

A G E N D A

REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD DECEMBER 4, 2012, AT 6:00 P.M., AT CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER--THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS PROPERLY NOTICED FOR LEGAL ACTION.
- V. CALL TO THE PUBLIC-- This portion of the agenda is set aside for the public to address the Council regarding an item that is not listed on the agenda for discussion. However, the Council cannot engage in discussion regarding any item that is not officially listed on the agenda for discussion and/or action (A.R.S. §38-431.02.H.) Comments are limited to a 5 minute time period.
- VI. PRESENTATION OF A CHECK TO THE NORTHERN ARIZONA VETERANS ADMINISTRATION OF FUNDS RAISED AS PART OF THE COTTONWOOD FALL VETERANS DAY CLASSIC DISC GOLF TOURNAMENT.
- VII. PRESENTATION OF THE NATIONAL LEAGUE OF CITIES MEDALS RECOGNIZING THE CITY'S ACHIEVEMENTS IN ADDRESSING CHILDHOOD OBESITY THROUGH *LET'S MOVE!* CITIES, TOWNS, AND COUNTIES.

Comments regarding items listed on the agenda are limited to a 5 minute time period per speaker.

- VIII. CONSENT AGENDA
 1. SUBMITTAL OF A LIBRARY SERVICES AND TECHNOLOGY GRANT APPLICATION FOR A SMALL COMPUTER LAB WITH SOFTWARE FOR THE COTTONWOOD PUBLIC LIBRARY.
- IX. NEW BUSINESS--The following items are for Council discussion, consideration, and possible legal action.
 1. ORDINANCE NUMBER 591--AMENDING TITLE 5, BUSINESS TAXES, LICENSES AND REGULATIONS, OF THE MUNICIPAL CODE BY DELETING CHAPTER 5.04, BUSINESS LICENSES, AND ADDING A NEW CHAPTER 5.04, BUSINESS REGISTRATION; REGULATIONS; FIRST READING.
 2. AWARD OF A CONTRACT FOR THE CITY'S LEASE PURCHASE FINANCING FOR FISCAL YEAR 2013 FOR THE ACQUISITION OF NECESSARY EQUIPMENT.

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3. AWARD OF BID FOR THE PARTIAL DEMOLITION AND REMODEL OF THE CITY COUNCIL CHAMBERS BUILDING PROJECT.
 4. APPROVAL OF A GROUND LEASE WITH JEROME VERDE DEVELOPMENT COMPANY FOR THE SUNSHINE HILL PUBLIC SAFETY COMMUNICATIONS REPEATER SITE.
 5. SUBMITTING A SECTION 5311 APPLICATION AND CONTRACT TO THE ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) FOR FEDERAL GRANT FUNDING FOR THE COTTONWOOD AREA TRANSIT (CAT) AND VERDE LYNX SYSTEMS.
 6. RESOLUTION NUMBER 2674—SUPPORTING THE WIDENING OF STATE ROUTE 260 BETWEEN COTTONWOOD AND CAMP VERDE.
 7. CONSIDERATION OF CLOSING CITY OFFICES MONDAY, DECEMBER 24, 2012 AS PART OF A CITY HOLIDAY.
- X. CLAIMS & ADJUSTMENTS
- XI. ADJOURNMENT

Pursuant to A.R.S. § 38-431.03.(A) the Council may vote to go into executive session on any agenda item pursuant to A.R.S. § 38-431.03.(A)(3) Discussion or consultation for legal advice with the attorney or attorneys of the public body.

Americans with Disabilities Act Notice: The Cottonwood Council Chambers is wheelchair accessible. Those with needs for special typeface print, hearing devices or other special accommodations may request these through the Cottonwood City Clerk at 928-340-2727 (TDD 928-634-5526). Requests should be made as early as possible to allow the City sufficient time to arrange for the necessary accommodations.

Members of the City Council will attend either in person or by telephone conference call.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9 , subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.



HEALTHY COMMUNITIES

for a HEALTHY FUTURE

*In recognition of having an active interagency
collaboration on early care and education programs,*

Diane Joens

Mayor, Cottonwood, AZ

is to be recognized for achieving a

**BRONZE MEDAL IN
GOAL I**

in *Let's Move!* Cities, Towns and Counties





President, National League of Cities

Nov. 29, 2012

Date



HEALTHY COMMUNITIES

for a **HEALTHY FUTURE**

In recognition of mapping all playspaces,

Diane Joens

Mayor, Cottonwood, AZ

is to be recognized for achieving a

**BRONZE MEDAL IN
GOAL V**

in Let's Move! Cities, Towns and Counties





President, National League of Cities

Nov. 29, 2012

Date



HEALTHY COMMUNITIES

for a HEALTHY FUTURE

In recognition of mapping all playspaces, completing a needs assessment of playspaces, and developing an action plan,

Diane Joens

Mayor, Cottonwood, AZ

is to be recognized for achieving a

**SILVER MEDAL IN
GOAL V**

in *Let's Move!* Cities, Towns and Counties





President, National League of Cities

Nov. 29, 2012

Date



HEALTHY COMMUNITIES

for a **HEALTHY FUTURE**

In recognition of mapping all playspaces, completing a needs assessment of playspaces, developing an action plan, and launching at least three proven policies, programs, or initiatives from the action plan to continue to increase access to physical activity,

Diane Joens

Mayor, Cottonwood, AZ

is to be recognized for achieving a

**GOLD MEDAL IN
GOAL V**

in *Let's Move!* Cities, Towns and Counties





President, National League of Cities

Nov. 29, 2012

Date

City of Cottonwood, Arizona City Council Agenda Communication



 Print

Meeting Date:	December 4, 2012
Subject:	Application for 2013 LSAT (Library Services and Technology Act) grant.
Department:	Community Services
From:	Vanessa Ward, Library Manager

REQUESTED ACTION

Staff requests Council authorization of the 2013 "Library Services and Technology Act" application. This Grant document will ultimately provide funding for additional Library operations associated with computer equipment, computer lab, and software systems for providing new technology programs for public use.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:

"I move to approve and authorize Library staff to apply for a Library Services and Technology Act grant to fund equipment for a small computer lab with software for adults and children and to form partnerships with citizens of the community."

BACKGROUND

The Institute of Museum and Library Services (IMLS) supports libraries in Arizona through the Library Services and Technology Act (LSTA) program, administered by the Arizona State Library Association. This grant will be 100% funded with no matching funds requested from the city. The grant application will be for laptops, desks and computer software with the potential of acquiring a stipend for personnel to teach future classes, and advertising. Classes will be held for basic computer, eBooks, job help, informational /workshop sessions and educational learning software for K-12 students. Funds will be issued after May 21, 2013. The amount of the grant application will be \$20,000 to cover all costs. This grant is offered thru the Excelling Grantwriters Group (EGG) class which was applied for and attended by the Library Director.

JUSTIFICATION/BENEFITS/ISSUES

This LSAT Grant will provide citizens of all ages with opportunities to enhance their education, job skills and technical resources. Partnerships can/will be formed with groups within the community to further enhance intellectual growth.

COST/FUNDING SOURCE

N/A

ATTACHMENTS:

Name:	Description:	Type:
 Library Grant Narrative.pdf	LSTA Grant Application Narrative	Cover Memo

Application Narrative

Prepare a narrative of up to five pages to download into your online application.

1. Project Summary

Briefly describe the project, by completing the following: The goal of this project is ____; Funds will be used to ____; Community members will benefit because _____. Limit your response to 100 words and not a word more!

2. Project Description:

- a. What will you do, and how will you do it? Give specific information about the types of activities, number of programs, or resources you'll make available.
- b. What role will each of the institutional partners play? Include a letter of support from each institutional partner.
- c. How will the general public participate or use this product? Who will participate, and how many will directly participate in the first year? How will you publicize this activity or product?

3. Justification:

- a. What community need or opportunity does your project address? How do you know this is a need? Why is this project the best approach?
- b. What audiences are you targeting with this project and why?
- c. How does this project relate to your library's mission or other plans (such as a technology plan)? What steps has your library taken to prepare for this project? If successful, will you continue this project once the grant period has ended? If so, how will you sustain it?

4. Outcomes /Activities/Evaluation:

Your project may have one or more outcomes. For each outcome, provide the following information. If you prefer, you may present this as a chart or matrix. For more information, see the section "Outcomes, Activities and Evaluation" on page 3.

- a. What specific change do you intend to achieve with this project? Select a project from those listed in the grant guidelines, and use the corresponding outcome as a model to develop your outcome. Briefly explain why you have selected this outcome, tying it to the justification provided.
- b. List at least one product or activity that will help you meet the outcome. Use the guidelines as a model. All products and activities that are a part of your project should be linked to an outcome.
- c. Describe what tool(s) or method(s) you will use to evaluate each product or activity listed. Incorporate the evaluation models from the guidelines into your complete evaluation plan.

5. Project Personnel:

- a. Provide a list of the names of project personnel, the organization they represent and their title, and a description of their duties for this project.
- b. Identify the project director, and explain why he or she is appropriate for this project.
- c. If special skills/expertise are necessary for a participant, briefly list his or her qualifications. Provide a brief resume for any consultant for whom you are requesting LSTA funds.

6. Timeline/Schedule of Activities:

- a. What are the major steps you'll take to reach the outcomes you've listed? Provide a timeline that includes planning, implementation and evaluation. Remember, funds are not available before June 16, 2011, and must be spent by August 3, 2012.
- b. Provide specifics about each public program activity, including the date and location.

7. Budget:

- a. Complete the budget form for the project described in this application.
- b. As a part of the narrative, provide a detailed explanation and justification of the proposed LSTA expenditures. Quotes, estimates, mileage, and other methods of calculating budget items should be detailed. In-kind services or funds are not required, but are encouraged. See the "Allowable and Unallowable Costs" section in the "Grant Administration Requirements" section of this manual (page 13).

**City of Cottonwood, Arizona
City Council Agenda Communication**



 Print

Meeting Date:	December 4, 2012
Subject:	Ordinance Number 591--Adjustment to the Business Registration Fees and Requirements
Department:	Administrative Services
From:	Jesus R. Rodriguez, C.G.F.M., Administrative Services General Manager

REQUESTED ACTION

First reading of Ordinance Number 591, relating to the new Business Registration Fee schedule and updated requirements.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:

N/A--first reading.

BACKGROUND

The topic of Business Registration Fees has been on the rear burner for a number of years now. The main issue is that the current fee structure does not begin to cover the processing costs to generate the Business Registration certificate. Currently we are charging \$20 across the board with a 50% discount for religious and nonprofit organizations. To top it off we prorate to the nearest quarter of the year. Lastly the penalty for delinquencies is 25%.

Consider that a new business registration goes through Administrative Services for initial processing, then to Planning & Zoning to check the zoning requirements, then back to Administrative Services for printing, it is easy to see that the current \$20 fee is inadequate and is in need of a revision.

Attached is a Business Registration Fee comparison chart for your review. We would ask the City Council to consider increasing the Business Registration Fees as depicted on the Notice of Business Registration Fee Increase.

Other items we would ask the City Council to consider is that of prorating based on half-year rather than quarter year. We would ask to maintain the 25% penalty and provide for a 50% discount for all religious & nonprofit registrants. There is also the matter of some businesses owing money to the City, in which case they may not be issued a Business Registration

certificate unless they settle their debt or make arrangements for payment of the debt. Those businesses that do not register and operate without a registration any length of time during the year will not be prorated and must pay the full registration as well as the 25% penalty. Lastly we would ask to change the duty of issuance from the City Clerk to the Administrative Services General Manager or designee.

JUSTIFICATION/BENEFITS/ISSUES

The main reason for the need to adjust the fees is basically to help cover more of the cost of issuance. The other suggestions, such as penalties, and the full payment of the fee if found to have operated without registration is more of an enforcement tool to encourage businesses to register.

Currently we are seeking out those businesses that are not registering and asking them to register to prevent future problems. This practice will continue into the future.

