party contract, sub-agreement, lease, or other arrangement that is required to be, but has not been, concurred in or approved in writing by FTA;
 - (d) Any non-project cost consistent with the prohibitions of 49 U.S.C. § 5323(h); and

- (e) Any profit or fee sought by the recipient for its services under the Grant Agree, except to the extent determined by applicable.
 - (f) Any cost ineligible for FTA participation as provided by applicable Federal/State laws, regulations, or directives.
 - (2) The Grantee shall limit reimbursement for meals, lodging and travel to rates established by the State of North Carolina Travel Policy. Costs incurred by the Grantee in excess of these rates shall be borne by the Grantee.
 - (3) The Grantee understands and agrees that payment to the Grantee on any Project cost does not constitute the Federal/State Government's final decision about whether that cost is allowable and eligible for payment and does not constitute a waiver of any violation by the Grantee of the terms of this Agreement. The Grantee acknowledges that the Federal/State Government will not make a final determination about the allowability and eligibility of any cost until an audit of the Project has been completed. If the Federal/State Government determines that the Grantee is not entitled to receive any portion of the Federal/State assistance the Grantee has requested or provided, the Department will notify the Grantee in writing, stating its reasons. The Grantee agrees that Project closeout will not alter the Grantee's responsibility to return any funds due the Federal/State Government as a result of later refunds, corrections, or other transactions; nor will Project closeout alter the Federal/State Government's right to disallow costs and recover funds on the basis of a later audit or other review. Unless prohibited by Federal/State law or regulation, the Federal/State Government may recover any Federal/State assistance funds made available for the Project as necessary to satisfy any outstanding monetary claims that the Federal/State Government may have against the Grantee.
- g. Program Income
- (1) State, Local, or Indian Tribal Governments. In addition to uses of program income authorized under 2 C.F.R. Part 200.80, FTA reserves the right to permit the Department to add program income to the funds FTA and the recipient have committed to that Grant agreement and use that program income for the purposes of and under the conditions of the grant agreement.
 - (2) Institutions of Higher Education, private Non-Profit Organizations, and Private For Profit Organizations. FTA reserves the right to permit a recipient to add the program income to the funds FTA and the recipient have committed to that Grant agreement and use that program income to further eligible project or program objectives.
 - (3) Cost Associated With Program Income. Except to the extent FTA determines otherwise in writing, the cost incident to the earning program income may be deducted from the Recipient's gross income to determine program income, provided these costs have not been charged to the Grant Agreement.
- h. Federal/State Claims, Excess Payments, Disallowed Costs, including Interest.
- (1) Grantee 's Responsibility to Pay. Upon notification to the Grantee that specific amounts are owed to the Federal/State Government, whether for excess payments of Federal/State assistance, disallowed costs, or funds recovered from third parties or elsewhere, the Grantee agrees to remit to the Department promptly the amounts owed, including applicable interest and any penalties and administrative charges.
 - (2) Amount of Interest. The Grantee agrees to remit to the Department interest owed as determined in accordance with N.C.G.S. 147-86.23. Upon notification to the Grantee that specific amounts are owed to the Federal Government, whether for excess payments of Federal assistance, disallowed costs, or funds recovered from third parties or elsewhere, the Grantee agrees to remit to the Federal Government promptly the amounts owed, including applicable interest, penalties and administrative charges.
 - (3) Payment to FTA. Upon receipt of repayment from the Grantee, the Department shall be responsible to remit amounts owed to FTA.
- i. De-obligation of Funds. The Grantee agrees that the Department may de-obligate unexpended Federal and State funds before Project closeout.

Section 8. Accounting Records.

- a. Establishment and Maintenance of Accounting Records. The Grantee shall establish and maintain separate accounts for the public transportation program, either independently or within the existing accounting system. All costs charged to the program shall be in accordance with most current approved Annual Budget and shall be reported to the Department in accordance with UPTAS.
- b. Documentation of Project Costs. All costs charged to the Project, including any approved services performed by the Grantee or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in detail the nature and propriety of the charges, as referenced in 2 C.F.R. 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"
- c. Allowable Costs. Expenditures made by the Grantee shall be reimbursed as allowable costs to the extent they meet all of the requirements set forth below. They must be:
 - (1) Consistent with the Project Description, plans, specifications, and Project Budget and all other provisions of this Agreement;
 - (2) Necessary in order to accomplish the Project;
 - (3) Reasonable in amount for the goods or services purchased;
 - (4) Actual net costs to the Grantee, i.e., the price paid minus any refunds (e.g., refundable sales and use taxes pursuant to N.C.G.S. 105-164.14), rebates, or other items of value received by the Grantee that have the effect of reducing the cost actually incurred;
 - (5) Incurred (and be for work performed) within the period of performance and period covered of this Agreement unless specific authorization from the Department to the contrary is received;
 - (6) Satisfactorily documented;
 - (7) Treated uniformly and consistently under accounting principles and procedures approved or prescribed by the Department; and
 - (8) In compliance with U.S. DOT regulations pertaining to allowable costs in 2 C.F.R. 200, Subpart E, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and FAR, at 48 C.F.R., Subpart 31.2, "Contracts with Commercial organizations" applies to Project costs incurred by a Recipient that is a for-profit organization.

Section 9. Reporting, Record Retention, and Access.

- a. Reports. The Grantee shall advise the Department regarding the progress of the Project at a minimum quarterly, and at such time and in such a manner as the Department may require. Such reporting and documentation may include, but not be limited to: operating statistics, equipment usage, meetings, progress reports, and monthly performance reports. The Grantee shall collect and submit to the Department such financial statements, data, records, contracts, and other documents related to the Project as may be deemed necessary by the Department. Reports shall include narrative and financial statements of sufficient substance to be in conformance with the reporting requirements of the Department. Progress reports throughout the useful life of the project equipment shall be used, in part, to document utilization of the project equipment. Failure to fully utilize the project equipment in the manner directed by the Department shall constitute a breach of contract, and after written notification by the Department, may result in termination of the Agreement or any such remedy as the Department deems appropriate.
 - Non-Governmental Grantees:
 - (1) In accordance with 2 C.F.R. Part 200.500 Subpart F – Audit Requirements (Formerly OMB Circular A-133), N.C.G.S. 143C-6, "Non-State Entities Receiving State Funds", and Title 9 North Carolina Administrative Code (N.C.A.C.) Subchapter 3M ([09 NCAC 03M .0205](#)), Non-Governmental Grantees shall comply with all rules and reporting requirements established by statute or administrative rules. Financial reporting and audit requirements are based on the level of State financial assistance from all funding sources. The three (3) reporting levels are:
 - Level I – A recipient or subrecipient that receives, holds, uses, or expends State

- financial assistance in an amount less than twenty-five thousand dollars (\$25,000) within its fiscal year.
- **Level II** – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount of at least twenty-five thousand (\$25,000) or greater, but less than five hundred thousand dollars (\$500,000) within its fiscal year.
 - **Level III** – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in an amount equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year.
- (2) Department-established reporting requirements for non-governmental Grantees shall meet the following reporting standards on an annual basis:
- 1 All recipients or subrecipients shall provide a certification that State financial assistance received or held was used for the purposes for which it was awarded.
 - 2 All recipients or subrecipients shall provide an accounting of all State financial assistance received, held, used, or expended.
 - 3 Level II and III recipients or subrecipients shall report on activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract.
 - 4 Level III recipients or subrecipients shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book.
- (3) All reports shall be filed with the disbursing agency in the format and method specified by the Department no later than three months after the end of the Grantee's fiscal year, unless the same information is already required through more frequent reporting. Audits must be provided to the Department no later than nine months after the end of the recipient's fiscal year.
- (4) The Grantee shall use the Office of State Budget and Management reporting forms found under "NC Grants Annual Reporting Forms" on the Department's website: <https://connect.ncdot.gov/business/Transit/Pages/Transit-Grants.aspx>
- (5) The Grantee agrees to make available and require its SubGrantees to make available audit work papers in the possession of any auditor to the Department or other federal or state agencies as requested.
- (6) Department-established reporting requirements to meet the standards set forth in Paragraph (1) of this Rule shall be specified in each Grantee's contract.
- (7) Unless prohibited by law, the costs of audits made in accordance with the provisions of this Rule shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 C.F.R. Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards.
- c. Record Retention. The Grantee and its third party Grantees shall retain all records pertaining to this Project for a period of five (5) years from the date of final payment to the Grantee, or until all audit exceptions have been resolved, whichever is longer, in accordance with "Records Retention and Disposition Schedule – Public Transportation Systems and Authorities, April 1, 2006," at: <http://www.ah.dcr.state.nc.us/records/local/>.
- d. Access to Records of Grantee and SubGrantees. The Grantee shall permit and shall require its third party contractors to permit the Department, the Comptroller General of the United States, and the Secretary of the United States Department of Transportation, or their authorized representatives, to inspect all work, materials, payrolls, and other data and records with regard to the Project, and to audit the books, records, and accounts of the Grantee pertaining to the Project. The Department shall reserve the right to reject any and all materials and workmanship for defects and incompatibility with Project Description or excessive cost. The Department shall notify the Grantee, in writing, if materials and/or workmanship are found to be unacceptable. The Grantee shall have ninety (90) days from notification to

correct defects or to provide acceptable materials and/or workmanship. Failure by the Grantee to provide acceptable materials and/or workmanship, or to correct noted defects, shall constitute a breach of contract.

- e. Project Closeout. The Grantee agrees that Project closeout does not alter the reporting and record retention requirements of this Section 6 of this Agreement.

Section 10. Project Completion, Audit, Settlement, and Closeout.

- a. Project Completion. Within thirty (30) calendar days following Project completion, the end of the Project's period of performance, or termination by the Department, the Grantee agrees to submit a final reimbursement request to the Department for eligible Project expenses.
- b. Financial Reporting and Audit Requirements. In accordance with 2 C.F.R. 200 Subpart F, "Audit Requirements", effective December 26, 2014 and N.C.G.S. 159-34, the Grantee shall have its accounts audited as soon as possible after the close of each fiscal year by an independent auditor. The Grantee agrees to submit the required number of copies of the audit reporting package four months after the Grantee's fiscal year-end to:
 - the Local Government Commission if a government entity, or
 - NCDOT PTD per NC Grants requirements for non-governmental entities
- c. Audit Costs. Unless prohibited by law, the costs of audits made in accordance with Title 2 C.F.R. 200, Subpart F, "Audit Requirements", are allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in Title 2 C.F.R. 200, Subpart E, "Cost Principles" (formerly OMB Circular A-87). The cost of any audit not conducted in accordance with Title 2 C.F.R. 200 and N.C.G.S. 159-34 is unallowable and shall not be charged to State or Federal grants.
- d. Funds Owed to the Department. The Grantee agrees to remit to the Department any excess payments made to the Grantee, any costs disallowed by the Department, and any amounts recovered by the Grantee from third parties or from other sources, as well as any penalties and any interest required by Subsection 7h of this Agreement.
- e. Project Closeout. Project closeout occurs when the Department issues the final project payment or acknowledges that the Grantee has remitted the proper refund. The Grantee agrees that Project closeout by the Department does not invalidate any continuing requirements imposed by this Agreement.

Section 11. Civil Rights. The Grantee agrees to comply with all applicable civil rights laws and implementing regulations including, but not limited to, the following:

- a. Nondiscrimination in Federal Public Transportation Programs. The Grantee agrees to comply, and assures the compliance of each third party Grantee at any tier and each subrecipient at any tier of the Project, with the provisions of 49 U.S.C. § 5332, which prohibit discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business opportunity.
- b. Nondiscrimination – Title VI of the Civil Rights Act. The Grantee agrees to comply, and assures the compliance of each third party Grantee at any tier and each subrecipient at any tier of the Project, with all provisions prohibiting discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000d et seq., and with U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act," 49 C.F.R. Part 21.
- c. Equal Employment Opportunity. The Grantee agrees to comply, and assures the compliance of each third party Grantee at any tier of the Project and each subrecipient at any tier of the Project, with all equal employment opportunity (EEO) provisions of 49 U.S.C. § 5332, with Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., and implementing Federal regulations and any subsequent amendments thereto. Except to the extent FTA determines otherwise in writing, the recipient also agrees to follow all applicable Federal EEO directives that may be issued. Accordingly:

- (1) General. The Grantee agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, sex, disability, age, or national origin. The Grantee agrees to take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, sex, disability, age, or national origin. Such action shall include, but not be limited to, employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - (2) Equal Employment Opportunity Requirements for Construction Activities. For activities determined by the U.S. Department of Labor (U.S. DOL) to qualify as "construction," the Grantee agrees to comply and assures the compliance of each third party Grantee at any tier or subrecipient at any tier of the Project, with all applicable equal employment opportunity requirements of U.S. DOL regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 *et seq.*, which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000(e) note, and also with any Federal laws, regulations, and directives affecting construction undertaken as part of the Project.
- d. Disadvantaged Business Enterprises.
- (1) Policy. It is the policy of the North Carolina Department of Transportation that Disadvantaged Business Enterprises (DBEs) as defined in 49 C.F.R. Part 26 shall have the equal opportunity to compete fairly for and to participate in the performance of contracts financed in whole or in part by Federal Funds. The Grantee is also encouraged to give every opportunity to allow DBE participation in Supplemental Agreements.
 - (2) Obligation. The Grantee, subconsultant, and subcontractor shall not discriminate on the basis of race, religion, color, national origin, age, disability or sex in the performance of this contract. The Grantee shall comply with applicable requirements of 49 C.F.R. Part 26 in the award and administration of federally assisted contracts. Failure by the Grantee to comply with these requirements is a material breach of this contract, which will result in the termination of this contract or such other remedy, as the Department deems necessary.
 - (3) Goals. Even though specific DBE goals are not established for this project, the Department encourages the Grantee to have participation from DBE Grantees and/or suppliers.
 - (4) Listing of DBE subcontractors. The Grantee, at the time the Letter of Interest is submitted, shall submit a listing of all known DBE contractors that will participate in the performance of the identified work. The participation shall be submitted on the Department's Form DBE-IS. In the event the Grantee has no DBE participation, the Grantee shall indicate this on the Form DBE-IS by entering the word 'None' or the number 'zero' and the form shall be signed. Form DBE-IS may be accessed on the website.
 - (5) Certified Transportation Firms Directory. Real-time information about Grantees doing business with the Department and Grantees that are certified through North Carolina's Unified Certification Program is available in the Directory of Transportation Firms. The Directory can be accessed by the link on the Department's homepage or by entering <https://apps.dot.state.nc.us/vendor/directory/> in the address bar of your web browser. Only Grantees identified as DBE certified in the Directory shall be listed in the proposal. The listing of an individual Grantee in the Department's directory shall not be construed as an endorsement of the Grantee's capability to perform certain work.
 - (6) Reporting Disadvantaged Business Enterprise Participation. When payments are made to Disadvantaged Business Enterprise (DBE) Grantees, including material suppliers, Grantees at all levels (Grantee, SubConsultant or SubGrantee) shall provide the Contract Administrator with an accounting of said payments. The accounting shall be listed on the Department's SubGrantee Payment Information Form (Form DBE-IS). In the event the Grantee has no DBE participation, the Grantee shall indicate this on the Form DBE-IS by entering the word 'None' or the number 'zero' and the form shall be signed. Form DBE-IS

may be accessed on the website at:

<https://apps.dot.state.nc.us/quickfind/forms/Default.aspx>.

A responsible fiscal officer of the payee Grantee, subconsultant or SubGrantee who can attest to the date and amounts of the payments shall certify that the accounting is correct. A copy of an acceptable report may be obtained from the Department of Transportation. This information shall be submitted as part of the requests for payments made to the Department.

- e. Age Discrimination. The Grantee agrees to comply with the Age Discrimination in Employment Act (ADEA) 29 U.S.C. Section 621 through 634 and with implementing U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. Part 1625, which prohibits discrimination against individuals on the basis of age.
- f. Access for Individuals with Disabilities. The Grantee agrees to comply with 49 U.S.C. § 5301(d), which states the Federal policy that elderly individuals and individuals with disabilities have the same right as other individuals to use public transportation services and facilities, and that special efforts shall be made in planning and designing those services and facilities to implement transportation accessibility rights for elderly individuals and individuals with disabilities. The Grantee also agrees to comply with all applicable provisions of Section 504 of the Rehabilitation Act of 1973, as amended, with 29 U.S.C. § 794, which prohibits discrimination on the basis of disability; with the Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. §§ 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities; and with the Architectural Barriers Act of 1968, as amended, 42 U.S.C. §§ 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities. In addition, the Grantee agrees to comply with applicable Federal regulations and directives and any subsequent amendments thereto, except to the extent the Department determines otherwise in writing, as follows:
 - (1) U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. Part 37;
 - (2) U.S. DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. Part 27;
 - (3) Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB)/U.S. DOT regulations, "Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 C.F.R. Part 1192 and 49 C.F.R. Part 38;
 - (4) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. Part 35;
 - (5) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. Part 36;
 - (6) U.S. General Services Administration (U.S. GSA) regulations, "Accommodations for the Physically Handicapped," 41 C.F.R. Subpart 101-19;
 - (7) U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630;
 - (8) U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled," 47 C.F.R. Part 64, Subpart F; and
 - (9) U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 C.F.R. Part 1194;
 - (10) FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. Part 609; and
 - (11) Federal civil rights and nondiscrimination directives implementing the foregoing regulations.
- g. Drug or Alcohol Abuse-Confidentiality and Other Civil Rights Protections. To the extent applicable, the Grantee agrees to comply with the confidentiality and other civil rights protections of the Drug Abuse Office and Treatment Act of 1972, as amended, 21 U.S.C. §§ 1101 et seq., with the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, as amended, 42 U.S.C. §§ 4541 et seq., and with the Public Health Service Act of 1912, as amended, 42 U.S.C. §§ 201dd -290dd-2 et seq, and any subsequent amendments to these acts.

- h. Access to Services for Persons with Limited English Proficiency. To the extent applicable and except to the extent that the Department determines otherwise in writing, the Grantee agrees to comply with the policies of Executive Order No. 13166, "Improving Access to Services for Persons with Limited English Proficiency," 42 U.S.C. § 2000d-1 note, and with the provisions of U.S. DOT Notice, "DOT Guidance to Recipients on Special Language Services to Limited English Proficient (LEP) Beneficiaries," 70Fed. Reg. 74087 et seq., December 14, 2005.
- i. Environmental Justice. The Grantee agrees to comply with the policies of Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," 42 U.S.C. § 4321 note, except to the extent that the Department determines otherwise in writing.
- j. Other Nondiscrimination Laws. The Grantee agrees to comply with all applicable provisions of other Federal laws, regulations, and directives pertaining to and prohibiting discrimination that are applicable, except to the extent the Department determines otherwise in writing.

Section 12. Planning and Private Enterprise.

- a. General. To the extent applicable, the Grantee agrees to implement the Project in a manner consistent with the plans developed in compliance with the Federal planning and private enterprise provisions of the following:
 - (1) 49 U.S.C. Chapter 53;
 - (2) Joint Federal Highway Administration (FHWA)/FTA document, "Interim Guidance for Implementing Key SAFETEA-LU Provisions on Planning, Environment, and Air Quality for Joint FHWA/FTA Authorities," dated September 2, 2005, as amended by joint FHWA/FTA guidance, "SAFETEA-LU Deadline for New Planning Requirements (July 1, 2007)," dated May 2, 2006 [clarifying Guidance on Implementation of SAFETEA-LU Planning Provisions], and subsequent Federal directives implementing SAFETEA-LU, except to the extent FTA determines otherwise in writing;
 - (3) Joint FHWA/FTA regulations, "Planning Assistance and Standards," 23 C.F.R. Part 450 and 49 C.F.R. Part 613 to the extent that those regulations are consistent with the SAFETEA-LU amendments to public transportation planning and private enterprise laws, and subsequent amendments to those regulations that may be promulgated; and
 - (4) FTA regulations, "Major Capital Investment Projects," 49 C.F.R. Part 611, to the extent that those regulations are consistent with the SAFETEA-LU amendments to the public transportation planning and private enterprise laws, and any subsequent amendments to those regulations that may be subsequently promulgated.
- b. Governmental and Private Nonprofit Providers of Nonemergency Transportation. In addition to providing opportunities to participate in planning as described in Subsection 12a of this Agreement, to the extent feasible the Grantee agrees to comply with the provisions of 49 U.S.C. § 5323(k), which afford governmental agencies and nonprofit organizations that receive Federal assistance for nonemergency transportation from Federal Government sources (other than U.S. DOT) an opportunity to be included in the design, coordination, and planning of transportation services.
- c. Infrastructure Investment. During the implementation of the Project, the Grantee agrees to take into consideration the recommendations of Executive Order No. 12803, "Infrastructure Privatization," 31 U.S.C. § 501 note, and Executive Order No. 12893, "Principles for Federal Infrastructure Investments," 31 U.S.C. § 501 note.

Section 13. Preference for United States Products and Services. To the extent applicable, the Grantee agrees to comply with the following U.S. domestic preference requirements:

- a. Buy America. The Grantee agrees to comply with 49 U.S.C. § 5323(j) and FTA regulations, "Buy America Requirements," 49 C.F.R. Part 661 to the extent those regulations are consistent with the FAST Act, MAP-21, or SAFETEA-LU provisions, and subsequent amendments to those regulations that may be promulgated. The Grantee also agrees to comply with FTA directives to the extent those directives are consistent with SAFETEA-LU provisions, except to the extent that FTA or the Department determines otherwise in writing.