COST/FUNDING SOURCE

There are no additional dollars spent just staff time in processing the Business Registrations and locating non-complying businesses.

ATTACHMENTS:

Name:	Description:	Type:
 Copy of Business License Comparison.pdf	Fee Comparison	Backup Material
 Notice - Business Registration Fee increase.pdf	Notice of Fee Increase	Backup Material
 ord591[1] - sbh rev 11-30-12.doc	Ordinance 591	Cover Memo

Business Registration/License Comparison

Application Forms	Cottonwood		Clarkdale		Camp Verde		Sedona - Contracted		Flagstaff		Prescott Valley	
Business Registration	X	\$20.00	X	\$30.00	X	\$50/new; \$15 renewal	\$25.00	X	\$20.00	X	\$65 original; \$45 renew	
Rentals	X	\$20.00									\$65/commercial	
Contractors	X	\$20.00										
Home Occupation Permit	X			\$30.00	X				X		\$60.00	
Street Vendor	X	\$15 + \$10/day										
Peddler Registration	X	\$10/day						X	\$46 + \$25/day deposit			
Temporary Sales/Casual Sales	X	\$10/day			X	\$25/day					\$10/day	
Special Event	X				X	\$25/event	\$7.00/event	X	\$46/org; \$15/vendor	X	\$15/event	
Liquor License	X		X	\$50.00 Change/Extension	X		\$0.00				X	
No. 4 - Wholesaler									\$560.00		\$200.00	
No. 6 - Bar		\$150.00		\$100.00		\$350.00			\$560.00		\$375.00	
No. 7 - Beer & Wine Bar		\$125.00		\$100.00		\$350.00			\$560.00		\$200.00	
No. 9 - Liquor Store		\$75.00		\$100.00		\$350.00			\$560.00		\$200.00	
No. 10 - Beer & Wine Store		\$75.00		\$100.00		\$350.00			\$560.00		\$150.00	
No. 11 - Hotel-Motel		\$50.00		\$100.00		\$350.00			\$560.00		\$325.00	
No. 12 - Restaurant		\$50.00		\$100.00		\$350.00			\$560.00		\$375.00	
No. 13 - Wine Bar		\$150.00		\$100.00		\$350.00			\$560.00			
No. 14 - Club		\$50.00		\$100.00		\$350.00			\$560.00		\$200.00	
No. 15 - Special Event				\$25.00		\$400.00			\$25.00 per day (1-10 day events only)		\$75.00	
No. 16 - Wine Festival/Fair				\$100.00		\$350.00			\$560.00			
No. 17 - Direct Shipment				\$100.00		\$350.00			\$560.00			
Auctioneers	X	\$10/day										
Carnivals & Circuses	X	\$75/day								X	\$120/day	
Dances, Concerts & Other Transient Amusements Not Otherwise Specified	X	\$10/day										
Rodeos	X	\$25/day								X	\$30/day	
Massage Parlors	X	\$300.00										
Palmist & Fortune Tellers	X	\$300.00								X	\$15/day	
Video Games, Pinball Machines & Jukeboxes (1st Machine)	X	\$10.00										
Video Games, Pinball Machines & Jukeboxes (Each Additional Machine)	X	\$5.00										
Prorated (Y/N)?		Y		Y		N		Y		Y		N
Non-Profit Fee Reduction		1/2 of fee				No Charge						No Charge
Renewal Date		1-Jan		1-Jul		Annual-month of issue		1-Jul		1-Jul		Annual-month of issue
Late Fee		\$0.25		\$0.10		ancel registration after 30 days & require t		\$5/month				



Notice of Intent to Increase Business Registration Fees

Pursuant to A.R.S. 9-499.15, notice is hereby given that the Cottonwood City Council will consider imposing the following fees for business registrations within the City, effective January 1, 2013:

<u>Business Registration Fee</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Business & Occupational – Annual	\$ 20.00	\$ 50.00
Religious & Non-Profit – Annual	\$ 10.00	\$ 25.00
<u>Special Classifications Registration Fees</u>		
Auctioneers – per day	\$ 10.00	\$ 20.00
Carnivals & Circuses – per day	\$ 75.00	\$ 150.00
Dances, Concerts & Other Transient Amusements Not Otherwise Specified – per day	\$ 10.00	\$ 20.00
Rodeos – per day	\$ 25.00	\$ 50.00
Massage Parlors – Annual	\$ 300.00	\$ 500.00
Palmist & Fortune Tellers – Annual	\$ 300.00	\$ 500.00
Video Games, Pinball Machines & Jukeboxes 1 st Machine Annual	\$ 10.00	\$ 20.00
Video Games, Pinball Machines & Jukeboxes Each Additional Machine Annual	\$ 5.00	\$ 10.00
<u>Licensed Liquor Sales (Annual unless otherwise noted):</u>		
No. 4 – Wholesaler	New	\$ 400.00
No. 6 - Full bar, all liquor can be sold on premises or to go	\$ 150.00	\$ 325.00
No. 7 - Beer and Wine, on premises and to go	\$ 125.00	\$ 275.00
No. 9 - Liquor Store—off premises	\$ 75.00	\$ 275.00
No. 10 - Convenience Store—beer and wine	\$ 75.00	\$ 275.00
No. 11 - Hotel/Motel restaurant and room	\$ 50.00	\$ 300.00
No. 12 - Restaurant, sell but not to go	\$ 50.00	\$ 325.00
No. 13 - Wine Bars	\$ 125.00	\$ 275.00
No. 14 - Club—sell on premises, not to go	New	\$ 275.00
No. 15 – Special Events	New	\$ 250.00
<u>Penalty for late registration</u>	25% of fee	25% of fee

The City Council of the City of Cottonwood, Arizona will solicit public comment on the proposed business registration fee increases at their regular Council meetings on Tuesday, December 4, 2012, and again on December 18, 2012, at 6:00 p.m., in the City Council Chambers, 826 North Main Street, Cottonwood, Arizona.

Citizens are welcome to provide written comments regarding the proposed business registration increases. These comments may be sent to

Marianne Jiménez, City Clerk
 824 North Main Street
 Cottonwood, AZ86326
 Email – mjimenez@cottonwoodaz.gov

ORDINANCE NUMBER 591

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING TITLE 5, BUSINESS TAXES, LICENSES AND REGULATIONS, OF THE MUNICIPAL CODE BY DELETING CHAPTER 5.04, BUSINESS LICENSES, AND ADDING A NEW CHAPTER 5.04, BUSINESS REGISTRATION; REGULATIONS.

WHEREAS, staff has recommended to the City Council that Chapter 5.04, Business Licenses, of Title 5, Business Taxes, Licenses and Regulations be revised and updated; and

WHEREAS, the City Council has determined that the following changes to the City's Municipal Code are appropriate and desirable.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AS FOLLOWS:

Section 1. That Chapter 5.04, Business Licenses, of Title 5, Business Taxes, Licenses and Regulations, of the Cottonwood Municipal Code is deleted in its entirety and a new Chapter 5.04 Business Registration; Regulations, be added as follows:

Chapter 5.04

BUSINESS REGISTRATION; REGULATIONS

Sections:

- 5.04.010 Registration – Required; Exemptions.
- 5.04.020 Registration – Issuance.
- 5.04.030 Registration – Fees; Payment; Duration.
- 5.04.040 Registration – Transfer.
- 5.04.050 Registration – When separate required/not required.
- 5.04.060 Registration – Exhibition required.
- 5.04.070 Registration – Inspection; Duties of inspectors.
- 5.04.080 Conducting business in the City.
- 5.04.090 Registration – Special classifications; Fees.
- 5.04.100 Regulations.

5.04.010 Registration – Required.

A. It shall be unlawful for any person to commence, conduct or carry on any business within the corporate limits of the City without first having registered with the City, using the form prescribed by Regulation, unless such registration is preempted by the State.

B. Wholesale distributors who do not maintain a permanent business location within the corporate limits of the City shall be exempt from the registration requirements of this chapter.

5.04.020 Registration – Issuance.

A. It shall be the responsibility of the applicant to make himself available for inspection of the physical location of the business, if within the City limits, for any required or allowed inspections under City Codes, during normal agency business hours.

B. It shall be the duty of the Administrative Services General Manager or designee, at the time of application, to verify that the registered applicant has a valid City Transaction Privilege (Sales) Tax License, or has applied for same (pursuant to Chapter 5.08 of the City Code).

C. It shall be the duty of the Administrative Services General Manager or designee to issue registrations applied for pursuant to this chapter, after verification that all provisions of this chapter have been met. The registration shall state, at a minimum, the legal name of the registrant; any dba's (doing business as) used; the physical address of the registrant; the type of registration (Business, Occupational); the effective and expiration dates of the registration; and the date of issuance. All registrations so issued shall be serially numbered as a means of registration identification.

D. All applications for a new registration pursuant to this chapter shall be approved by an official of the Community Development Department, prior to acceptance by the Administrative Services General Manager or designee for issuance of said registration.

5.04.030 Registration – Fees; Exemption; Payment; Duration.

A. Business/Occupational Registration fees shall be as follows:

1. Business/Occupational Registration fees shall be fifty dollars (\$50.00) per calendar year, except as elsewhere enumerated in this chapter.
 2. Religious organizations and nonprofit organizations registered with the Internal Revenue Service pursuant to 26 U.S.C., Sec - 501(c), shall pay a registration fee of twenty-five dollars (\$25.00) per annum. Nonprofit organizations shall attach a copy of their 501 (c) certification to their registration application in order to qualify for the lower fee.
- B. All Registrations are renewable on a calendar year basis.
- C. All Registration fees shall be prorated at June 1st based on a half year registration.
- D. Business/Occupational Registration fees paid shall not be refundable in whole or in part.
- E. Fees to process new registrations provided for in this chapter shall be payable at the time of application.
- F. Registration renewal fees provided for in this chapter shall be due and payable on the date of expiration of the current registration and shall become delinquent on the fifteenth (15th) day following such expiration. A penalty of twenty-five percent (25%) of the registration fee due shall be assessed on all such delinquencies. The penalty may be abated by the Administrative Services General Manager for due cause, upon written request for abatement detailing the reason for said delinquency. Said request must be filed within twenty (20) days of assessment of such a penalty.
- G. Businesses that do not register and operate without a registration any length of time during the year will not be prorated and must pay the full registration fee as well as the twenty-five percent (25%) penalty.

5.04.040 Registration – Transfer.

No registration issued pursuant to this chapter shall be in any way or manner transferable or assignable to other than the original applicant, at the location stated on the registration, for the occupancy class so stated. Any change in ownership, occupancy classification or address shall require a new registration to be applied for pursuant to the provisions of this chapter. The fee for such a new registration shall be waived in the case of a change of address if no other change occurs at the time of application.

5.04.050 Registration – When separate required/not required.

- A. If more than one (1) division of a corporation, or more than one (1) dba of a person is engaged in business at the same physical location, only one (1) registration shall be required, listing all divisions or dba's so operating. The registration fee shall be determined as follows:
1. Every person whose registration fee is solely determined by either Section 5.04.030 or Section 5.04.090 shall pay the highest registration fee which is established for any of the businesses in which he is engaged at such location.
 2. Every person whose registration fee is determined by both Section 5.04.030 and Section 5.04.090 shall pay the highest registration fee established in each section for the businesses so registered.
- B. A separate registration shall be required under the following circumstances:
1. If more than one (1) person is engaged in business at the same physical location.
 2. If a person registered pursuant to this chapter operates in more than one (1) physical location within the City.
- C. Transient merchants are exempt from the provisions of Section 5.04.050.B.

5.04.060 Registration – Exhibition required.

Registrations issued pursuant to this chapter shall be displayed in a conspicuous location, visible to the public. Transient merchants shall maintain the registration or a copy thereof at each location at which they are engaged in business.

5.04.070 Registration – Inspection; Duties of inspectors.

- A. All inspectors or officers of the City Fire, Building, Planning and Zoning, Police and Finance departments shall be empowered to inspect any registration issued pursuant to this chapter.
- B. Any inspector designated in this chapter may enter any business premises, without fee or charge, at any time during normal hours of the business,

for the purpose of inspecting the Business/Occupational Registration or premises as required or allowed by City Codes.

5.04.080 Conducting business in the City.

In no case shall the site of the permanent business location of a person be solely determinative of the applicability of this chapter.

5.04.090 Registration—Special classifications; Fees.

A. The following Special Registration Classifications are hereby established, and supersede the fee provisions of Section 5.04.030, except as elsewhere noted, but all other provisions contained within this chapter shall be applicable and enforceable:

- | | | |
|----|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 1. | Auctioneers: | \$ 20.00 per day |
| 2. | Carnival and Circuses: | \$150.00 per day |
| 3. | Dances, Concerts and other Transient Amusements not elsewhere specified: | \$ 20.00 per day |
| 4. | Rodeos: | \$ 50.00 per day |
| 5. | Massage Parlors: | \$500.00 per year |
| 6. | Palmists and Fortune Tellers: | \$500.00 per year |
| 7. | Video Games, Pinball Machines, Jukeboxes, DVD Movie Kiosks | \$ 20.00 for the first machine per year
\$ 10.00 each additional machine per year |
| 8. | Licensed Liquor Sales: | |
| | No. 4 Wholesaler - New | \$400.00 per year |
| | No. 6 Full Bar | \$325.00 per year |
| | No. 7 Beer and Wine | \$275.00 per year |
| | No. 9 Liquor Store | \$275.00 per year |
| | No. 10 Convenience Store | \$275.00 per year |
| | No. 11 Hotel/Motel | \$300.00 per year |
| | No. 12 Restaurant | \$325.00 per year |
| | No. 13 Wine Bars | \$275.00 per year |
| | No. 14 Club - New | \$275.00 per year |
| | No. 15 Special Events | \$250.00 per year |

5.04.100 Regulations.

A. All registrations required by this chapter shall be applied for pursuant to a form prescribed by the Administrative Services Department of the City. The

ORDINANCE NUMBER 591

Page 6

Administrative Services General Manager is authorized to promulgate regulations necessary or appropriate to carry out the intent of this chapter.

- B. Notification of registration renewal shall be made no later than thirty (30) days prior to expiration of said registration. All renewal notifications shall be made by the Administrative Services General Manager or designee.

Section 2. That if any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be unlawful, invalid or unenforceable by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF COTTONWOOD, ARIZONA, THIS 18TH DAY OF DECEMBER 2012.

Diane Joens, Mayor

APPROVED AS TO FORM:

ATTEST:

Steven B. Horton, Esq.
City Attorney

Marianne Jiménez, City Clerk

**City of Cottonwood, Arizona
City Council Agenda Communication**



 Print

Meeting Date:	December 4, 2012
Subject:	Possible award of contract for FY 2013 Lease Purchase Financing of Equipment
Department:	Administrative Services
From:	Lisa Elliott, Purchasing Agent Rudy Rodriguez, Administrative Services General Manager

REQUESTED ACTION

Staff is requesting that Council award the contract for FY 2013 Lease Purchase Financing to US Bancorp Government Leasing and Financing, Inc. for the acquisition of necessary equipment.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:

I move to award the contract for FY 2013 Lease Purchase Financing to US Bancorp Government Leasing and Financing, Inc. for the acquisition of necessary equipment, and authorize Staff to negotiate a final agreement for execution by the Mayor.

BACKGROUND

Staff issued a Request for Proposals for FY 2013 Lease Purchase Financing in October 2012 to finance a total of \$613,510 for the acquisition of vehicles and equipment. A total of nine (9) proposals were received and one (1) no proposal. Of the proposals received, US Bancorp Government Leasing and Financing, Inc. offered the City the best interest rate of 1.61%. The term of the financing will be five (5) years consisting of nine (9) bi-annual lease payments of \$71,133.33 beginning July 1, 2013.

US Bancorp Government Leasing and Financing, Inc. listed no exceptions to the Request for Proposals issued by the City.

Award of the contract for FY 2013 Lease Purchase Financing will allow Staff to negotiate contract terms with US Bancorp Government Leasing and Financing, Inc. and enter into an agreement for funding.

Anticipated items to be acquired with the FY 2013 Lease Purchase Financing are attached.

Items previously listed on the FY 2013 Vehicles and Equipment List were transferred to the FY 2012 Lease Purchase to replace other items not financed. Additional items that can be financed will be added to the FY 2013 Vehicles and Equipment List when identified. These type of substitutions have been approved by the lease purchase provider.

JUSTIFICATION/BENEFITS/ISSUES

The award of the contract for FY13 Lease Purchase Financing will allow the City to procure vehicles and equipment approved in the FY 2013 budget while ensuring that revenues received throughout the remainder of the fiscal year are available to support continued operations.

COST/FUNDING SOURCE

Funding will be provided by the various departments that will be using the equipment. In this case, the General Fund, Utility Fund, and the Public Safety Reserve Fund will provide a proportionate share of the repayments.

ATTACHMENTS:

Name:	Description:	Type:
FY13 Revised List of Vehicles and Equipment.xlsx	FY13 Revised List of Vehicles and Equipment	Cover Memo
FY13 Lease Purchase Financing Solicitation Tabulation Form.pdf	FY13 Lease Purchase Financing Solicitation Tabulation Form	Cover Memo
US Bancorp (pages 1-5).pdf	US Bancorp Proposal (pages 1-5)	Cover Memo
US Bancorp (pages 6-9).pdf	US Bancorp Proposal (pages 6-9)	Cover Memo
US Bancorp (pages 10-11).pdf	US Bancorp Proposal (pages 10-11)	Cover Memo
US Bancorp (pages 12-15).pdf	US Bancorp Proposal (pages 12-15)	Cover Memo
US Bancorp (pages 16-20).pdf	US Bancorp Proposal (pages 16-20)	Cover Memo
US Bancorp (pages 21-25).pdf	US Bancorp Proposal (pages 21-25)	Cover Memo
US Bancorp (pages 26-28).pdf	US Bancorp Proposal (pages 26-28)	Cover Memo
US Bancorp (pages 29-32).pdf	US Bancorp Proposal (pages 29-32)	Cover Memo
US Bancorp (pages 33-36).pdf	US Bancorp Proposal (pages 33-36)	Cover Memo
US Bancorp (pages 37-42).pdf	US Bancorp Proposal (pages 37-42)	Cover Memo
US Bancorp (pages 43-45).pdf	US Bancorp Proposal (pages 43-45)	Cover Memo

FY 2013 Vehicles and Equipment Needing to be Financed		
Department	Description	Estimated Amount
Fire Dept	Vehicle	\$47,000
Fire Dept	SCBA - (breathing apparatuses)	\$150,000
Police Dept	Spillman Server	\$58,685
	GF Total	\$255,685
Water Dept	Utility Trucks (2)	\$55,000
	Enterprise Total	\$55,000
Undetermined	Additional items to be added	\$302,825
	Additional Items Total	\$302,825
	Total Financing Requested	\$613,510

City of Cottonwood

SOLICITATION TABULATION

Project Name: FY13 Lease Purchase Financing

Solicitation Number: 2013-AS-01

Solicitation Opening Date: October 18, 2012 @ 3:00 pm

Firm Name	Pymt Period	Pymt Amt	Total Repaid	Interest Rate	Date Available	Addendum Acknow?
Capital One Public Funding LLC	5 yrs	\$65,682.91	\$656,829.10	2.37%	Unspecified	N
Pinnacle Public Finance	5 yrs	\$64,928.87	\$649,288.70	2.00%	15 days of execution	Y
Midwest Leasing, Inc.	5 yrs	\$64,608.00	\$646,080.00	1.80%	11/19/12	Y
Sovereign Bank	5 yrs	\$64,602.81	\$646,028.10	1.82%	11/18/12	Y
US Bancorp	4.5 yrs	\$71,133.00	\$640,197.00	1.61%	11/1/12	Y
National Bank of Arizona	5 yrs	\$64,692.85	\$646,928.50	1.87%	Upon execution	Y
Commerce Bank	5 yrs	\$64,661.21	\$646,612.10	1.85%	11/18/12	Y
Carlyle Capital Markets Inc	No Bid					
Municipal Leasing Consultants	5 yrs	\$66,205.89	\$662,058.90	2.691%	11/16/12	N
Wells Fargo Equipment Finance Inc	4 yrs	\$79,805.51	\$638,444.08	2.3094%	15 days of execution	Y

Notes: _____



All of us serving you[®]

Government Leasing and Finance

October 17, 2012

City of Cottonwood, AZ
Solicitation 2013-AS-01
FY13 Lease Financing

Thank you for the opportunity to provide a proposal for the FY13 Lease Financing. Please note the proposal is organized as follows;

- Exhibit A – Offer Section
 - Proposed Payment Table
 - Credit application / Essential use form (required to complete underwriting)
 - Lease purchase document with escrow account and vehicle titling addendum
- Exhibit B – Contact or Immigration Warranty
- Exhibit C – Non-Collusion Affidavit
- Exhibit D – Disclosure of Responsibility Statement
- USBGLF – W-9

Notes: There are no fees associated with this offer including the establishment and use of a U.S. Bank N.A. escrow account should one be required. Lease may be pre-paid in whole, but not in part, on any payment date with no penalty.

Additionally, the terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by USBGLF's business, legal, credit, and equipment risk management personnel.

Please contact me directly with any questions.

Sincerely,

Thomas E. Seybold
Vice President

**EXHIBIT A
OFFER SECTION**

(Including all information required to be submitted with Offer)

1. Offeror Information

Firm Name: U.S. Bancorp Government Housing and Finance, Inc.

Contact Name: Thomas E. Seybold

Principal Address: 950 17th Street, 7th Floor
Denver, CO 80202

Phone: 303-585-4052 Fax: 800-866-3817

Email: thomas.seybold@usbank.com

Local Address: N/A

Type of Organization: Corporation

Tax ID #: 45-3798148 License #: N/A

2. Exceptions to RFP: N/A
(See Information & Instructions §4.5.4 Exceptions to Solicitation)

3. Disclosure of Debarment Information: N/A
(See Information & Instructions §4.5.5 Disclosure)

4. Financing Terms:

A. Payment Period: 5 years / Semi Annual Payments

B. Payment Amount: \$ 71,133.00

C. Fixed Annual Rate: 1.61%

D. Date Funds Will Be Available: 11/1/2012 (Assumes contract signed by that date)

5. References (Must be provided):

Provide names, addresses and telephone numbers of government agencies/business to which you have provided similar goods or services.

A. Entity: Town of Avon, CO

Address: PO Box 975, Avon, CO 81620

Contact: Scott Wright

Phone: 970-748-4055 swright@avon.org

- B. Entity: City of Billings, MT
 Address: PO Box 1178, Billings, MT 59103
 Contact: Pat Weber
 Phone: 406-657-8209 weberp@ci.billings.mt.us
- C. Entity: Provo City Corporation
 Address: 351 W. Center St., Provo, UT 84604
 Contact: Devyn Dayley
 Phone: 801-852-6514 ddayley@provo.utah.gov

6. Receipt of Addenda:
 Offeror acknowledges receipt of the following Solicitation Addendum(s):

<u>Addendum No.</u>	<u>Date</u>
<u>One (1)</u>	<u>10/12/2012</u>
_____	_____
_____	_____

7. Other Information Requested (see Evaluation Criteria). Attached "Credit Application Essential Use Form" must be completed prior to final credit approval.