- b. Cargo Preference-Use of United States-Flag Vessels. The Grantee agrees to comply with U.S. Maritime Administration regulations, "Cargo Preference-U.S.-Flag Vessels," 46 C.F.R. Part 381, to the extent those regulations apply to the Project.
- c. Fly America. The Grantee understands and agrees that the Federal/State Government will not participate in the costs of international air transportation of any individuals involved in or property acquired for the Project unless that air transportation is provided by U.S.-flag air carriers to the extent service by U.S.-flag air carriers is available, in accordance with the requirements of the International Air Transportation Fair Competitive Practices Act of 1974, as amended, 49 U.S.C. § 40118, and with U.S. GSA regulations, "Use of United States Flag Air Carriers," 41 C.F.R. §§ 301-10.131 through 301-10.143.

Section 14. Procurement and Third Party Contracting. To the extent applicable, the Grantee agrees to comply with the following third party procurement provisions:

- a. Statutory and Regulatory Standards. The Grantee shall establish written procurement procedures that comply with the required Federal and State standards as found on the Department's website: <https://connect.ncdot.gov/business/Transit/Pages/Transit-Procurement.aspx>.
The Grantee agrees to comply with the third party procurement requirements with 2 C.F.R. 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (replaces 49 C.F.R. 18 and 19, effective December 26, 2014); 49 U.S.C. Chapter 53, as amended by FAST Act; FTA's Master Agreement, [FTA MA\(23\)](#); and other applicable Federal laws in effect now or as subsequently enacted; and other applicable Federal regulations pertaining to third party procurements and subsequent amendments thereto, to the extent those regulations are consistent with SAFETEA-LU provisions and N.C.G.S. 143 Article 8. The Grantee also agrees to comply with the provisions of FTA Circular 4220.1F, "Third Party Contracting Guidance", as amended, to the extent those provisions are consistent with the FAST ACT, MAP-21, or SAFETEA-LU provisions and with any subsequent amendments thereto, except to the extent the Department or the FTA determines otherwise in writing. Although the FTA "Best Practices Procurement Manual" provides additional procurement guidance, the Grantee understands that this FTA manual is focused on third party procurement processes and may omit certain Federal requirements applicable to the third party contract work to be performed.
- b. Full and Open Competition. In accordance with 49 U.S.C. §5325(a), the Grantee agrees to conduct all procurement transactions in a manner that provides full and open competition as determined by the Department and FTA.
- c. Exclusionary or Discriminatory Specifications. Apart from inconsistent requirements imposed by Federal laws or regulations, the Grantee agrees to comply with the requirements of 49 U.S.C. § 5325(h) by not using any Federal assistance awarded by FTA to support a procurement using exclusionary or discriminatory specifications.
- d. Geographic Restrictions. In accordance with N.C.G.S. 143 Article 3D, the Grantee agrees that it will not use any State or local geographic preference, except State or local geographic preferences expressly mandated or as permitted by FTA. However, for example, in procuring architectural, engineering, or related services, the Grantee's geographic location may be a selection criterion, provided that a sufficient number of qualified firms are eligible to compete.
- e. In-State Bus Dealer Restrictions. The Grantee agrees that in accordance with 49 U.S.C. § 5325(i), any State law requiring buses to be purchased through in-State dealers will not apply to purchases of vehicles acquired with funding authorized under 49 U.S.C. Chapter 53.
- f. Neutrality in Labor Relations. To the extent permitted by law, the Grantee agrees to comply with Executive Order No. 13502, "Use of Project Labor Agreements (PLA) for Federal Construction Projects", February 6, 2009, 74 Fed. Reg. 6985 et seq. As a result, the Recipient is no longer prohibited from requiring an affiliation with a labor organization, such as a project labor agreement, as a condition for award of any third party contract or subcontract at any tier for construction or construction management services, except to the extent that the Federal Government determines otherwise in writing.

- g. Federal Supply Schedules. State, local, or nonprofit Recipients may not use Federal Supply Schedules to acquire federally assisted property or services except to the extent permitted by U.S. GSA, U.S. DOT, or FTA laws, regulations, directives, or determinations.
- h. Force Account. The Grantee agrees that FTA may determine the extent to which Federal assistance may be used to participate in force account costs.
- i. Department Technical Review. The Grantee agrees to permit the Department to review and approve the Grantee's technical specifications and requirements to the extent the Department believes necessary to ensure proper Project administration. The Grantee agrees to submit the following to the Department for its review and approval prior to solicitation:
 - (1) New/adapted specifications for equipment, supplies, apparatuses and new-type rolling stock. This requirement does not apply to equipment, supplies, or apparatuses with cost of less than \$30,000; or to Minivans; Conversion and Lift Vans; Center Aisle Vans and Standard Vans; and Light Transit Vehicles (Cutaway-type Bus).
 - (2) Drawings, designs, and/or description of work for construction, renovation, or facility improvement projects, including the purchase or construction of bus shelters.
- j. Department Pre-award Approval. The Grantee agrees to submit procurement documents, including the Procurement Checklist, to the Department for its review and approval prior to award of a contract/subcontract under this Agreement for any of the following:
 - (1) All new-type rolling stock (excluding Minivans); Conversion and Lift Vans; Center Aisle Vans and Standard Vans; and Light Transit Vehicles (Cutaway-type Bus) not available on PTD State contracts.
 - (2) All specifications, drawings, plans, and/or description of work required for all construction, renovation, facility improvement or related type projects;
 - (3) All construction projects equal to or greater than \$30,000;
 - (4) Any "brand name" product or sole source purchase equal to or greater than \$2,500;
 - (5) Any contract/subcontract to other than apparent lowest bidder equal to or greater than \$3,500; \$2,000 if it is a construction related project
 - (6) Any procurement equal to or greater than \$90,000;
 - (7) Any contract modification that would change the scope of a contract or increase the contract amount up to or over the formal (sealed) bid threshold of \$90,000.
 - (8) All local procurements over \$3,500 using grant funds, federal and/or state must submit a Procurement Checklist with claim to be eligible for reimbursement
- k. Project Approval/Third Party Contract Approval. Except to the extent the Department determines otherwise in writing, the Grantee agrees that the Department's award of Federal and State assistance for the Project does not, by itself, constitute pre-approval of any non-competitive third party contract associated with the Project.
- l. Preference for Recycled Products. To the extent applicable, the Grantee agrees to comply with U.S. EPA regulations, "Comprehensive Procurement Guidelines for Products Containing Recovered Materials"; 40 C.F.R. Part 247, which implements Section 6002 of the Resource Conservation and Recovery Act, as amended; 42 U.S.C. § 6962; and with subsequent Federal regulations that may be promulgated. Accordingly, the Grantee agrees to provide a competitive preference for products and services that conserve natural resources, protect the environment, and are energy efficient.
- m. Clean Air and Clean Water. The Grantee agrees to include in each third party contract and subagreement exceeding \$100,000 adequate provisions to ensure that each Project participant will agree to report the use of facilities placed on or likely to be placed on the U.S. Environmental Protection Agency (U.S. EPA) "List of Violating Facilities," to not use any violating facilities, to report violations to the Department and the Regional U.S. EPA Office, and to comply with the inspection and other applicable requirements of:
 - (1) Section 306 of the Clean Air Act, as amended, 42 U.S.C. § 7606, and other applicable provisions of the Clean Air Act, as amended, 42 U.S.C. § 7401 through 7671q; and
 - (2) Section 508 of the Clean Water Act, as amended, 33 U.S.C. § 1368, and other applicable requirements of the Clean Water Act, as amended, 33 U.S.C. § 1251 through 1377.

- n. National Intelligent Transportation Systems Architecture and Standards. To the extent applicable, the Grantee agrees to conform to the National Intelligent Transportation Systems (ITS) Architecture and Standards as required by SAFETEA-LU § 5307(c), 23 U.S.C. § 512 note, and comply with FTA Notice, "FTA National ITS Architecture Policy on Transit Projects" 66 Fed. Reg. 1455 et seq., January 8, 2001, and any subsequent further implementing directives, except to the extent FTA or the Department determines otherwise in writing.
- o. Rolling Stock. In acquiring rolling stock, the Grantee agrees as follows:
 - (1) Method of Acquisition. The Department's Public Transportation Division, through the North Carolina Department of Administration, Purchase and Contract Division, awards vehicle contracts for its grant recipients to purchase public transit vehicles. These vehicle contracts comply with FTA and State requirements. The Grantee will utilize these vehicle contracts to purchase public transit vehicles included in the Approved Budget for this Project. For public transit vehicles not included in these contracts, the Grantee shall conduct a competitive procurement process in accordance with this Agreement.
 - (2) Multi-year Options. In accordance with 49 U.S.C. § 5325(e)(1), the Grantee may not enter into a multi-year contract with options, exceeding five (5) years after the date of the original contract, to purchase additional rolling stock and replacement parts.
 - (3) Pre-Award and Post-Delivery Requirements. The Grantee agrees to comply with the requirements of 49 U.S.C. § 5323(m) and FTA regulations, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 C.F.R. Part 663 and, when promulgated, any amendments to those regulations. The Grantee understands and agrees that to the extent the provisions of 49 U.S.C. § 5323(m), as amended by the FAST Act, MAP-21 or SAFETEA-LU conflict with FTA's implementing regulations, as currently promulgated, the provisions of 49 U.S.C. § 5323(m), as amended, prevail.
 - (4) Bus Testing. To the extent applicable, the Grantee agrees to comply with the requirements of 49 U.S.C. § 5318(e) and FTA regulations, "Bus Testing," 49 C.F.R. Part 665, and any amendments to those regulations that may be promulgated.
- p. Bonding. For construction projects, the Grantee agrees to provide bid guarantee bond (5% of bid price) and performance and payment bonds (100% of contract price) and comply with any other construction bonding provisions as the Department may determine.
- q. Architectural, Engineering, Design, or Related Services. For all architectural, engineering, design, or related services the Grantee shall use qualifications-based competitive proposal [Request for Qualifications (RFQ) in accordance with the Brooks Act] procedures. The Grantee shall follow applicable statutes, N.C.G.S. 143-64.31-34, and requirements set forth in FTA Circular 4220.1F as amended, to retain a qualified, registered architect or professional engineer:
 - (1) The Grantee agrees to comply with qualifications-based competitive proposal procedures, which require:
 - (a) An offeror's qualifications be evaluated;
 - (b) Good faith effort to use minority-owned businesses;
 - (c) Price be excluded as an evaluation factor;
 - (d) Negotiations be conducted with only the most qualified offeror; and
 - (e) Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable.
 - (2) Geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
 - (3) The Grantee acknowledges and agrees that qualifications-based competitive proposal procedures can only be used for procurement of the following services:
 - (a) Program management;
 - (b) Construction management;
 - (c) Feasibility studies; and
 - (d) Preliminary engineering, design, architectural, engineering, surveying, mapping, and related services.