8. Intent to be Bound by Offer: Thomas E. Seybold
 (Signature of Individual Authorized to Sign Bid)
Thomas E. Seybold
 (Printed Name of Individual Authorized to Sign Bid)

Government Leasing and Finance

Payment Table

(assumes contract executed, transaction funded by Nov 1, 2012)

	Totals	640,197.00	613,510.00	26,687.00	
*Prepayment balance equals 100% of outstanding principal after payment due.					
Pay #	Date	Payment	Principal	Interest	Prepayment Balance*
1	1-Jul-2013	71,133.00	64,534.13	6,598.87	548,975.87
2	1-Jan-2014	71,133.00	66,710.37	4,422.63	482,265.50
3	1-Jul-2014	71,133.00	67,247.80	3,885.20	415,017.70
4	1-Jan-2015	71,133.00	67,789.56	3,343.44	347,228.15
5	1-Jul-2015	71,133.00	68,335.68	2,797.32	278,892.47
6	1-Jan-2016	71,133.00	68,886.20	2,246.80	210,006.27
7	1-Jul-2016	71,133.00	69,441.16	1,691.84	140,565.11
8	1-Jan-2017	71,133.00	70,000.59	1,132.41	70,564.52
9	1-Jul-2017	71,133.00	70,564.52	568.48	0.00



Government Leasing and Finance, Inc.
Application for Equipment Lease

Legal Name of Lessee (Applicant) Tax ID # Web address (if, applicable)

Address City State Zip

Person(s) to Contact for Clarification Regarding Project

Name Title Phone

Name Title Phone

Email Fax

Obligations / Economics

Bank Qualified Non-Bank Qualified

Are the Applicant's obligations bank qualified (i.e., expected to issue less than \$10 Million in tax-exempt financing this calendar year)?

Moody's Investors Service: Standard & Poor's: Fitch:

Please list the Applicant's current underlying bond rating from the rating agencies listed above (if applicable)

Discuss the Applicant's economic trends (stable, positive, negative) and reasons for any variation

Yes No

Has the Applicant ever defaulted or non-appropriated on an obligation?

If Yes,

Please explain

Demographic Information

Please provide the following demographic information (please attach any applicable demographic statistics)

Approx square mile Population Increasing or Decreasing Population?

Cities, Towns and Counties

If Decreasing,

Please explain

Educational Applicants Only

Enrollment Increasing or Decreasing Enrollment?

Please also answer the above question regarding the resident city

If Decreasing,

Please explain

Elementary: Middle: High School: Other:

How many schools make up the district (please list the number and type of each school)?



EQUIPMENT FINANCE

Government Leasing and Finance
Essential Use Form

Purchase Description (please be specific and attach any applicable equipment lists or invoices available)

Est. Equipment Delivery Date

Yes No

Is the Equipment replacing existing equipment?

If Yes,

Please state how long you have currently used the Equipment and the reason you are replacing the Equipment

What will the Applicant do with the old equipment that is being replaced?

If No,

Please state the reason additional equipment is needed

What will the Applicant do with the old equipment that is being replaced?

Please describe in detail the following (please be specific)

What will the Equipment be used for?

Describe the essential nature of the equipment financed

List the specific department that will be the primary user of the Equipment

Lease Payments

Yes No

Will the lease payments be made from Applicant's General Fund?

If No,

From which Special Fund will the lease payments be made?

Yes No

Will any federal grant or loan monies be used? If so, please describe

Yes No

Has the first payment been appropriated?

Terms and Conditions

Total Cost of Equipment

Advance payment

Amount to Finance

Term (in years)

Annual Semi-Annual Quarterly Monthly
Frequency (choose one):

Advance Arrears
Remittance (choose one):

Equipment Delivery Date

Insurance Company Name or indicate Self Insured

Amount of Liability Insurance

Amount of Property Damage Insurance

The undersigned hereby certifies that all the information in the above Application for Equipment Lease and Essential Use Form is true, complete and correct.

Applicable Signature

Title

Date

THIS DOCUMENT IS NOT A COMMITMENT OR AN OFFER TO PROVIDE FINANCING

PLEASE NOTE: RECEIPT OF SAMPLE DOCUMENTS FROM U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC. ("USBGLF") DOES NOT INDICATE THAT A TRANSACTION HAS BEEN CREDIT APPROVED BY USBGLF. THESE DOCUMENTS ARE BEING SENT WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND. IN THE EVENT USBGLF APPROVES YOUR TRANSACTION, ADDITIONAL DOCUMENTS, ALONG WITH CHANGES TO THE TERMS AND CONDITIONS OF THESE SAMPLE DOCUMENTS, MAY BE REQUIRED.

SAMPLE

Master Tax-Exempt Lease/Purchase Agreement

Between: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

And: <<Lessee>> (the "Lessee")
<<LesseeAddress1>>
<<LesseeAddress2>>
<<LesseeCity>>, <<LesseeState>> <<LesseeZip>>
Attention: <<LesseeContact>>
Telephone: <<LesseePhone>>

Dated: <<MasterLeaseDate>>

ARTICLE I DEFINITIONS

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"**Agreement**" means this Master Tax-Exempt Lease/Purchase Agreement, including all exhibits and schedules attached hereto.

"**Code**" is defined in Section 3.01(f).

"**Commencement Date**" is the date when the term of a Property Schedule and Lessee's obligation to pay rent thereunder commences, which date shall be set forth in such Property Schedule.

"**Event of Default**" is defined in Section 13.01.

"**Lease Payments**" means the Lease Payments payable by Lessee under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

"**Lease Payment Dates**" means the Lease Payment dates for the Lease Payments as set forth in each Property Schedule.

"**Lease Term**" means, with respect to a Property Schedule, the Original Term and all Renewal Terms. The Lease Term for each Property Schedule executed hereunder shall be set forth in such Property Schedule, as provided in Section 4.02.

"**Lessee**" means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.

"**Lessor**" means the entity identified as such in the first paragraph hereof, and its successors and assigns.

"**Nonappropriation Event**" is defined in Section 6.06.

"**Original Term**" means, with respect to a Property Schedule, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.

"**Property**" means, collectively, the property lease/purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.

"**Property Schedule**" means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

"**Purchase Price**" means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Property Schedule, as provided in Section 11.01 and as set forth in the Property Schedule.

"**Renewal Terms**" means the renewal terms of a Property Schedule, each having a duration of one year and a term coextensive with Lessee's budget year.

"**State**" means the state where Lessee is located.

"**Vendor**" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Lessor or Lessee purchased or is purchasing all or any portion of the Property.

ARTICLE II

2.01 Property Schedules Separate Financings. Each Property Schedule executed and delivered under this Agreement shall be a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default or a Nonappropriation Event with respect to a Property Schedule, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Lease Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no rights or remedies with respect to Property financed or Lease Payments payable under any other Property Schedules unless an Event of Default or Nonappropriation Event has also occurred under such other Property Schedules.

ARTICLE III

3.01 Covenants of Lessee. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Lessee shall be deemed to represent, covenant and warrant for the benefit of Lessor as follows:

- (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.
- (c) Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this

Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date for the Property Schedule, Lessee shall cause to be delivered an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.

- (d) During the Lease Term for the Property Schedule, the Property thereunder will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions within the permissible scope of Lessee's authority.
- (e) Lessee will provide Lessor with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Lessor.
- (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Lease Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Lessee does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Lessee or to which it is subject.
- (h) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior notice to Lessor.

ARTICLE IV

4.01 Lease of Property. On the Commencement Date of each Property Schedule executed hereunder, Lessor will be deemed to demise, lease and let to Lessee, and Lessee will be deemed to rent, lease and hire from Lessor, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Lease Term set forth in such Property Schedule.

4.02 Lease Term. The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Lease Payment set forth in such Property Schedule and the exercise of the Purchase Option described in Section 11.01, unless terminated sooner pursuant to this Agreement or the Property Schedule.

4.03 Delivery, Installation and Acceptance of Property. Lessee shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed and accepted as to Lessee's specifications, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor the Acceptance Certificate substantially in the form attached to the Property Schedule.

ARTICLE V

5.01 Enjoyment of Property. Lessee shall during the Lease Term peaceably and quietly have, hold and enjoy the Property, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement. Lessor shall not interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the subject Property Schedule.

5.02 Location; Inspection. The Property will be initially located or based at the location specified in the applicable Property Schedule. Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Property.

ARTICLE VI

6.01 Lease Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional, statutory or charter limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Lease Payments for a fiscal year, the Lease Payments for said fiscal year, and only the Lease Payments for said current fiscal year, shall be a binding obligation of Lessee; provided that such obligation shall not include a pledge of the taxing power of Lessee.

6.02 Payment of Lease Payments. Lessee shall promptly pay Lease Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Lease Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Lessor from such delinquent Lease Payment. In addition, Lessee shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Lease Payments and interest on said delinquent amounts from the date such amounts were due until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less..

6.03 Interest Component. A portion of each Lease Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Lease Payment thereunder during the Lease Term.

6.04 Lease Payments to be Unconditional. SUBJECT TO SECTION 6.06, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

6.05 Continuation of Lease by Lessee. Lessee intends to continue all Property Schedules entered into pursuant to this Agreement and to pay the Lease Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Lease Payments during the term of all Property Schedules can be obtained. Lessee agrees that its staff will provide during the budgeting process for each budget year to the governing body of Lessee notification of any Lease Payments due under the Property Schedules during the following budget year. Notwithstanding this covenant, if Lessee fails to appropriate the Lease Payments for a Property Schedule pursuant to Section 6.06, such Property Schedule shall terminate at the end of the then current Original Term or Renewal Term. Although Lessee has made this covenant, in the event that it fails to provide such notice, no remedy is provided and Lessee shall not be liable for any damages for its failure to so comply.

6.06 Nonappropriation. If during the then current Original Term or Renewal Term, sufficient funds are not appropriated to make Lease Payments required under a Property Schedule for the following fiscal year, Lessee shall be deemed to not have renewed such Property Schedule for the following fiscal year and the Property Schedule shall terminate at the end of the then current Original Term or Renewal Term and Lessee shall not be obligated to make Lease Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (a "Nonappropriation Event") Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of a Nonappropriation Event, the termination shall nevertheless be

effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. In addition, Lessor may, by written instructions to any escrow agent who is holding proceeds of the Property Schedule, instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to Lessee's obligations under the Property Schedule and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

6.07 Defeasance of Lease Payments. Lessee may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations the principal of an interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title and interest of Lessor in the Property under said Property Schedule shall terminate. Lessee shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Lease Payments on said Property Schedule is not adversely affected.

ARTICLE VII

7.01 Title to the Property. Upon acceptance of the Property by Lessee and unless otherwise required by the laws of the State, title to the Property shall vest in Lessee, subject to Lessor's interests under the applicable Property Schedule and this Agreement.

7.02 Personal Property. The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

7.03 Security Interest. To the extent permitted by law and to secure the performance of all of Lessee's obligations under this Agreement with respect to a Property Schedule, including without limitation all Property Schedules now existing are hereafter executed, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in all of the Property under the Property Schedule, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Lessee shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Lessor and its successors and assigns. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest.

ARTICLE VIII

8.01 Maintenance of Property by Lessee. Lessee shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Property. Should Lessee fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Lessor, Lessee will enter into maintenance contracts for the Property in form approved by Lessor and with approved providers.

8.02 Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Property free of all levies, liens and encumbrances, except for the interest of Lessor under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will be exempt from all property taxes. The Lease Payments payable by Lessee under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Lessee will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Property.

8.03 Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount equal to at least the outstanding principal component of Lease Payments, and (b) liability insurance that protects Lessor from liability in all events in an amount reasonably acceptable to Lessor, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Lessee may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Lessor as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessee as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Lessor's prior written consent. Lessee shall furnish to Lessor, on or before the Commencement Date for each Property Schedule, and thereafter at Lessor's request, certificates evidencing such coverage, or, if Lessee self-insures, a written description of its self-insurance program together with a certification from Lessee's risk manager or insurance agent or consultant to the effect that Lessee's self-insurance program provides adequate coverage against the risks listed above.

8.04 Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the Lease Term for the applicable Property Schedule and shall be due and payable on the next Lease Payment Date and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE IX

9.01 Damage or Destruction. If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Lessee shall have exercised its right to defease the Property Schedule as provided herein, or unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

9.02 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Lessee shall (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 6.02, or (b) defease the Property Schedule pursuant to Section 6.07, or (c) exercise its option to purchase Lessor's interest in the Property pursuant to the optional purchase provisions of the Property Schedule, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or purchase may be retained by Lessee.

ARTICLE X

10.01 Disclaimer of Warranties. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Lessee understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

10.02 Vendor's Warranties. Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

10.03 Use of the Property. Lessee will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Lessee agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement. Lessee shall promptly notify Lessor in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

10.04 Modifications. Subject to the provisions of this Section, Lessee shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements. Lessee shall, at its own expense, make such alterations, additions, modifications and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

ARTICLE XI

11.01 Option to Purchase. Lessee shall have the option to purchase Lessor's entire interest in all of the Property subject to a Property Schedule and to terminate any restrictions herein on the Property under such Property Schedule on the last day of the Lease Term for a Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Lease Payments due thereunder plus payment of One (1) Dollar to Lessor. Lessee shall give written notice to Lessor of its intent to purchase Lessor's interest in the Property at least sixty (60) days prior to the last day of the Lease Term for applicable Property Schedule. Upon exercise of the purchase option as set forth in this Section 11.01 and payment of the purchase price under the applicable Property Schedule, and performance by Lessee of all other terms, conditions and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title and interest in and to the Property subject to such Property Schedule to Lessee.

11.02 Option to Prepay. Lessee shall have the option to prepay in whole the Lease Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule.

ARTICLE XII

12.01 Assignment by Lessor. Lessor's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in this Agreement and the Property Schedules.

12.02 Property Schedules Separate Financings. Assignees of the Lessor's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned.

12.03 Assignment and Subleasing by Lessee. NONE OF LESSEE'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, SUBLEASED OR ENCUMBERED BY LESSEE FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

12.04 Release and Indemnification Covenants. To the extent permitted by applicable law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the loss of federal tax exemption of the interest on any of the Property Schedules, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death of any person; provided, however, that Lessee shall not be required to indemnify Lessor for Losses arising out of or resulting from Lessor's own willful or negligent conduct, or for Losses arising out of or resulting from Lessor's preparation of disclosure material relating to certificates of participation in this Agreement and any Property Schedule (other than disclosure material provided to Lessor by Lessee). The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Lease Term for such Property Schedule for any reason.

ARTICLE XIII

13.01 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Lessee to pay any Lease Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Lessee in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of

creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than the obligations on the part of Lessee contained in Article VI hereof) Lessee shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

A Nonappropriation Event is not an Event of Default.

13.02 Remedies on Default. Whenever any Event of Default exists with respect to a Property Schedule, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Lease Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Lease Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) Lessor may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Lessee, at Lessee's expense, to promptly return any or all of the Property to the possession of Lessor at such place within the United States as Lessor shall specify, and Lessor may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) pay off any outstanding principal component of Lease Payments, (ii) pay any other amounts then due under the Property Schedule, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee except with respect to unpaid costs and expenses incurred by Lessor in connection with the disposition of the Property;
- (c) By written notice to any escrow agent who is holding proceeds of the Property Schedule, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Property Schedule;
- (d) Lessor may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

Notwithstanding the foregoing, if the proceeds are insufficient to pay items (i) to (iii) in Section 13.02(b) in whole, Lessee shall remain obligated after application of proceeds to items (i) and (ii), to pay in whole the amounts for item (iii).

13.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

13.04 Costs and Attorney Fees. Upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE XIV

14.01 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Lessee.

14.02 Arbitration Certificates. Unless a separate Arbitration Certificate is delivered on the Commencement Date, Lessee shall be deemed to make the following representations and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Lease Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months after the Commencement Date and the Property is expected to be delivered and installed, and the Vendor fully paid, within eighteen months from the Commencement Date. Lessee will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.
- (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Lease Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Lease Payments under the Property Schedule.
- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Lease Payments under the Property Schedule.
- (e) There are no other obligations of Lessee which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Lessee's behalf is familiar with Lessee's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Lessee's knowledge, information and belief, the facts and estimates set forth in herein are accurate and the expectations of Lessee set forth herein are reasonable.

14.03 Further Assurances. Lessee agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Lessor, to perfect, confirm, establish, reestablish, continue, or complete the interests of Lessor in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

14.04 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

14.05 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.06 **Waiver of Jury Trials.** Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

14.07 **Amendments, Changes and Modifications.** This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

14.08 **Execution in Counterparts.** This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.09 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

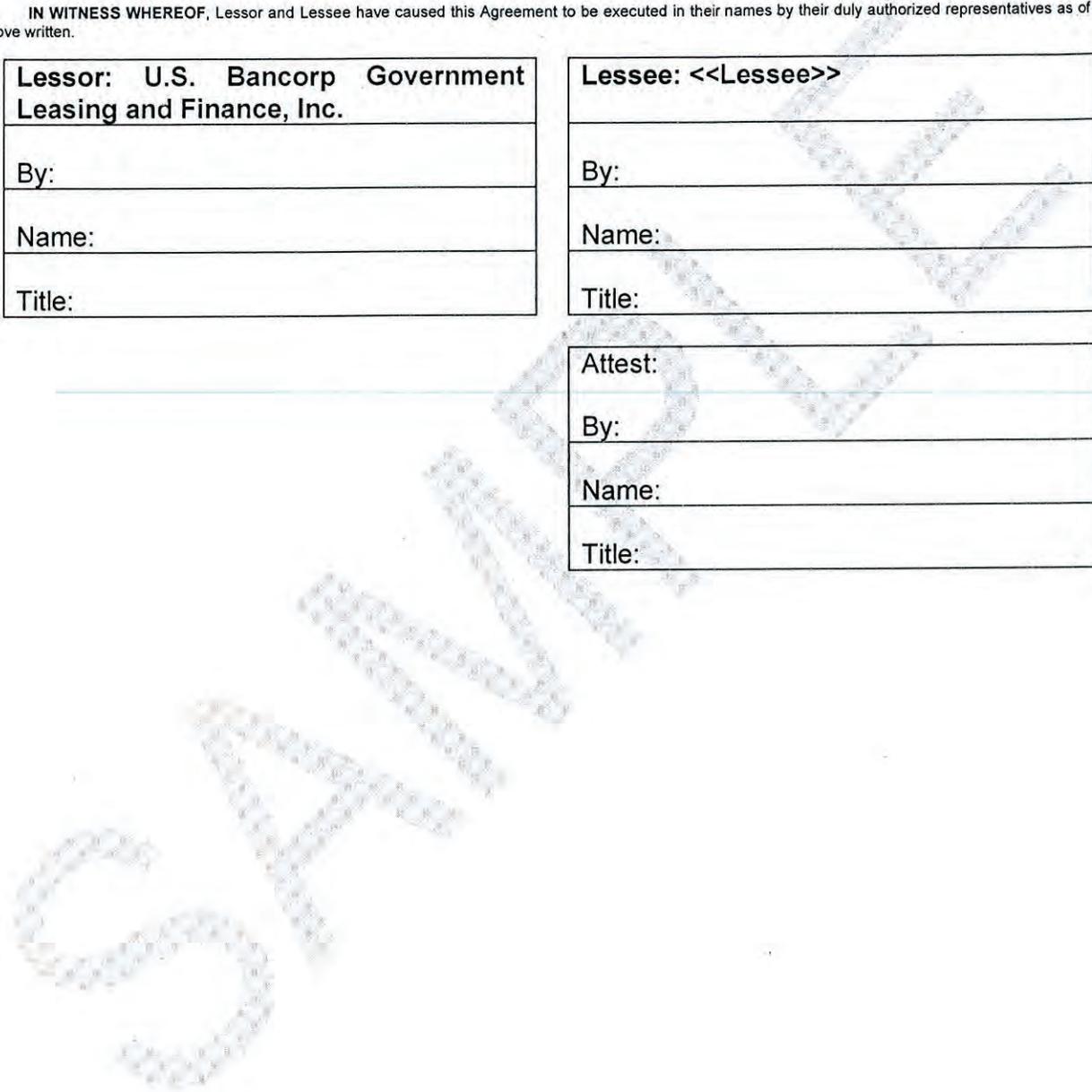
14.10 **Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: <<Lessee>>
By:
Name:
Title:

Attest:
By:
Name:
Title:



Property Schedule No. <<Sched.#>>
Master Tax-Exempt Lease/Purchase Agreement

This **Property Schedule No. <<Sched. #>>** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of <<MasterLeaseDate>>, between U.S. Bancorp Government Leasing and Finance, Inc., and <<Lessee>>.

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is <<Start Date>>.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Lease Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. Opinion. The Opinion of Lessee's Counsel is attached as Exhibit 2.
5. Lessee's Certificate. The Lessee's Certificate is attached as Exhibit 3.
6. Proceeds. Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5.
8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Lease Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.
9. Bank Qualification and Arbitrage Rebate. Attached as Exhibit 6.
10. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Lessor at its place of business by <<ExpirationDate>>.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: <<Lessee>>
By:
Name:
Title:

Attest:
By
Name:
Title:

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. <<Sched. #>>** to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and <<Lessee>>.

THE PROPERTY IS AS FOLLOWS: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

PROPERTY LOCATION:

Address

City, State Zip Code

USE: <<BriefUseDescription>> - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Lease Payment Schedule

[If the Due Dates are not defined in this Lease Payment Schedule, they shall be defined as the <<First/Last>> day of each <<PayPeriod>> period of this Lease Payment Schedule commencing with the Acceptance Date.]

Total Principal Amount: \$<<Amount>>

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
-------------	----------	---------------	-------------------	------------------	-------------------------------------------------------------

Lessee: <<Lessee>>
By:
Name:
Title:

EXHIBIT A

Property Description

SAMPLE

EXHIBIT 2

Lessee's Counsel's Opinion

[To be provided on letterhead of Lessee's counsel.]

[DATE]

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

<<Lessee>>
<<LesseeAddress1>>
<<LesseeAddress2>>
<<LesseeCity>>, <<LesseeState>> <<LesseeZip>>
Attention: <<LesseeContact>>

RE: Property Schedule No. <<Sched.#>> to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and <<Lessee>>.

Ladies and Gentlemen:

We have acted as special counsel to <<Lessee>> ("Lessee"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of <<MasterLeaseDate>> (the "Master Agreement"), between <<Lessee>>, as lessee, and U.S. Bancorp Government Leasing and Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. <<Sched.#>> (the "Property Schedule") pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Master Agreement and the Property Schedule.

7. The Master Agreement and the Property Schedule have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: _____

Dated: _____

SAMPLE

EXHIBIT 3

Lessee's Certificate

Re: **Property Schedule No. <<Sched.#>>** to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and <<Lessee>>.

The undersigned, being the duly elected, qualified and acting _____ of the <<Lessee>> ("Lessee") do hereby certify, as of <<Start Date>>, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held _____ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
And/ Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoy in the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

<<Lessee>>
By:
Title:
SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE.

EXHIBIT 4

Payment of Proceeds Instructions

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: Property Schedule No. <<Sched.#>> (the "Property Schedule") to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor") and <<Lessee>> ("Lessee").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: _____

By check _____

By wire transfer _____

If by check, Payee's address: _____

If by wire transfer, instructions as follows:

Pay to Bank Name: _____

Bank Address: _____

Bank Phone #: _____

For Account of: _____

Account No.: _____

ABA No.: _____

Lessee: <<Lessee>>
By:
Name:
Title:

EXHIBIT 5

Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. <<Sched. #>>** to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and <<Lessee>>

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: <<Lessee>>
By:
Name:
Title:

EXHIBIT 6

Bank Qualification And Arbitrage Rebate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. <<Sched.#>>** to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and <<Lessee>>

[Consult tax counsel for applicable provisions]

Bank Qualified Tax-Exempt Obligation under Section 265

[Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.]

or

[Not applicable.]

Arbitrage Rebate

[Use Small Issuer Exception, if applicable.]