- (4) The Grantee also agrees to:
 - (a) Include applicable Federal requirements and certifications in the solicitation;
 - (b) Submit procurement documents to the Department for its review and approval prior to the award of any contract for A&E services for the Project; and
 - (c) Maintain written documentation to support each step of the procurement process.
- r. Design-Bid-Build Projects. The Design-Bid-Build method of construction is where there are separate contracts and procurement processes for the design and construction. Typically the designer coordinates the numerous prime Grantees that are involved in the construction process. The Grantee may use design-bid-build procurements to implement its projects after it has complied with applicable Federal and State requirements and obtains approval from the Department prior to solicitation and award of the contract.
- s. Design-Build Projects. The Design-Build method of construction is where a single Grantee is given responsibility for both design and construction, thus eliminating an intermediate procurement step with possible time saving, and more effective coordination and opportunities for cost savings. Currently, this procurement method is not an allowable method of procurement by the State of North Carolina. The Grantee may request to use the design-build method as an "alternate" method. Submission of justification must be presented to the State Building Commission for a 2/3-majority vote of approval. One of the drawbacks of design-build is that the owner does not have an independent source (the A/E in traditional construction) overseeing design implementation and verifying conformance with the drawings and specifications.
- t. Competitive Proposal/Request for Proposal (RFP). The competitive proposal/ request for proposal (RFP) method of procurement is normally conducted with more than one source submitting an offer, i.e., proposal. Either a fixed price or cost reimbursement type contract is awarded. This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. The Grantee acknowledges that certain restrictions apply under North Carolina law for use of the RFP method and these restrictions and exceptions are discussed below.
 - (1) The Grantee agrees that the RFP Method may not be used in lieu of an invitation for bids (IFB) for:
 - (a) Construction/repair work; or
 - (b) Purchase of apparatus, supplies, materials or equipment. See Subsection 14t(2), of this Agreement, regarding information technology goods as services.
 - (2) The Grantee agrees that the RFP method of solicitation may be used (in addition to or instead of any other procedure available under North Carolina law) for the procurement of information technology goods and services [as defined in N.C.G.S. 147-33.81(2)]. This applies to electronic data processing goods and services, telecommunications goods and services, security goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes. The Grantee will comply with the following minimum requirements [N.C.G.S. 143-129.8]:
 - (a) Notice of the request for proposals shall be given in accordance with N.C.G.S. 143-129(b).
 - (b) Contracts shall be awarded to the person or entity that submits the best overall proposal as determined by the awarding authority. Factors to be considered in awarding contracts shall be identified in the request for proposals.
 - (c) The Grantee may use procurement methods set forth in N.C.G.S. 143-135.9 in developing and evaluating requests for proposals.
 - (d) The Grantee may negotiate with any proposer in order to obtain a final contract that best meets the needs of the Grantee.
 - (e) Any negotiations shall not alter the contract beyond the scope of the original request for proposals in a manner that deprives the proposers or potential proposers of a fair opportunity to compete for the contract; and would have resulted in the award of the contract to a different person or entity if the alterations had been included in the request for proposals.

- (f) Proposals submitted shall not be subject to public inspection until a contract is awarded.
- (3) The Grantee agrees that the RFP method, in accordance with FTA Circular 4220.1F as amended, under the guidelines of FTA "Best Practices Procurement Manual," should be used for procurements of professional services, such as consultants for planning activities and for transit system operations/management. The Grantee acknowledges that certain restrictions apply under North Carolina law for use of the RFP method and these restrictions and exceptions are discussed in Subsections 14t(1) and 14t(2) of this Agreement. For all architectural, engineering, design, or related services, the Grantee agrees that the qualifications-based competitive proposal process shall be used (see Subsection 14q, this Agreement).
- (4) When the RFP method is used for procurement of professional services, the Grantee agrees to abide by the following minimum requirements:
 - (a) Normally conducted with more than one source submitting an offer (proposal);
 - (b) Either fixed price or cost reimbursement type contract will be used;
 - (c) Generally used when conditions are not appropriate for use of sealed bids;
 - (d) Requests for proposals will be publicized;
 - (e) All evaluation factors will be identified along with their relative importance;
 - (f) Proposals will be solicited from an adequate number (3 is recommended) of qualified sources;
 - (g) A standard method must be in place for conducting technical evaluations of the proposals received and for selecting awardees;
 - (h) Awards will be made to the responsible firm whose proposal is most advantageous to the Grantee's program with price and other factors considered; and
 - (i) In determining which proposal is most advantageous, the Grantee may award to the proposer whose proposal offers the greatest business value (best value) to the agency. "Best value" is based on determination of which proposal offers the best tradeoff between price and performance, where quality is considered an integral performance factor.
- u. Award to Other than the Lowest Bidder. In accordance with Federal and State statutes, a third party contract may be awarded to other than the lowest bidder, if the award furthers an objective (such as improved long-term operating efficiency and lower long-term costs). When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs will be considered in determining which bid is lowest. Prior to the award of any contract equal to or greater than \$3,500 (\$2,000 for construction-related projects) to other than apparent lowest bidder, the Grantee shall submit its recommendation along with basis/reason for selection to the Department for pre-award approval.
- v. Award to Responsible Grantees. The Grantee agrees to award third party contracts only to responsible Grantees who possess potential ability to successfully perform under the terms and conditions of the proposed procurement according to N.C.G.S.143-129. Consideration will be given to such matters as Grantee integrity, compliance with public policy, record of past performance, and financial and technical resources. Contracts will not be awarded to parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities in accordance with the Federal debarment and suspension rule, 49 C.F.R. 29. For procurements over \$25,000, the Grantee shall comply, and assure the compliance of each third party Grantee and subrecipient at any tier, with the debarment and suspension rule. FTA and the Department recommend that Grantees use a certification form for projects over \$25,000, which are funded in part with Federal funds. A sample certification form can be obtained from the Department. The Grantee also agrees to check a potential Grantee's debarment/suspension status at the Federal website: <https://www.dol.gov/ofccp/regs/compliance/preaward/debarlst.htm> and the State website: <https://ncadmin.nc.gov/government-agencies/procurement/contracts/debarred-vendors>.

- w. Procurement Notification Requirements. With respect to any procurement for goods and services (including construction services) having an aggregate value of \$500,000 or more (in Federal funds), the Grantee agrees to:
 - (1) Specify the amount of Federal and State funds that will be used to finance the acquisition in any announcement of the contract award for such goods or services; and
 - (2) Express the said amount as a percentage of the total costs of the planned acquisition.
- x. Contract Administration System. The Grantee shall maintain a contract administration system that ensures that Grantees/SubGrantees perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- y. Access to Third Party Contract Records. The Grantee agrees, and agrees to require its third party Grantees and third party SubGrantees, at as many tiers of the Project as required, to provide to the Federal and State awarding agencies or their duly authorized representatives, access to all third party contract records to the extent required by 49 U.S.C. § 5325(g), and retain such documents for at least five (5) years after project completion.

Section 15. Leases.

- a. Capital Leases. To the extent applicable, the Grantee agrees to comply with FTA regulations, "Capital Leases," 49 C.F.R. Part 639, and any revision thereto.
- b. Leases Involving Certificates of Participation. The Grantee agrees to obtain the Department's concurrence before entering into any leasing arrangement involving the issuance of certificates of participation in connection with the acquisition of any capital asset.
- c. Lease vs. Purchase. The Grantee agrees to obtain the Department's concurrence and a cost analysis will be presented to evaluate the terms and conditions prior to entering into any lease agreement.

Section 16. Hold Harmless. Except as prohibited or otherwise limited by State law or except to the extent that FTA or the Department determines otherwise in writing, upon request by the Federal or State Government, the Grantee agrees to indemnify, save, and hold harmless the Federal and State Government and its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the Grantee of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under the Project. The Grantee shall not be required to indemnify the Federal or State Government for any such liability caused by the wrongful acts of Federal or State employees or agents.

Section 17. Use of Real Property, Equipment, and Supplies. The Grantee understands and agrees that the Federal/State Government retains a Federal/State interest in any real property, equipment, and supplies financed with Federal/State assistance (Project property) until, and to the extent, that the Federal/State Government relinquishes its Federal/State interest in that Project property. With respect to any Project property financed with Federal/State assistance under this Agreement, the Grantee agrees to comply with the following provisions, except to the extent FTA or the Department determines otherwise in writing:

- a. Use of Project Property. The Grantee agrees to maintain continuing control of the use of Project property to the extent satisfactory to FTA. The Grantee agrees to use Project property for appropriate Project purposes (which may include joint development purposes that generate program income, both during and after the award period and used to support public transportation activities) for the duration of the useful life of that property, as required by FTA or the Department. Should the Grantee unreasonably delay or fail to use Project property during the useful life of that property, the Grantee agrees that it may be required to return the entire amount of the Federal and State assistance expended on that property. The Grantee further agrees to notify the Department immediately when any Project property is withdrawn from Project use or when any Project property is used in a manner substantially different from the representations the Grantee has made in its Application or in the Project Description for this Agreement for the Project. In turn, the Department shall be responsible for notifying FTA.

- b. General. The Grantee agrees to comply with the property management standards of 49 C.F.R. §§ 18.31 through 18.33, including any amendments thereto, and with other applicable Federal and State regulations and directives. Any exception to the requirements of 49 C.F.R. §§ 18.31 through 18.33 requires the express approval of the Federal Government in writing. The Grantee also consents to the Department's reimbursement requirements for premature dispositions of certain Project equipment, as set forth in Subsection 17i of this Agreement.
- c. Maintenance and Inspection of Vehicles, Facilities and Other Project Equipment. The Grantee shall maintain all project equipment at a high level of cleanliness, safety, and mechanical soundness in accordance with the minimum maintenance requirements recommended by the manufacturer. The Grantee shall register all vehicle maintenance activities in a Comprehensive Maintenance Record or an electronic version of same. The Department shall conduct frequent inspections to confirm proper maintenance pursuant to this Subsection 17c of this Agreement and the State Management Plan. The Grantee shall collect and submit to the Department at such time and in such manner as it may require information for the purpose of the Department's Public Transportation Management System (PTMS).
The Grantee shall maintain the facility, including any and all equipment installed into or added on to the facility as part of the Project, in good operating order and at a high level of cleanliness, safety and mechanical soundness in accordance with good facility maintenance and upkeep practices and in accordance with the minimum maintenance requirements recommended by the manufacturer for all equipment installed in or added to the facility as part of the Project. Such maintenance shall be in compliance with applicable Federal and state regulations or directives that may be issued, except to the extent that the Department determines otherwise in writing. The Department shall conduct inspections as it deems necessary to confirm proper maintenance on the part of the Grantee pursuant to this Subsection 17c of the Agreement and the State Management Plan. Such inspections may or may not be scheduled ahead of time, but will be conducted such that they shall not significantly interfere with the ongoing and necessary functions for which the Project was designed. The Grantee shall make every effort to accommodate such inspections by the Department in accordance with the Department's desired schedule for such inspections. The Grantee shall collect and submit to the Department at such time and in such manner as the Department may require information for the purpose of the Department's Public Transportation Management System (PTMS) and any and all other reports the Department deems necessary. The Grantee shall also maintain and make available to the Department upon its demand all documents, policies, procedures, purchase orders, bills of sale, internal work orders and similar items that demonstrate the Grantee's maintenance of the facility in good operating order and at a high level of cleanliness, safety and mechanical soundness.
- d. Records. The Grantee agrees to keep satisfactory records pertaining to the use of Project property, and submit to the Department upon request such information as may be required to assure compliance with this Subsection 17 of this Agreement.
- e. Incidental Use. The Grantee agrees that:
- (1) General. Any incidental use of Project property will not exceed that permitted under applicable Federal and State laws, regulations, and directives.
 - (2) Alternative Fueling Facilities. As authorized by 49 U.S.C. § 5323(p), any incidental use of its federally financed alternative fueling facilities and equipment by non-transit public entities and private entities will be permitted, only if the:
 - (a) Incidental use does not interfere with the Grantee's Project or public transportation operations;
 - (b) Grantee fully recaptures all costs related to the incidental use from the non-transit public entity or private entity;
 - (c) Grantee uses revenues received from the incidental use in excess of costs for planning, capital, and operating expenses that are incurred in providing public transportation; and;
 - (d) Private entities pay all applicable excise taxes on fuel.
- f. Title to Vehicles. The Certificate of Title to all vehicles purchased under the Approved Budget for this Project shall be in the name of the Grantee. The Department's Public Transportation Division