[Small Issuer Exception:

(a) Lessee is a governmental unit under the law of the State with general taxing powers, (b) this Property Schedule is not a private activity bond as defined in Section 141 of the Code, (c) 95% or more of the net proceeds of this Property Schedule will be used for local government activities of Lessee, and (d) the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by Lessee (and all subordinate entities thereof) during the calendar year in which the Commencement Date of this Property Schedule falls is not reasonably expected to exceed \$5,000,000 (plus any additional amounts, not to exceed \$10,000,000 which are for the construction, reconstruction or rehabilitation of public school facilities).]

or

[Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall compute rebatable arbitrage on this Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.]

[Consult tax counsel if neither exception is available or if there is any chance that the Eighteen Month Exception will not be met.]

Lessee: <<Lessee>>

By:
Name:
Title:

SAMPLE

Language for UCC Financing Statements

Schedule 1

SECURED PARTY: U.S. Bancorp Government Leasing and Finance, Inc.

DEBTOR: <<Lessee>>

This financing statement covers all of Debtor's right, title and interest, whether now owned or hereafter acquired, in and to the equipment leased to Debtor under Property Schedule No. <<Sched.#>> dated <<StartDate>> to that certain Master Tax-Exempt Lease Purchase Agreement dated as of <<MasterLeaseDate>>, in each case between Debtor, as Lessee, and Secured Party, as Lessor, together with all accessions, substitutions and replacements thereto and therefore, and proceeds (cash and non-cash), including, without limitation, insurance proceeds, thereof, including without limiting, all equipment described on Exhibit A attached hereto and made a part hereof.

Debtor has no right to dispose of the equipment.

SAMPLE

INSURANCE AUTHORIZATION AND VERIFICATION

Date: <<StartDate>>

Property Schedule No: <<Sched.#>>

To: <<LESSEE>> (the "Lessee")

From: U.S. Bancorp Government Leasing and Finance, Inc. (the
"Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223
Attn: _____

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$<<Amount>>, with deductibles no more than \$10,000.00.

**Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. If fully executed form (or Lessee-executed form plus certificates) is not provided within 15 days, we have the right to purchase such insurance at your expense. Should you have any questions, please contact _____ at (303) 585-_____.*

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent: _____ / _____
Address: _____
Phone/Fax: _____ / _____
E-Mail _____

Lessee: <<LESSEE>>
By:
Name:
Title:

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at () - . This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: X _____

By: X _____
(Agent's Signature)

Print Name: X _____

Date: X _____

Insurable Value: \$<<Amount>>

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO.: <<Sched.#>>

Notification of Tax Treatment to Tax-Exempt Lease/Purchase Agreement

This **Notification of Tax Treatment** is pursuant to the Master Tax-Exempt Lease/Purchase Agreement dated as of <<MasterLeaseDate>> and the related Property Schedule No. <<Sched.#>> dated <<StartDate>>, between Lessor and Lessee (the "Agreement").

- Lessee agrees that this Property Schedule SHOULD be subject to sales/use taxes
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and Lessee has included our tax-exemption certificate with this document package
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- Lessee agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- Lessee agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

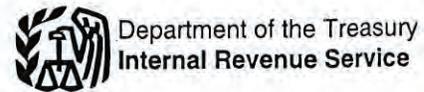
IN WITNESS WHEREOF, Lessee has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

Lessee: <<Lessee>>
By:
Name:
Title:

Instructions for Form 8038-G

(Rev. September 2011)

Information Return for Tax-Exempt Governmental Obligations



Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt governmental obligations issued after December 31, 1986, issuers must file...
\$100,000 or more	A separate Form 8038-G for each issue
Less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales



For all build America bonds and recovery zone economic development bonds use Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds. For tax credit bonds and specified tax credit bonds use Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form "Request for Relief under section 3 of Rev. Proc. 2002-48" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust

indenture or other bond documents. See *Where To File* next.

Where To File

File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.

For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For build America bonds (Direct Pay), build America bonds (Tax Credit), and recovery zone economic development bonds, complete Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.

For qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, qualified school construction bonds, clean renewable energy bonds, Midwestern tax credit bonds, and all other qualified tax credit bonds (except build America bonds), file Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

Rounding to Whole Dollars

You may show amounts on this return as whole dollars. To do so, drop amounts less than 50 cents and increase amounts from 50 cents through 99 cents to the next higher dollar.

Questions on Filing Form 8038-G

For specific questions on how to file Form 8038-G send an email to the IRS at TaxExemptBondQuestions@irs.gov and put "Form 8038-G Question" in the subject line. In the email include a description of your question, a return email address, the name of a contact person, and a telephone number.

Definitions

Tax-exempt obligation. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, **and**
- More than 10% of the payment of principal or interest of the issue is **either (a)** secured by an interest in property to be used for a private business use (or payments for such property) **or (b)** to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which **(a)** are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and **(b)** exceeds the lesser of 5% of the proceeds **or** \$5 million.

Issue price. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the first price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, obligations are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meet the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds are to be used for construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization, and
2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed

return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the *Amended Return* box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, "Amended Return Explanation." Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed in line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer here (use line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual entered on line 3a and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the date on which the issuer physically

exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue in a MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write "None."

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of obligations issued by entering the corresponding issue price (see *Issue price* under *Definitions* earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these obligations, if different from those of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Obligations

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *Issue price* under *Definitions* earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to compute the yield on an issue. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest from the date the bonds are dated to the date of issue.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds within 90 days of the date of issue.

Line 28. Enter the amount of the proceeds that will be used to pay

principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of bonds will be refunded, enter the date of issue of each issue. Enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. Enter the amount of the proceeds of this issue used to make a loan to another governmental unit, the interest of which is tax-exempt.

Line 38. If the issue is a loan of proceeds from another tax-exempt issue, check the box and enter the date of issue, EIN, and name of issuer of the master pool obligation.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "deliberate action" after the issue date that causes

the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part 1, lines 3a and 3b authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filled in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the

return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable),
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us

the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	2 hr., 41 min.
Preparing, copying, assembling, and sending the form to the IRS	3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send the form to this office. Instead, see *Where To File*.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		_____

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a** If the issuer has identified a hedge, check here and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative	▶ _____ Date	▶ _____ Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no.

VEHICLE TITLING ADDENDUM

Master Tax-Exempt Lease/Purchase Agreement dated <<MasterLeaseDate>> and related Property Schedule No. <<Sched.#>> dated <<StartDate>>, between <<Lessee>> as Lessee and U.S. Bancorp Government Leasing and Finance, Inc. as Lessor.

1. Lessor and Lessee hereby agree to amend the above referenced Agreement to add additional terms and conditions as set forth below:

Lessee agrees that it will provide to Lessor the original title documentation to the Equipment. Lessee shall provide such title documentation to Lessor within 15 days of Lessee's receipt of such title documentation from the appropriate titling authority. Lessee's failure to provide Lessor with title documentation to the Equipment in a timely fashion shall be deemed a condition of Default as defined in the default paragraph herein subject to remedies available to Lessor pursuant to the remedies paragraph. Lessee further agrees to pay a month to month unobtained titling fee if Lessor has not received the correct transferred title in Lessor's office.

2. Location: Lessor agrees that in regard to the location of the equipment, Lessee must be responsible for maintaining records showing the location of each piece of Leased equipment. Lessee will report this location to Lessor upon written request by Lessor. Failure to do so shall constitute a breach of the Agreement, which default shall be governed by the terms and conditions specified in the default and/or remedies paragraph of the Agreement.

3. Lessee will complete the physical titling of the vehicle as required by the state of Lessee's residence and guarantee U.S. Bancorp Government Leasing and Finance, Inc. that U.S. Bancorp Government Leasing and Finance, Inc. will receive the original title to the leased vehicle in a timely manner. Lessee agrees to indemnify U.S. Bancorp Government Leasing and Finance, Inc. from any damage or loss it incurs, including legal fees, due to its failure to complete its agreement herein.

THE APPLICATION FOR TITLE MUST INCLUDE THE FOLLOWING AS 1ST LIEN HOLDER:

**U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223**

By signing this Addendum, Lessee acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In all other respects the terms and conditions of the Agreement remain in full force and effect.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:
Date:

Lessee: <<Lessee>>
By:
Name:
Title:
Date:

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("*Escrow Agreement*") is made as of <<Start Date>> by and among U.S. Bancorp Government Leasing and Finance, Inc. ("*Lessor*"), <<Lessee>> ("*Lessee*") and U.S. BANK NATIONAL ASSOCIATION, as escrow agent ("*Escrow Agent*").

Lessor and Lessee have heretofore entered into that certain Master Tax-Exempt Lease/Purchase Agreement dated as of <<MasterLeaseDate>> (the "*Master Agreement*") and a Property Schedule No. <<Sched.#>> thereto dated <<Start Date>> (the "*Schedule*" and, together with the terms and conditions of the Agreement incorporated therein, the "*Agreement*"). The Schedule contemplates that certain personal property described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof (the "*Vendor*"). After acceptance of the Equipment by Lessee, the Equipment is to be financed by Lessor to Lessee pursuant to the terms of the Agreement.

The Master Agreement further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment (the "*Purchase Price*"), being \$<<Amount>>, with Escrow Agent to be held in escrow and applied on the express terms set forth herein. Such deposit, together with all interest and other additions received with respect thereto (hereinafter the "*Escrow Fund*") is to be applied to pay the Vendor its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee); and, if applicable, to reimburse Lessee for progress payments already made by it to the Vendor of the Equipment.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The moneys and investments held in the Escrow Fund are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Escrow Fund, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Master Agreement. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Lessor's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "*Closing Date*"), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto, as the Escrow Fund hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the

Escrow Fund from time to time shall be held or registered in the name of Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. The cash comprising the Escrow Fund from time to time shall be invested and reinvested by Escrow Agent in one or more investments as directed by Lessee. Absent written direction from Lessee, the cash will be invested in the U.S. Bank National Association Money Market Deposit Fund. See Exhibit 1 Investment Direction Letter. Lessee represents and warrants to Escrow Agent and Lessor that the investments selected by Lessee for investment of the Escrow Fund are permitted investments for Lessee under all applicable laws. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Escrow Fund and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest and other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Escrow Fund. The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the parties waive receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports.

5. Upon request by Lessee and Lessor, Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Escrow Fund as well as the investments in which the Escrow Fund is invested.

6. Escrow Agent shall take the following actions with respect to the Escrow Fund:

(a) Upon Escrow Agent's acceptance of the deposit of the Purchase Price, an amount equal to Escrow Agent's set-up fee, as set forth on Exhibit 2 hereto, shall be disbursed from the Escrow Fund to Escrow Agent in payment of such fee.

(b) Escrow Agent shall pay costs of the Equipment upon receipt of a duly executed Requisition Request (substantially in the format of Exhibit 3) signed by Lessor and Lessee. Lessor's authorized signatures are provided in Exhibit 5. Lessee's authorized signatures will be provided in Exhibit 3 of Master Lease Purchase Agreement. Escrow Agent will use best efforts to process requests for payment within one (1) business day of receipt of requisitions received prior to 2:00 p.m. Central Time. The final Requisition shall be accompanied by a duly executed Acceptance Certificate form attached as Exhibit 4 hereto.

(c) Upon receipt by Escrow Agent of written notice from Lessor that an Event of Default or an Event of Nonappropriation (if provided for under the Master Agreement) has occurred under the Agreement, all funds then on deposit in the Escrow Fund shall be paid to Lessor for application in accordance with the Master Agreement, and this Escrow Agreement shall terminate.

(d) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall pay the funds then on deposit in the Escrow Fund to Lessor to be applied first to the next Lease Payment due under the Master Agreement, and second, to prepayment of the principal component of Lease Payments in inverse order of maturity without premium. To the extent the Agreement is not subject to prepayment, Lessor consents to such prepayment to the extent of such prepayment amount from the Escrow Fund. Upon disbursement of all amounts in the Escrow Fund, this Escrow Agreement shall terminate.

(e) This Escrow Agreement shall terminate eighteen (18) months from the date of this Escrow Agreement. It may, however, be extended by mutual consent of Lessee and Lessor

in writing to Escrow Agent. All funds on deposit in the Escrow Fund at the time of termination under this paragraph, unless otherwise directed by Lessee in writing (electronic means acceptable), shall be transferred to Lessor.

7. The fees and expenses, including any legal fees, of Escrow Agent incurred in connection herewith shall be the responsibility of Lessee. The basic fees and expenses of Escrow Agent shall be as set forth on Exhibit 2 and Escrow Agent is hereby authorized to deduct such fees and expenses from the Escrow Fund as and when the same are incurred without any further authorization from Lessee or Lessor. Escrow Agent may employ legal counsel and other experts as it deems necessary for advice in connection with its obligations hereunder. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made by Escrow Agent.

9. Escrow Agent may resign at any time by giving thirty (30) days' prior written notice to Lessor and Lessee. Lessor may at any time remove Escrow Agent as Escrow Agent under this Escrow Agreement upon written notice. Such removal or resignation shall be effective on the date set forth in the applicable notice. Upon the effective date of resignation or removal, Escrow Agent will transfer the Escrow Fund to the successor Escrow Agent selected by Lessor.

10. Lessee hereby represents, covenants and warrants that pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of the Agreement will be expended for the governmental purposes for which the Agreement was entered into, as follows: at least 15% within six months after the Commencement Date, such date being the date of deposit of funds into the Escrow Fund, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall, at its sole expense and cost, compute rebatable arbitrage on the Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final rental or Lease Payment due under the Agreement.

11. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or

(b) all differences shall have been adjusted by Master Agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

12. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below

the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.

13. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

14. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. This Escrow Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

15. This Escrow Agreement and any written direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

U.S. Bancorp Government Leasing and Finance, Inc., as Lessor
By:
Name:
Title:
Address: 13010 SW 68 th Parkway, Suite 100 Portland, OR 97223

<<Lessee>>, as Lessee
By:
Name:
Title:
Address: <<LesseeAddress1>> <<LesseeAddress2>> <<LesseeCity>>, <<LesseeState>> <<LesseeZip>>

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent
By:
Name:
Title:
Address: U.S. Bank National Association 950 17 th Street, 12 th Floor Denver, CO 80202

EXHIBIT 1

INVESTMENT DIRECTION LETTER

U.S. Bank National Association
950 17th Street, 12th Floor
Denver, CO 80202

Re: Escrow Agreement dated as of <<StartDate>>, U.S. Bancorp Government Leasing and Finance, Inc. as Lessor, <<Lessee>> as Lessee, and U.S Bank National Association as Escrow Agent

Ladies and Gentlemen:

Pursuant to the above-referenced Escrow Agreement, \$<<Amount>> will be deposited in escrow with you on or about <<StartDate>>. Such funds shall be invested in one or more of the following qualified investments in the amounts indicated:

U.S. Bank Money Market Deposit Account

Agent is hereby directed to deposit and invest funds in the U.S. Bank Money Market Deposit Savings Account. Depositors acknowledge that the U. S. Bank Money Market Deposit Account is a U. S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit with U.S. Bank. U. S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates currently offered on the accounts are determined at U. S. Bank's discretion and may be tiered by customer deposit amount. The owner of the accounts is U. S. Bank as Agent for its trust customers. U.S. Bank's trust department performs all account deposits and withdrawals. Each customer's deposit is insured by the Federal Deposit Insurance Corporation as determined under FDIC Regulations, up to applicable FDIC limits. Any and all interest earned on the Assets after the deposit shall be added to the Assets and shall become a part thereof. Agent shall thereafter hold, maintain and utilize the Assets pursuant to the terms and conditions of this Agreement. Depositors shall provide Agent with a W-9 or original W-8 IRS tax form prior to the disbursement of interest and Agent will file the appropriate 1099 or other required forms pursuant to Federal and <<LesseeState>> laws. A statement of citizenship will be provided if requested by Agent. Agent shall not be responsible for maximizing the yield on the Assets. Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

Very truly yours,

<<Lessee>>, as Lessee
By:
Name:
Title:

EXHIBIT 2

**Schedule of Fees for Services as
Escrow Agent
For
<<Lessee>>
Equipment Lease Purchase Escrow**

CTS01010A	Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	WAIVED
CTS04460	Escrow Agent Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	WAIVED
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

EXHIBIT 3
REQUISITION REQUEST

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under that certain Escrow Agreement dated as of <<StartDate>> (the "Escrow Agreement") by and among U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor"), <<Lessee>> (the "Lessee"), and U.S. Bank National Association (the "Escrow Agent"), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to equipment being financed under that certain Master Tax-Exempt Lease Purchase Agreement dated as of <<MasterLeaseDate>> (the "Master Agreement") and Property Schedule No. <<Sched.#>> thereto dated <<StartDate>> (the "Schedule" and, together with the terms and conditions of the Master Agreement incorporated therein, the "Master Agreement"), by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request.

PAYEE	ADDRESS	AMOUNT

Total requisition amount \$ _____

The undersigned, as Lessee under the Master Agreement, hereby certifies:

1. The items of the Equipment being acquired with the proceeds of this disbursement have been delivered and installed at the location(s) contemplated by the Master Agreement. The Lessee has conducted such inspection and/or testing of the Equipment being acquired with the proceeds of this disbursement as it deems necessary and appropriate, and such Equipment has been accepted by Lessee.
2. The costs of the Equipment to be paid from the proceeds of this disbursement have been properly incurred, are a proper charge against the Escrow Fund and have not been the basis of any previous disbursement.
3. No part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the Equipment or for services not yet performed in connection therewith.
4. The Equipment is covered by insurance in the types and amounts required by the Agreement.
5. No Event of Default or Event of Nonappropriation (if applicable), as each such term is defined in the Master Agreement, and no event which with the giving of notice or lapse of time, or both, would become such an Event of Default or Event of Nonappropriation has occurred and is continuing on the date hereof.
6. If Lessee paid an invoice prior to the commencement date of the Master Agreement, and is requesting reimbursement for such payment, Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

Request Date: _____

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By: _____
Name: _____
Title: _____

Lessee: <<Lessee>>
By: _____
Name: _____
Title: _____

Exhibit 4

Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. <<Sched. #>>** to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and <<Lessee>>

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: <<Lessee>>
By:
Name:
Title:

EXHIBIT B
CONTRACTOR IMMIGRATION WARRANTY
(To Be Completed by Contractor Prior to Execution of Contract)

A.R.S. § 41-4401 (Government procurement, E-verify requirement, definitions) requires as a condition of your Contract, verification of compliance by the Contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

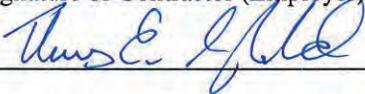
By completing and signing this form the Contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Contract Number: 2013-A5-01		
Name (as listed in the contract): U.S. Bancorp Government Housing and Finance, Inc.		
Street Name and Number: 950 17th St, 7th Fl.		
City: Denver	State: CO	Zip Code: 80202

I hereby attest that:

1. The Contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this Contract;
2. The Contractor shall verify, through the U.S. Department of Homeland Security's E-Verify program, the employment eligibility of each employee who provides services or labor in Arizona for wages or other remuneration, and that it shall require its subcontractors and sub-subcontractors to provide the same warranties to Contractor.
3. All subcontractors performing work under this Contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees.
4. The Contractor acknowledges that a breach of this warranty by the Contractor or by any subcontractor or sub-subcontractor under this Contract shall be deemed a material breach of this Contract, and is grounds for penalties, including termination of this Contract, by Owner.
5. Owner retains the legal right to inspect the papers of Contractor, and any subcontractor and sub-subcontractor employee who performs work under this Contract, and to conduct random verification of the employment records of Contractor and each subcontractor and sub-subcontractor who works on this Contract, to ensure that Contractor and each subcontractor and sub-subcontractor is complying with the warranties set forth above.

Signature of Contractor (Employer) or Authorized Designee:



Printed Name: Thomas F. Seibold

Title: OR - Western Region

Date (month/day/year): 10/17/2012

**EXHIBIT C
NON-COLLUSION AFFIDAVIT**

STATE OF: Colorado)
) ss.
CITY OF: Denver)

U.S. Bancorp Government Leasing and Finance, Inc., Thomas E. Seybold
(Name of Company, Representative)

being first duly sworn, deposes and says:

That she/he is VR - Western Region of U.S. Bancorp Government Leasing and Finance, Inc.
(Title) (Name of Company)
and

That pursuant to Section 112 (C) of Title 23 USC or other applicable laws, he/she certifies as follows:

That neither he/she nor anyone associated with the said

U.S. Bancorp Government Leasing and Finance, Inc.
(Name of Company)

has, directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding for the bid for the:

City of Cottonwood FY13 Lease Purchase Financing

This bid is genuine and not made in the interest of or on behalf of any undisclosed firm or corporations and is not submitted to conform to any agreement or rules of any group, association, organization or corporation. Bidder has not submitted a false bid or solicited whether directly or indirectly with any other Bidder to submit a false bid which would give one particular bid any advantage over others or the owner.

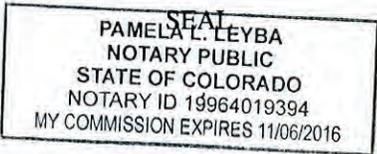
By: Thomas E. Seybold
(Signature of Individual/Representative)

STATE OF: Colorado)
) ss.
COUNTY OF: Denver)

On this the 17th day of October, 20 12, before me, the undersigned NOTARY PUBLIC, personally appeared Thomas E. Seybold, who acknowledged to me that they executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Pamela L. Leyba
NOTARY PUBLIC
My Commission Expires: 11-06-2016



Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input checked="" type="checkbox"/> Exempt payee	
Address (number, street, and apt. or suite no.) 1310 MADRID ST STE 100		Requester's name and address (optional)
City, state, and ZIP code MARSHALL, MN 56258		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number								

Employer identification number									
4	5	-	3	7	9	8	1	4	8

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶

Date ▶ 10/17/2012

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

**City of Cottonwood, Arizona
City Council Agenda Communication**



 Print

Meeting Date:	December 4, 2012
Subject:	Partial demolition and remodel of the Council Chambers Building
Department:	Development Services
From:	Scott Mangarpan, Project Manager, Development Services

REQUESTED ACTION

Consider award of the bid for the partial demolition and remodel of the Council Chambers Building to Woodruff Construction.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:

"I move to award the bid for the partial demolition and remodel of the Council Chambers Building to Woodruff Construction in the amount of \$87,600, subject to final review and approval of the construction contract by the City Attorney. "

BACKGROUND

Four (4) bids were received for the partial demolition and remodel of the Council Chambers. The contractors bidding were:

Woodruff Construction:	\$87,600
SBD, Inc.:	\$137,203
Tierra Verde Builders:	\$105,471
G&G Specialty Contractors:	\$104,000

This renovation will remove the old addition located at the back of the building. The portion of the building to be removed includes storage space and the restrooms that serve the Council Chambers. A smaller addition will be constructed to provide one ADA accessible unisex restroom and some storage space. The exterior walls of the remaining building will be reinforced. Another storage room and an access ramp will be constructed inside the remaining building next to the rear exit. Carpet will be replaced in the conference room as well as the Council Chambers. The front entrance double doors will be replaced and the exterior lighting will be upgraded.

JUSTIFICATION/BENEFITS/ISSUES

Construction damage revealed that the walls of the rear portion of the Council Chambers building were constructed of unreinforced masonry with a poor quality mortar. In addition the joists supporting the roof were not properly mounted which creates the potential for additional structural problems. It is not economically feasible to reinforce these walls so at this time it is recommended that the rear portion of the building be removed.