shall be recorded on the Certificate of Title as first lien-holder. In the event of project termination or breach of contract provisions, the Grantee shall, upon written notification by the Department, surrender Project equipment and/or transfer the Certificate(s) of Title for Project equipment to the Department or the Department's designee.

- g. Encumbrance of Project Property. The Grantee agrees to maintain satisfactory continuing control of Project property as follows:
- (1) Written Transactions. The Grantee agrees that it will not execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, third party contract, subagreement, grant anticipation note, alienation, innovative finance arrangement (such as a cross border lease, leveraged lease, or otherwise), or any other obligation pertaining to Project property, that in any way would affect the continuing Federal and State interest in that Project property.
 - (2) Oral Transactions. The Grantee agrees that it will not obligate itself in any manner to any third party with respect to Project property.
 - (3) Other Actions. The Grantee agrees that it will not take any action adversely affecting the Federal and State interest in or impair the Grantee's continuing control of the use of Project property.
- h. Transfer of Project Property. The Grantee understands and agrees as follows:
- (1) Grantee Request. The Grantee may transfer any Project property financed with Federal assistance authorized under 49 U.S.C. chapter 53 to a local governmental authority to be used for any public purpose with no further obligation to the Federal Government, provided the transfer is approved by the Federal Transit Administrator and conforms with the requirements of 49 U.S.C. §§ 5334(h)(1) through 5334(h)(3).
 - (2) Federal/State Government Direction. The Grantee agrees that the Federal or State Government may direct the disposition of, and even require the Grantee to transfer title to any Project property financed with Federal/State assistance under this Agreement.
 - (3) Leasing Project Property to Another Party.
 - (a) General. Prior to entering into any third party contract for leasing Project property to another party, the Grantee agrees to obtain approval from the Department. If the Grantee leases any Project property to another party, the Grantee agrees to retain ownership of the leased Project property, and assure that the lessee will use the Project property appropriately, through a written lease between the Grantee and lessee. The Grantee agrees to use the standard lease agreement form provided by the Department and to provide a copy of the signed, executed lease agreement to the Department. In accordance with Subsection 5e of this Agreement, regardless of assignment of work to be completed under this Project or lease of Project assets to a third party, it is the Grantee's primary responsibility to comply with Federal and State requirements of this Agreement and assure the compliance of any third party Grantees.
 - (b) Lease of Vehicles. The lease of vehicles acquired with financial assistance authorized for 49 U.S.C. chapter 53 to any third party is contingent upon approval of the Department. It is allowable to lease vehicles to another Community Transportation System providing general public service in the State of North Carolina, upon approval of the Department. It is also allowable for vehicles to be leased to a third party operator or transportation management company that operates the transit service within a county/region under contract to the Grantee, upon approval of the Department. The Grantee agrees to use the vehicle lease agreement provided by the Department when vehicles are leased, even if on a short-term basis, to another Community Transportation System or a management company. The Grantee agrees to obtain written approval from the Department before the lease is executed and forward a copy of the signed, executed lease agreement to the Department. The Grantee, as a Community Transportation System, shall not lease vehicles to human service agencies, county agencies/government, community agencies or school systems. The Grantee agrees not to loan vehicle(s) to other agencies/individuals for short-term use, even during hours that the transportation system is not providing service, as the

vehicle(s) will generally be used to provide service that is "closed-door," i.e., not open to the general public.

- i. Disposition of Project Property. With prior Department approval, the Grantee may sell, transfer, or lease Project property and use the proceeds to reduce the gross project cost of other eligible capital public transportation projects to the extent permitted by 49 U.S.C. § 5334(h)(4). The Grantee also agrees that the Department shall determine "useful life" for all Project property and that the Grantee will use Project property continuously and appropriately throughout the useful life of that property. Upon the end of the period of useful life, the Grantee may dispose of Project property after notifying and receiving disposition instructions from the Department.
- (1) Project Property Whose Useful Life Has Expired. When the useful life of Project property has expired, the Grantee agrees to comply with the Department's disposition requirements.
 - (2) Project Property Prematurely Withdrawn from Use. For Project property withdrawn from appropriate use before its useful life has expired, the Grantee agrees as follows:
 - (a) Notification Requirement. The Grantee agrees to notify the Department immediately when any Project property is prematurely withdrawn from appropriate use, whether by planned withdrawal, misuse, or casualty loss.
 - (b) Calculating the Fair Market Value of Prematurely Withdrawn Project Property. The Grantee agrees that the Federal/State Government retains a Federal/State interest in the fair market value of Project property prematurely withdrawn from appropriate use. The amount of the Federal/State interest in the Project property shall be determined by the ratio of the Federal/State assistance awarded for the property to the actual cost of the property. The Grantee agrees that the fair market value of Project property prematurely withdrawn from use will be calculated as follows:
 1. Equipment and Supplies. The Grantee agrees that the fair market value of Project equipment and supplies shall be calculated by straight-line depreciation of that property, based on the useful life of the equipment or supplies as established by the Department. The fair market value of Project equipment and supplies shall be the value immediately before the occurrence prompting the withdrawal of the equipment or supplies from appropriate use. In the case of Project equipment or supplies lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of that equipment or supplies immediately before the fire, casualty, or natural disaster, or the amount of insurance coverage, whichever is greater.
 2. Real Property. The Grantee agrees that the fair market value of real property financed under the Project shall be determined by FTA either on the basis of competent appraisal based on an appropriate date approved by FTA, as provided by 49 C.F.R. Part 24, by straight line depreciation of improvements to real property coupled with the value of the land as determined by FTA on the basis of appraisal, or other Federal law or regulations that may be applicable.
 3. Exceptional Circumstances. The Grantee agrees that the Department may require the use of another method to determine the fair market value of Project property. In unusual circumstances, the Grantee may request that another reasonable valuation method be used including, but not limited to, accelerated depreciation, comparable sales, or established market values. In determining whether to approve such a request, the Department may consider any action taken, omission made, or unfortunate occurrence suffered by the Grantee with respect to the preservation of Project property withdrawn from appropriate use.
 - (c) Financial Obligations to the Federal/State Government. The Grantee agrees to remit to the Department the Federal and State interest in the fair market value of any Project property prematurely withdrawn from appropriate use. In turn, the Department shall be responsible to remit the Federal interest to the FTA. In the case of fire, casualty, or natural disaster, the Grantee may fulfill its obligations to remit the Federal and State interest by either:
 1. Investing an amount equal to the remaining Federal and State interest in like-

- kind property that is eligible for assistance within the scope of the Project that provided Federal/State assistance for the Project property prematurely withdrawn from use; or
2. Returning to the Department an amount equal to the remaining Federal and State interest in the withdrawn Project property.
- j. Insurance Proceeds. If the Grantee receives insurance proceeds as a result of damage or destruction to the Project property, the Grantee agrees to:
- (1) Apply those insurance proceeds to the cost of replacing the damaged or destroyed Project property taken out of service, or
 - (2) Return to the Department an amount equal to the remaining Federal and State interest in the damaged or destroyed Project property.
- k. Transportation - Hazardous Materials. The Grantee agrees to comply with applicable requirements of U.S. Pipeline and Hazardous Materials Safety Administration regulations, "Shippers - General Requirements for Shipments and Packaging," 49 C.F.R. Part 173, in connection with the transportation of any hazardous materials.
- l. Misused or Damaged Project Property. If any damage to Project property results from abuse or misuse occurring with the Grantee's knowledge and consent, the Grantee agrees to restore the Project property to its original condition or refund the value of the Federal and State interest in that property, as the Department may require.
- m. Responsibilities after Project Closeout. The Grantee agrees that Project closeout by the Department will not change the Grantee's Project property management responsibilities as stated in Section 14 of this Agreement, and as may be set forth in subsequent Federal and State laws, regulations, and directives, except to the extent the Department determines otherwise in writing.

Section 18. Insurance. The Grantee shall be responsible for protecting the state and/or federal financial interest in the facility construction/renovation and equipment purchased under this Agreement throughout the useful life. The Grantee shall provide, as frequently and in such manner as the Department may require, written documentation that the facility and equipment are insured against loss in an amount equal to or greater than the state and/or federal share of the real value of the facility or equipment. Failure of the Grantee to provide adequate insurance shall be considered a breach of contract and, after notification may result in termination of this Agreement. In addition, other insurance requirements may apply. The Grantee agrees as follows:

- a. Minimum Requirements. At a minimum, the Grantee agrees to comply with the insurance requirements normally imposed by North Carolina State and local laws, regulations, and ordinances, except to the extent that the Department determines otherwise in writing.
- b. Flood Hazards. To the extent applicable, the Grantee agrees to comply with the flood insurance purchase provisions of Section 102(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), with respect to any Project activity involving construction or an acquisition having an insurable cost of \$10,000 or more.

Section 19. Relocation. When relocation of individuals or businesses is required, the Grantee agrees as follows:

- a. Relocation Protections. The Grantee agrees to comply with 49 U.S.C. § 5324(a), which requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601 et seq.; and U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs," 49 C.F.R. Part 24, which provide for fair and equitable treatment of persons displaced and persons whose property is acquired as a result of Federal and federally assisted programs. [See, new U.S. DOT final rule, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs," 49 C.F.R. Part 24, at 70 Fed. Reg. 590 et seq., January 4, 2005.] These requirements apply to relocation in connection with all interests in real property acquired for the Project regardless of Federal participation in the costs of that real property.
- b. Nondiscrimination in Housing. In carrying out its responsibilities to provide housing that may be required for compliance with Federal relocation requirements for individuals, the Grantee agrees

to comply with Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. §§ 3601 et seq., and with Executive Order No. 12892, "Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing," 42 U.S.C. § 3608 note.

- c. Prohibition Against Use of Lead-Based Paint. In undertaking construction or rehabilitation of residential structures on behalf of individuals affected by real property acquisition in connection with implementing the Project, the Grantee agrees that it will not use lead-based paint, consistent with the prohibitions of Section 401(b) of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. § 4831(b), and the provisions of U.S. Housing and Urban Development regulations, "Lead-based Paint Poisoning in Certain Residential Structures."

Section 20. Real Property. For real property acquired with Federal assistance, the Grantee agrees as follows:

- a. Land Acquisition. The Grantee agrees to comply with 49 U.S.C. § 5324(a), which requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §§ 4601 et seq.; and with U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs," 49 C.F.R. Part 24. [See, new U.S. DOT final rule, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs," 49 C.F.R. Part 24, 70 Fed. Reg. 590 et seq., January 4, 2005.] These requirements apply to all interests in real property acquired for Project purposes regardless of Federal participation in the cost of that real property.
- b. Covenant Assuring Nondiscrimination. The Grantee agrees to include a covenant in the title of the real property acquired for the Project to assure nondiscrimination during the useful life of the Project.
- c. Recording Title to Real Property. To the extent required by FTA and the Department, the Grantee agrees to record the Federal and/or State's interest in title to real property used in connection with the Project and/or execute at the request of the Department any instrument or documents evidencing or related to the State's interest in the Project's property.
 - (1) As a condition of its participation in a Facility Project, the Department will retain a secured interest in the Project for the estimated life of the Project, expected to be forty (40) years, following completion of the Project; or the prorated share of the original investment or current fair market value (the higher value of the two); whichever comes first.
- e. Department Approval of Changes in Real Property Ownership. The Grantee agrees that it will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities used in the Project without prior written permission and instructions from the Department.
- e. Disposal of Real Property.
 - (1) If useful life is not attained, upon the sale or disposition of any Project facility, the Department shall be entitled to a refund of the original state and/or federal investment or the state and/or federal prorated share of the current fair market value of the project facility, whichever is greater.
 - (2) For the purpose of this Agreement, the term "any sale or disposition of the Project facility" shall mean any sale or disposition of the facility for a use not consistent with purposes for which the state and/or federal share was originally granted pursuant to the Project Agreement, or for a use consistent with such purposes wherein the transferee in the sale or disposition does not enter into an assignment and assumption agreement with the Grantee with respect to the Grantee's obligation under this Agreement or the Grant Agreement, so that the transferee becomes obligated as if the transferee had been the original party.

Section 21. Construction – Non-Profit Grantees. Except to the extent the Department determines otherwise in writing, the Grantee agrees as follows:

- a. Drafting, Review, and Approval of Construction Plans and Specifications. The Grantee agrees to submit drawings, designs, and/or description of work for construction, renovation, or facility improvement projects, including the purchase or construction of bus shelters to the Department for its review and approval prior to solicitation.

- b. MBE/WBE/DBE Participation. The Grantee agrees to record and report Minority-owned Business good faith efforts in accordance with N.C.G.S. 143-128.2(f).
- c. Supervision of Construction. The Grantee agrees to provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms to the approved plans and specifications.
- d. Construction Reports. The Grantee agrees to provide progress reports and other data and information as may be required by the Department.
- e. Project Management for Major Capital Projects. To the extent applicable, the Grantee agrees to comply with FTA regulations, "Project Management Oversight," 49 C.F.R. Part 633, and any subsequent Project Management Oversight regulations FTA may issue.
- f. Seismic Safety. The Grantee agrees to comply with the Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. §§ 7701 et seq., with Executive Order No. 12699, "Seismic Safety of Federal and Federally-Assisted or Regulated New Building Construction," 42 U.S.C. § 7704 note, and with U.S. DOT regulations, "Seismic Safety," 49 C.F.R. Part 41, specifically, 49 C.F.R. § 41.117.

Section 22. Employee Protections.

- a. Construction Activities. The Grantee agrees to comply, and assures the compliance of each third party Grantee and each subrecipient at any tier of the Project, with the following laws and regulations providing protections for construction employees:
 - (1) Davis-Bacon Act, as amended, 49 U.S.C. § 5333(a), which requires compliance with the Davis-Bacon Act, 40 U.S.C. §§ 3141 et seq., and implementing U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. Part 5;
 - (2) Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. §§ 3701 et seq., specifically, the wage and hour requirements of Section 102 of that Act at 40 U.S.C. § 3702, and implementing U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. Part 5; and the safety requirements of Section 107 of that Act at 40 U.S.C. § 3704, and implementing U.S. DOL regulations, "Safety and Health Regulations for Construction," 29 C.F.R. Part 1926; and
 - (3) Copeland "Anti-Kickback" Act, as amended, 18 U.S.C. § 874 and 40 U.S.C. Section 3145 and implementing U.S. DOL regulations, "Grantees and SubGrantees on Public Building or Public Work Financed in Whole or in part by Loans or Grants from the United States," 29 C.F.R. Part 3.
- b. Activities Not Involving Construction. The Grantee agrees to comply, and assures the compliance of each third party Grantee and each subrecipient at any tier of the Project, with the employee protection requirements for nonconstruction employees of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. §§ 3701 et seq., in particular the wage and hour requirements of Section 102 of that Act at 40 U.S.C. § 3702, and with U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. Part 5.
- c. Activities Involving Commerce. The Grantee agrees that the provisions of the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq., apply to employees performing Project work involving commerce.
- d. Public Transportation Employee Protective Arrangements 49 U.S.C. chapter 53. The Grantee agrees to comply with the terms and conditions of the Special Warranty for the Program agreed to by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, U.S. DOL implementing procedures, and any revisions thereto.

Section 23. Environmental Protections. The Grantee recognizes that many Federal and State laws imposing environmental and resource conservation requirements may apply to the Project. Some, but

not all, of the major Federal laws that may affect the Project include: the National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. §§ 4321 through 4335; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 through 7671q and scattered sections of Title 29, United States Code; the Clean Water Act, as amended, 33 U.S.C. §§ 1251 through 1377; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 through 6992k; the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9601 through 9675, as well as environmental provisions within Title 23, United States Code, and 49 U.S.C. chapter 53. The Grantee also recognizes that U.S. EPA, FHWA and other Federal agencies have issued, and in the future are expected to issue, Federal regulations and directives that may affect the Project. Thus, the Grantee agrees to comply, and assures the compliance of each third party Grantee, with any applicable Federal laws, regulations and directives as the Federal Government are in effect now or become effective in the future, except to the extent the Federal Government determines otherwise in writing. Listed below are environmental provisions of particular concern to FTA and the Department. The Grantee understands and agrees that those laws, regulations, and directives may not constitute the Grantee's entire obligation to meet all Federal environmental and resource conservation requirements.

- a. National Environmental Policy. Federal assistance is contingent upon the Grantee's facilitating FTA's compliance with all applicable requirements and implementing regulations of the National Environmental Policy Act of 1969, as amended, (NEPA) 42 U.S.C. §§ 4321 through 4335 (as restricted by 42 U.S.C. § 5159, if applicable); Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," 42 U.S.C. § 4321 note; FTA statutory requirements at 49 U.S.C. § 5324(b); U.S. Council on Environmental Quality regulations pertaining to compliance with NEPA, 40 C.F.R. Parts 1500 through 1508; and joint FHWA/FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622, and subsequent Federal environmental protection regulations that may be promulgated.

The Recipient agrees to comply with the applicable provisions of 23 U.S.C. Section 139 pertaining to environmental procedures, and 23 U.S.C. Section 326, pertaining to State responsibility for categorical exclusions, in accordance with the provisions of joint FHWA/FTA final guidance, "SAFETA-LU Environmental Review Process (Public Law 109-59)," 71 Fed. Reg. 66576 et seq., November 15, 2006 and any applicable Federal directives that may be issued at a later date, except to the extent that FTA determines otherwise in writing.

- b. Air Quality. Except to the extent the Federal Government determines otherwise in writing, the Grantee agrees to comply with all applicable Federal laws, regulations, and directives implementing the Clean Air Act, as amended, 42 U.S.C. §§ 7401 through 7671q, and:
 - (1) The Grantee agrees to comply with the applicable requirements of Section 176(c) of the Clean Air Act, 42 U.S.C. § 7506(c), consistent with the joint FHWA/FTA document, "Interim Guidance for Implementing Key SAFETEA-LU Provisions on Planning, Environment, and Air Quality for Joint FHWA/FTA Authorities," dated September 2, 2005, and any subsequent applicable Federal directives that may be issued; with U.S. EPA regulations, "Conformity to State or Federal Implementation Plans of Transportation Plans, Programs, and Projects Developed, Funded or Approved Under Title 23 U.S.C. or the Federal Transit Act," 40 C.F.R. Part 51, Subpart T; and "Determining Conformity of Federal Actions to State or Federal Implementation Plans," 40 C.F.R. Part 93, and any subsequent Federal conformity regulations that may be promulgated. To support the requisite air quality conformity finding for the Project, the Grantee agrees to implement each air quality mitigation or control measure incorporated in the Project. The Grantee further agrees that any Project identified in an applicable State Implementation Plan (SIP) as a Transportation Control Measure will be wholly consistent with the design concept and scope of the Project described in the SIP.
 - (2) U.S. EPA also imposes requirements implementing the Clean Air Act, as amended, which may apply to public transportation operators, particularly operators of large public transportation bus fleets. Accordingly, the Grantee agrees to comply with the following U.S. EPA regulations to the extent they apply to the Project: "Control of Air Pollution from Mobile Sources," 40 C.F.R. Part 85; "Control of Air Pollution from New and In-Use Motor Vehicles

and New and In-Use Motor Vehicle Engines," 40 C.F.R. Part 86; and "Fuel Economy of Motor Vehicles," 40 C.F.R. Part 600.

- (3) The Grantee agrees to comply with notice of violating facility provisions of Executive Order No. 11738, "Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans," 42 U.S.C. § 7606 note.
- c. Clean Water. Except to the extent the Federal Government determines otherwise in writing, the Grantee agrees to comply with all applicable Federal regulations and directives issued pursuant to the Clean Water Act, as amended, 33 U.S.C. §§ 1251 through 1377. In addition:
 - (1) The Grantee agrees to protect underground sources of drinking water consistent with the provisions of the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §§ 300f through 300j-6.
 - (2) The Grantee agrees to comply with notice of violating facility provisions of Executive Order No. 11738, "Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans," 42 U.S.C. § 7606 note.
 - d. Use of Public Lands. The Grantee agrees that in implementing its Project, it will not use any publicly owned land from a park, recreation area, or wildlife or waterfowl refuge of national, State, or local significance as determined by the Federal, State, or local officials having jurisdiction thereof, and it will not use any land from a historic site of national, state, or local significance, unless the Federal Government makes the findings required by 49 U.S.C. §§ 303(b) and 303(c). The Grantee also agrees to comply with joint FHWA/FTA regulations, "Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites," 23 C.F.R. Parts 771 and 774, and 49 C.F.R. Part 622, when promulgated.
 - e. Wild and Scenic Rivers. The Grantee agrees to comply with applicable provisions of the Wild and Scenic Rivers Act of 1968, as amended, 16 U.S.C. §§ 1271 through 1287, relating to protecting components of the national wild and scenic rivers system; and to the extent applicable, to comply with U.S. Forest Service regulations, "Wild and Scenic Rivers," 36 C.F.R. Part 297, and with U.S. Bureau of Land Management regulations, "Management Areas," 43 C.F.R. Part 8350.
 - f. Coastal Zone Management. The Grantee agrees to assure Project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. §§ 1451 through 1465.
 - g. Wetlands. The Grantee agrees to facilitate compliance with the protections for wetlands in accordance with Executive Order No. 11990, as amended, "Protection of Wetlands," at 42 U.S.C. § 4321 note.
 - h. Floodplains. The Grantee agrees to comply with the flood hazards protections in floodplains in accordance with Executive Order No. 11988, as amended, "Floodplain Management," 42 U.S.C. § 4321 note.
 - i. Endangered Species and Fisheries Conservation. The Grantee agrees to comply with protections for endangered species set forth in the Endangered Species Act of 1973, as amended, 16 U.S.C. §§ 1531 through 1544, and the Magnuson Stevens Fisheries Conservation Act, as amended, 16 U.S.C. §§ 1801 et seq.
 - j. Historic Preservation. The Grantee agrees to encourage compliance with the Federal historic and archaeological preservation requirements of Section 106 of the National Historic Preservation Act, as amended, 16 U.S.C. § 470f; with Executive Order No. 11593, "Protection and Enhancement of the Cultural Environment," 16 U.S.C. § 470 note; and with the Archaeological and Historic Preservation Act of 1974, as amended, 16 U.S.C. §§ 469a through 469c, as follows:
 - (1) In accordance with U.S. Advisory Council on Historic Preservation regulations, "Protection of Historic and Cultural Properties," 36 C.F.R. Part 800, the Grantee agrees to consult with the State Historic Preservation Officer concerning investigations to identify properties and resources included in or eligible for inclusion in the National Register of Historic Places that may be affected by the Project, and agrees to notify FTA of those properties that are affected.
 - (2) The Grantee agrees to comply with all applicable Federal regulations and directives to avoid or mitigate adverse effects on those historic properties, except to the extent the Federal Government determines otherwise in writing.

- k. Indian Sacred Sites. The Grantee agrees to facilitate compliance with the preservation of places and objects of religious importance to American Indians, Eskimos, Aleuts, and Native Hawaiians, in compliance with the American Indian Religious Freedom Act, 42 U.S.C. § 1996, and with Executive Order No. 13007, "Indian Sacred Sites," 42 U.S.C. § 1996 note, except to the extent the Federal Government determines otherwise in writing.
- l. Mitigation of Adverse Environmental Effects. Should the proposed Project cause or result in adverse environmental effects, the Grantee agrees to take all reasonable measures to minimize the impact of those adverse effects, as required by 49 U.S.C. § 5324(b), and other applicable Federal laws and regulations, including 23 C.F.R. Part 771 and 49 C.F.R. Part 622. The Grantee agrees to comply with all environmental mitigation measures that may be identified as commitments in applicable environmental documents, (i.e., environmental assessments, environmental impact statements, memoranda of agreement, and other documents as required by 49 U.S.C. § 303) and agrees to comply with any conditions the Federal Government might impose in a finding of no significant impact or record of decision. The Grantee agrees that those environmental mitigation measures are incorporated by reference and made part of this Agreement for the Project. The Grantee also agrees that any deferred mitigation measures will be incorporated by reference and made part of this Agreement for the Project as soon as agreement with the Federal Government is reached. The Grantee agrees that those mitigation measures agreed upon may not be modified or withdrawn without the express written approval of the Federal Government.

Section 24. Energy Conservation. The Grantee agrees to comply with the North Carolina Energy Policy Act of 1975 (N.C.G.S. 113B) issued in accordance with the Energy Policy and Conservation Act, as amended, 42 U.S.C. §§ 6321 et seq., except to the extent that the Department determines otherwise in writing. To the extent applicable, the Grantee agrees to perform an energy assessment for any building constructed, reconstructed, or modified with FTA assistance, as provided in FTA regulations, "Requirements for Energy Assessments," 49 C.F.R. Part 622, Subpart C.

Section 25. Charter Service Operations.

The Grantee acknowledges that Federal and State requirements prohibit the use of vehicles, facilities and equipment funded by Federal or State grant programs for the provision of charter services unless it is determined that there are no willing and able charter operators in the service area. Federal law does not provide exceptions to these regulations for vehicles that are loaned or leased to other agencies or entities.

The Grantee agrees that neither it nor any public transportation operator performing work in connection with a Project financed under 49 U.S.C. chapter 53 will engage in charter service operations, except as authorized by 49 U.S.C. § 5323(d) and FTA regulations, "Charter Service," 49 C.F.R. Part 604, and any subsequent Charter Service regulations or FTA directives that may be issued, except to the extent that FTA determines otherwise in writing. Any charter service agreement required by FTA regulations is incorporated by reference and made part of this Agreement for the Project. The Grantee understands and agrees that in addition to any remedy specified in the charter service agreement, if a pattern of violations of that agreement is found, the violator will be barred from receiving Federal transit assistance in an amount to be determined by FTA or U.S. DOT.

Section 26. School Transportation Operations. The Grantee agrees that neither it nor any public transportation operator performing work in connection with a Project financed under 49 U.S.C. chapter 53 will engage in school transportation operations for the transportation of students or school personnel exclusively in competition with private school transportation operators, except as authorized by 49 U.S.C. §§ 5323(f) or (g), as applicable, and FTA regulations, "School Bus Operations," 49 C.F.R. Part 605, and any subsequent School Transportation Operations regulations or FTA directives that may be issued. Any school transportation operations agreement required by FTA regulations is incorporated by reference and made part of this Agreement for the Project. The Grantee understands and agrees that if it or an operator violates that school transportation operations agreement the violator will be barred from receiving Federal transit assistance in an amount to be determined by FTA or U.S. DOT.

Section 27. Geographic Information and Related Spatial Data. In accordance with U.S. OMB Circular A-16, "Coordination of Geographic Information and Related Spatial Data Activities," August 19,2002, the Grantee agrees to implement its Project so that any activities involving spatial data and geographic information systems activities financed directly or indirectly, in whole or in part, by Federal assistance, consistent with the National Spatial Data infrastructure promulgated by the Federal Geographic Data Committee, except to the extent that FTA determines otherwise in writing.

Section 28. Motor Carrier Safety. To the extent applicable, the Grantee agrees to comply with, and assures the compliance of its subrecipients, lessees, and third party Grantees with, applicable provisions of the following regulations promulgated by the U.S. Federal Motor Carrier Safety Administration (U.S. FMCSA):

- a. **Financial Responsibility.** The Grantee agrees as follows:
 - (1) To the extent that the Grantee is engaged in interstate commerce and not within a defined commercial zone, the Grantee agrees to comply with U.S. FMCSA regulations, "Minimum Levels of Financial Responsibility for Motor Carriers," 49 U.S.C. Part 387, dealing with economic registration and insurance requirements. For recipients of Federal assistance under 49 U.S.C. §§ 5307, 5310, or 5311, 49 C.F.R. Part 387 is modified by 49 U.S.C. § 31138(e)(4) which reduces the amount of insurance required of such recipients to the highest amount of any state in which the transit provider operates.
 - (2) To the extent that the Grantee is engaged in interstate commerce and not within a defined commercial zone and is not a unit of government (defined as Federal Government, a state, any political subdivision of a state or any agency established under a compact between states), the Grantee agrees to comply with U.S. FMCSA regulations, Subpart B, "Federal Motor Carrier Safety Regulations," at 49 C.F.R. Parts 390 through 396.
- b. **Driver Qualifications.** The Grantee agrees to comply with U.S. FMCSA's regulations, "Commercial Driver's License Standards, Requirements, and Penalties," 49 C.F.R. Part 383.
- c. **Substance Abuse Rules for Motor Carriers.** The Grantee agrees to comply with U.S. FMCSA's regulations, "Drug and Alcohol Use and Testing Requirements," 49 C.F.R. Part 382, which apply to transit providers that operate a commercial motor vehicle that has a gross weight rating over 26,000 pounds or is designed to transport sixteen (16) or more passengers, including the driver.

Section 29. Substance Abuse. To the extent applicable, the Grantee agrees to comply with the following Federal substance abuse regulations:

- a. **Drug-Free Workplace.** U.S. OMB Guidance, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)." 2 C.F. R. Part 182, U.S. DOT regulations, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance), 49 C.F.R. Part 32, that implement the Drug-Free Workplace Act of 1988, 41 U.S.C. §§ 701 et seq.
- b. **Alcohol Misuse and Prohibited Drug Use.** FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 C.F.R. Part 655, that implement 49 U.S.C. § 5331.

Section 30. Seat Belt Use. In accordance with Executive Order No. 13043, "Increasing Seat Belt Use in the United States," April 16, 1997, 23 U. S. C. § 402 note, the Grantee is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned, rented, or personally operated vehicles, and to include this provision in any third party contracts, third party subcontracts, or subagreements involving the Project.

Section 31. Text Messaging While Driving. In accordance with Executive Order No. 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009, 23 U.S.C.A. § 402 note, and DOT Order 3902.10, "Text Messaging While Driving," December 30, 2009, the Grantee is encouraged to comply with the term of the following Special Provision.

- a. **Definitions.** As used in this Special Provision:
 - (1) "Driving" means operating a motor vehicle on a roadway, including while temporarily

stationary because of traffic, a traffic light, stop sign, or otherwise. "Driving does not include being in your vehicle (with or without the motor running) in a location off the roadway where it is safe and legal to remain stationary.

- (2) "Text Messaging" means reading from or entering data into any handheld or other electric device, including the purpose of short message service texting, e-mailing, instant messaging, obtaining navigating information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include the use of a cell phone or other electronic device for the limited purpose of entering a telephone number to make an outgoing call or answer an incoming call, unless the practice is prohibited by State or local law.

b. Safety. The Grantee is encouraged to:

- (1) Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving:
 - (a) Grantee-owned or Grantee-rented vehicles or Government-owned, leased or rented vehicles;
 - (b) Privately-owned vehicles when on official Project related business or when performing any work for or on behalf of the Project; or
 - (c) Any vehicle, on or off duty, and using an employer supplied electronic device.
- (2) Conduct workplace safety initiatives in a manner commensurate with the Grantee's size, such as:
 - (a) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - (b) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- (3) Include this Special Provision in its subagreements with its subrecipients and third party contracts and also encourage its subrecipients, lessees, and third party Grantees to comply with the terms of this Special Provision, and include this Special Condition in each subagreement, lease, and third party contract at each tier financed with Federal assistance provided by the Federal Government.

Section 32. Protection of Sensitive Security Information. To the extent applicable, the Grantee agrees to comply with 49 U.S.C. § 40119(b) and implementing U.S. DOT regulations, "Protection of Sensitive Security Information," 49 C.F.R. Part 15, and with 49 U.S.C. § 114(s) and implementing U.S. Department of Homeland Security, Transportation Security Administration regulations, "Protection of Sensitive Security Information," 49 C.F.R. Part 1520.

Section 33. Disputes, Breaches, Defaults, or Other Litigation. The Grantee agrees that FTA and the Department have a vested interest in the settlement of any dispute, breach, default, or litigation involving the Project. Accordingly:

- a. Notification to the Department. The Grantee agrees to notify the Department in writing of any current or prospective major dispute, breach, default, or litigation that may affect the Federal/State Government's interests in the Project or the Federal/State Government's administration or enforcement of Federal/State laws or regulations. If the Grantee seeks to name the Federal/State Government as a party to litigation for any reason, in any forum, the Grantee agrees to inform the Department in writing before doing so. In turn, the Department shall be responsible for notifying FTA.
- b. Federal/State Interest in Recovery. The Federal/State Government retains the right to a proportionate share, based on the percentage of the Federal/State share awarded for the Project, of proceeds derived from any third party recovery, except that the Grantee may return any liquidated damages recovered to its Project Account in lieu of returning the Federal/State share to the Department.
- c. Enforcement. The Grantee agrees to pursue all legal rights provided within any third party contract.
- d. FTA and Department Concurrence. The FTA and the Department reserve the right to concur in any compromise or settlement of any claim involving the Project and the Grantee.
- e. Alternative Dispute Resolution. The Department encourages the Grantee to use alternative dispute resolution procedures, as may be appropriate.

Section 34. Amendments/Revisions to the Project. The Grantee agrees that a change in Project circumstances causing an inconsistency with the terms of this Agreement for the Project will require an amendment or revision to this Agreement for the Project signed by the original signatories or their authorized designees or successors. The Grantee agrees that a change in the fundamental information submitted in its Application will also require an Amendment to its Application or this Agreement for the Project. The Grantee agrees that the project will not incur any costs associated with the amendment or revision before receiving notification of approval from the division. The Grantee agrees that any requests for amendments and or revisions will be submitted in accordance with the policies and procedures established by FTA and the Department.

Section 35. Information Obtained Through Internet Links. This Agreement may include electronic links/Web site addresses to Federal/State laws, regulations, and directives as well as other information. The Department does not guarantee the accuracy of information accessed through such links. Accordingly, the Grantee agrees that information obtained through any electronic link within this Agreement does not represent an official version of a Federal/State law, regulation, or directive, and might be inaccurate. Thus, information obtained through such links is neither incorporated by reference nor made part of this Agreement. The Federal Register and the Code of Federal Regulations are the official sources for regulatory information pertaining to the Federal Government.

Section 36. Severability. If any provision of the FTA Master Agreement or this Agreement for the Project is determined invalid, the remainder of that Agreement shall not be affected if that remainder would continue to conform to the requirements of applicable Federal/State laws or regulations.

Section 37. Termination of Agreement.

- a. The Department of Transportation. In the event of the Grantee's noncompliance with any of the provisions of this Agreement, the Department may suspend or terminate the Agreement by giving the Grantee thirty (30) days advance notice. Any failure to make reasonable progress on the Project or violation of this Agreement for the Project that endangers substantial performance of the Project shall provide sufficient grounds for the Department to terminate the Agreement for the Project. In general, termination of Federal and State assistance for the Project will not invalidate obligations properly incurred by the Grantee before the termination date to the extent those obligations cannot be canceled. If, however, the Department determines that the Grantee has willfully misused Federal/State assistance by failing to make adequate progress, failing to make reasonable and appropriate use of Project property, or failing to comply with the terms of this Agreement for the Project, the Department reserves the right to require the Grantee to refund the entire amount of Federal and State assistance provided for the Project or any lesser amount as the Department may determine. Expiration of any Project time period established for the Project does not, by itself, constitute an expiration or termination of the Agreement for the Project. The Department, before issuing notice of Agreement termination, shall allow the Grantee a reasonable opportunity to correct for noncompliance. Upon noncompliance with the nondiscrimination section (Section 8) of this Agreement or with any of the said rules, regulations or orders, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Grantee may be declared ineligible for contracts in accordance with procedures authorized in Executive Orders No. 11246 and No. 11375, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law. In addition to the Department's rights of termination described above, the Department may terminate its participation in the Project by notifying and receiving the concurrence of the Grantee within sixty (60) days in advance of such termination.
- b. The Grantee. The Grantee may terminate its participation in the Project by notifying and receiving the concurrence of the Department sixty (60) days in advance of the termination.

Section 38. Contract Administrators. All notices permitted or required to be given by one Party to the other and all questions about this Agreement from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, postal address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, postal address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

For the Department:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Name: MS MYRA FREEMAN Title: FINANCIAL MANAGER Agency: NCDOT/PTD MSC: 1550 MSC City/Zip: RALEIGH NC 27699-1550 Phone: 919-707-4672 Fax: 919-733-2304 Email: MSFREEMAN1@NCDOT.GOV	Name: MS MYRA FREEMAN Title: FINANCIAL MANAGER Agency: NCDOT/PTD Street: TRANSPORTATION BLDG Address: 1 S WILMINGTON ST RM 524 City: RALEIGH NC 27601

For the Grantee:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Name: Myra Thompson Title: Admin. Division Director Agency: Guilford Co. Dept of Health and Postal Human Services (DSS Division) Address: 1203 Maple Street City/Zip: Greensboro NC 27405 Phone: 336-641-3094 Fax: 336-641-6868 Email: MTHOMPS@myquilford.com	Name: Title: Agency: Street: Address: City:

Section 39. Federal Certification Regarding Lobbying. The Grantee certifies, by signing this Agreement, its compliance with Subsection 6d of this Agreement.

Section 40. Federal Certification Regarding Debarment. The Grantee certifies, by signing this Agreement, its compliance with Subsection 6b of this Agreement.

Section 41. Federal Certification Regarding Alcohol Misuse and Prohibited Drug Use. As required by FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," at 49 C.F.R. part 655, subpart I, the Grantee certifies, by signing this Agreement, that it has established and implemented an alcohol misuse and anti-drug program, and has complied with or will comply with all applicable requirements of FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 C.F.R. part 655, and Section 28 of this Agreement.

Section 42. Ethics Acknowledgement Policy on Gifts.

N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. The Grantee certifies, by signing this Agreement, its compliance with Subsection 6a of this Agreement.

NORTH CAROLINA DEPARTMENT OF PUBLIC TRANSPORTION offers only one combined Capital Application for 5310, 5311, and 5339 requests. In order to maximize the use of federal capital funds, we have funded your application using 5339. By signing this agreement, you acknowledge and understand this funding source change and agree with the terms of this agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the Department, an agency of the State of North Carolina, and the Grantee by and through a duly authorized representative, and is effective the date and year first above written.

GUILFORD COUNTY

GRANTEE'S FEDERAL TAX ID NUMBER: 56-600030

GRANTEE'S FISCAL YEAR END: JUNE 30, 2018

BY: _____

TITLE: COUNTY MANAGER

(SEAL)

ATTEST: _____

TITLE: _____

DEPARTMENT OF TRANSPORTATION

BY: _____

TITLE: DEPUTY SECRETARY FOR TRANSIT

ATTEST: _____

TITLE: SECRETARY

Attachment

Certification Regarding Lobbying
(for bids and/or awards)

The Grantee 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 Grantee 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.

Grantee's Authorized Representative:

Title: Division Director-Business Administration

APPENDIX A

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
 PUBLIC TRANSPORTATION DIVISION
 PROJECT NUMBER: 18-39-049U
 APPROVED BUDGET SUMMARY
 EFFECTIVE DATE JULY 1, 2017

PROJECT SPONSOR: GUILFORD COUNTY
 PROJECT DESCRIPTION: FY18 5339 SMALL URBAN CAPITAL

I. TOTAL PROJECT EXPENDITURES
 DEPARTMENT - 4523 - CAPITAL 44637.13.2.3 \$540,000
 PERIOD OF PERFORMANCE JULY 1, 2017 THRU JUNE 30, 2018

II. TOTAL PROJECT FUNDING					
BUS-ROLLING STOCK		<u>TOTAL</u>	<u>FEDERAL</u>	<u>STATE</u>	<u>LOCAL</u>
CAPITAL -	44637.13.2.3	100%	80.00%	10.00%	10%
AGREEMENT #		\$540,000	\$432,000	\$54,000	\$54,000
TOTAL		\$540,000	\$432,000	\$54,000	\$54,000

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION DIVISION
APPROVED PROJECT BUDGET

PROJECT: 18-39-049U
SPONSOR: GUILFORD COUNTY
WBS: 44637.13.2.3

<u>DEPARTMENT 4523 -CAPITAL BUS-ROLLING STOCK</u>		
<u>OBJECT</u>	<u>TITLE</u>	<u>APPROVED BUDGET</u>
G546	20Ft LT W/L F-Rpl	540,000
TOTAL CAPITAL		<u>\$ 540,000</u>

**PUBLIC TRANSPORTATION CONSOLIDATED CAPITAL CALL FOR
PROJECTS PROGRAM RESOLUTION**

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Status and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for public transportation projects; and

WHEREAS, NCDOT has been designated as the State agency with principle authority and responsibility for administering capital projects for small urbanized and rural areas; and

WHEREAS, Guilford County hereby assures and certifies that it will comply with the federal and state statutes, regulations, executive orders, and all small administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U.S.C.

WHEREAS, Guilford County understands and agrees that capital project requests will be funded with 5310, 5311 (RTAP or ADTAP), 5339, state funds or a combination thereof. The applicant agrees they will adhere to the compliance of the grant used to fund the project.

NOW, THEREFORE, be it resolved that the Chairman of the Guilford County Board of County Commissioners is hereby authorized to submit a grant for federal and state funding, provide the required local match, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide public transportation services.

I, Robin Keller, Clerk to the Board do hereby certify that the above is true and correct copy of an excerpt from the minutes of a meeting of the Guilford County Board of County Commissioners duly held on the 17th day of November, 2016.

Robin Keller, Clerk to Board
Jeffrey M. Phillips 11/18/16

Signature of Certifying Official Date

*Note that the authorized official, certifying official, and notary public should be three separate individuals.

Seal Subscribed and sworn to me (date) 11/18/16

Notary Public Signature Katredia W. Martin

Printed Name and Address Katredia W. Martin Greensboro, NC 27401

My commission expires (date) 12-18-16