COST/FUNDING SOURCE

Cost for this construction project will be \$87,600, funded by the Capital Fund. Under a separate solicitation we will be spending approximately \$5,000 for asbestos and lead paint abatement and monitoring.

ATTACHMENTS:

Name:	Description:	Type:
 Bid Tabulation Form.pdf	Bid Results	Backup Material
 Combined Bid Results.pdf	Bid Backup	Backup Material
 826 NORTH MAIN FINAL-PLANS.pdf	Proposed Renovation - Floor Plan	Backup Material
 826 NORTH MAIN FINAL-ELEVATIONS.pdf	Proposed Renovation - Elevations	Backup Material
 826 NORTH MAIN FINAL-SECTIONS.pdf	Proposed Renovation - Building Sections	Backup Material
 826 NORTH MAIN FINAL-DETAILS.pdf	Proposed Renovation - Details	Backup Material

City of Cottonwood

BID TABULATION

Project Name: Partial Demolition and Remodel of the Cottonwood Council Chambers Building

Solicitation Number: 2013-PW-06

Bid Opening Date: 11/8/12 @ 4:00 p.m.

Firm Name	Bid Amount	Bond Enclosed?	Addendum Acknowledged?	Sub-List Enclosed?
Woodruff Construction	\$82,500.00 Alt 1 - \$3,800.00 Alt 2 - \$1,300.00	Y	Y	Y
SDB, Inc.	\$133,868.00 Alt 1 - \$2,375.00 Alt 2 - \$960.00	Y	Y	Y
Tierra Verde Builders	\$98,731.00 Alt 1 - \$4,790.00 Alt 2 - \$1,950.00	Y	Y	Y
G & G Specialty Contractors	\$98,200.00 Alt 1 - \$4,200.00 Alt 2 - \$1,600.00	Y	Y	Y

Notes: SDB, Inc. and Woodruff Construction were in attendance.
Scott Mangarpan and Lisa Elliott from the City of Cottonwood opened the bids.

EXHIBIT A
PROPOSAL FOR THE PARTIAL DEMOLITION AND REMODEL
OF THE COUNCIL CHAMBERS BUILDING AND CONTRACTOR
REQUIREMENTS

Proposal of: Woodruff Construction Date: 11-8-12

A corporation duly organized and existing under the laws of the State of AZ

A partnership consisting of _____

An individual doing business under the name and style of _____

PROJECT: PARTIAL DEMOLITION AND REMODEL OF THE COUNCIL CHAMBERS BUILDING

1. The Undersigned hereby proposes to furnish the plant, materials, labor, construction, equipment, services and transportation required for performing all the work for construction of the project described above, and to construct the same and install the material within for the City, in a good and workmanlike manner and to the satisfaction of the City strictly in conformity with the Specifications, Plans, Schedules and pertinent Contract Documents, and the base bid is the sum of:

Eighty Two thousand Five hundred Dollars (\$ 82,500.00).

Bid alternate for wood base and glue down carpet in Council Chambers:

Three thousand Eight hundred Dollars (\$ 3,800.00).

Bid Alternate for wood base and glue down carpet in Jury Room:

One thousand Three hundred Dollars (\$ 1,300.00).

2. The Undersigned agrees to deliver to the City within ten (10) days of issuance of the Notice of Intent to Award, a Performance Bond and a Payment Bond, each equal to one hundred percent (100%) of the Contract amount, and execute the Contract at that time.
3. Enclosed is Bid Security as required by the Instructions to Bidders payable to the Owner in the amount of 10% dollars (\$) which shall become the property of the City in the event the Contract and Bonds are not executed within the time set forth, as liquidated damages for the delay and additional work caused thereby.

4. The Undersigned agrees, if awarded the Contract, that work shall commence on the date designated in the Notice to Proceed and shall be Substantially Complete no later than _____ CALENDAR DAYS after receipt of Notice to Proceed.
5. The Undersigned agrees that the base bid as stated herein includes the cost of insurance required as listed in the General Conditions, or as otherwise be required by the Specifications.
6. The Undersigned hereby declares that he has visited the site and has carefully examined the Contract Documents relating to the Work covered by this bid, and has checked carefully all of the figures in this bid and understands that the City will not be responsible for any errors or omissions on the part of the Undersigned in making this bid.
7. The Undersigned understands that the City reserves the right to reject any and all bids or any part thereof, or to accept any bid or any part thereof, or to waive any commissions or omissions of an insubstantial nature in any bid, or to withhold the award for any reason.
8. Non-Collusion Affidavit: The Undersigned certifies that this bid is genuine, and is not in any way collusive or a sham; that the bid is not made with the intent to restrict or prohibit competition; that the firm submitting the bid has not revealed the contents of the bid to, or in any way colluded with, any other firm which may compete for the contract; and that no other firm which may compete for the contract has revealed the contents of a bid to, or in any way colluded with, the firm submitting the bid.

By signing below, the Undersigned certifies that the statements provided herein are accurate and certifies the intent to be bound by such statements.

Name of Contractor: Woodruff Construction

Signature: 

By: DAVID NIXON

Title: PM

Business Address: 2710 E LAKIN DR

FLAGSTAFF, AZ 86004

Telephone: 928-527-4138

Bidder shall signify the receipt of all Addenda (if any):

Addenda No.: 1
 Addenda No.: 2
 Addenda No.: _____

Bidder's Initials: 
 Bidder's Initials: 
 Bidder's Initials: _____

EXHIBIT A
PROPOSAL FOR THE PARTIAL DEMOLITION AND REMODEL
OF THE COUNCIL CHAMBERS BUILDING AND CONTRACTOR
REQUIREMENTS

Proposal of: Tierra Verde Builders Date: November 8, 2012

A corporation duly organized and existing under the laws of the State of AZ

A partnership consisting of _____

An individual doing business under the name and style of _____

PROJECT: PARTIAL DEMOLITION AND REMODEL OF THE COUNCIL
CHAMBERS BUILDING

1. The Undersigned hereby proposes to furnish the plant, materials, labor, construction, equipment, services and transportation required for performing all the work for construction of the project described above, and to construct the same and install the material within for the City, in a good and workmanlike manner and to the satisfaction of the City strictly in conformity with the Specifications, Plans, Schedules and pertinent Contract Documents, and the base bid is the sum of:

Ninety Eight Thousand, Seven Hundred Thirty-one Dollars (\$ 98,731⁰⁰).

Bid alternate for wood base and glue down carpet in Council Chambers:

Four Thousand Seven Hundred ninety Dollars (\$ 4,790⁰⁰).

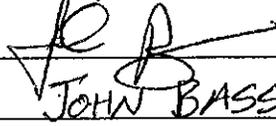
Bid Alternate for wood base and glue down carpet in Jury Room:

One Thousand Nine Hundred Fifty Dollars (\$ 1,950⁰⁰).

2. The Undersigned agrees to deliver to the City within ten (10) days of issuance of the Notice of Intent to Award, a Performance Bond and a Payment Bond, each equal to one hundred percent (100%) of the Contract amount, and execute the Contract at that time.
3. Enclosed is Bid Security as required by the Instructions to Bidders payable to the Owner in the amount of 1090 dollars (\$ _____) which shall become the property of the City in the event the Contract and Bonds are not executed within the time set forth, as liquidated damages for the delay and additional work caused thereby.

4. The Undersigned agrees, if awarded the Contract, that work shall commence on the date designated in the Notice to Proceed and shall be Substantially Complete no later than _____ CALENDAR DAYS after receipt of Notice to Proceed.
5. The Undersigned agrees that the base bid as stated herein includes the cost of insurance required as listed in the General Conditions, or as otherwise be required by the Specifications.
6. The Undersigned hereby declares that he has visited the site and has carefully examined the Contract Documents relating to the Work covered by this bid, and has checked carefully all of the figures in this bid and understands that the City will not be responsible for any errors or omissions on the part of the Undersigned in making this bid.
7. The Undersigned understands that the City reserves the right to reject any and all bids or any part thereof, or to accept any bid or any part thereof, or to waive any commissions or omissions of an insubstantial nature in any bid, or to withhold the award for any reason.
8. Non-Collusion Affidavit: The Undersigned certifies that this bid is genuine, and is not in any way collusive or a sham; that the bid is not made with the intent to restrict or prohibit competition; that the firm submitting the bid has not revealed the contents of the bid to, or in any way colluded with, any other firm which may compete for the contract; and that no other firm which may compete for the contract has revealed the contents of a bid to, or in any way colluded with, the firm submitting the bid.

By signing below, the Undersigned certifies that the statements provided herein are accurate and certifies the intent to be bound by such statements.

Name of Contractor: JOHN BASSOUS - Terra Verde Builders
 Signature: 
 By: JOHN BASSOUS
 Title: Managing Member
 Business Address: 400 Finnie FIAT Rd, Suite 1 D
Camp Verde, Az 86322
 Telephone: (928) 567-2477

Bidder shall signify the receipt of all Addenda (if any):

Addenda No.:	<u>1</u>	Bidder's Initials:	<u></u>
Addenda No.:	<u>2</u>	Bidder's Initials:	<u></u>
Addenda No.:	_____	Bidder's Initials:	_____

EXHIBIT A
PROPOSAL FOR THE PARTIAL DEMOLITION AND REMODEL
OF THE COUNCIL CHAMBERS BUILDING AND CONTRACTOR
REQUIREMENTS

Proposal of: SDB, Inc. Date: November 8, 2012

A corporation duly organized and existing under the laws of the State of Arizona

A partnership consisting of _____

An individual doing business under the name and style of _____

PROJECT: PARTIAL DEMOLITION AND REMODEL OF THE COUNCIL CHAMBERS BUILDING

1. The Undersigned hereby proposes to furnish the plant, materials, labor, construction, equipment, services and transportation required for performing all the work for construction of the project described above, and to construct the same and install the material within for the City, in a good and workmanlike manner and to the satisfaction of the City strictly in conformity with the Specifications, Plans, Schedules and pertinent Contract Documents, and the base bid is the sum of:

One Hundred Thirty Three Thousand Dollars (\$133,868.00)
Eight Hundred Sixty Eight & 00/100

Bid alternate for wood base and glue down carpet in Council Chambers:

Two Thousand Three Hundred Dollars (\$2,375.00)
Sixty Five & 00/100

Bid Alternate for wood base and glue down carpet in Jury Room:

Nine Hundred Sixty & 00/100 Dollars (\$960.00)

2. The Undersigned agrees to deliver to the City within ten (10) days of issuance of the Notice of Intent to Award, a Performance Bond and a Payment Bond, each equal to one hundred percent (100%) of the Contract amount, and execute the Contract at that time.
3. Enclosed is Bid Security as required by the Instructions to Bidders payable to the Owner in the amount of 10% of Bid Amount dollars (\$ _____) which shall become the property of the City in the event the Contract and Bonds are not executed within the time set forth, as liquidated damages for the delay and additional work caused thereby.

4. The Undersigned agrees, if awarded the Contract, that work shall commence on the date designated in the Notice to Proceed and shall be Substantially Complete no later than 90 CALENDAR DAYS after receipt of Notice to Proceed.
5. The Undersigned agrees that the base bid as stated herein includes the cost of insurance required as listed in the General Conditions, or as otherwise be required by the Specifications.
6. The Undersigned hereby declares that he has visited the site and has carefully examined the Contract Documents relating to the Work covered by this bid, and has checked carefully all of the figures in this bid and understands that the City will not be responsible for any errors or omissions on the part of the Undersigned in making this bid.
7. The Undersigned understands that the City reserves the right to reject any and all bids or any part thereof, or to accept any bid or any part thereof, or to waive any commissions or omissions of an insubstantial nature in any bid, or to withhold the award for any reason.
8. Non-Collusion Affidavit: The Undersigned certifies that this bid is genuine, and is not in any way collusive or a sham; that the bid is not made with the intent to restrict or prohibit competition; that the firm submitting the bid has not revealed the contents of the bid to, or in any way colluded with, any other firm which may compete for the contract; and that no other firm which may compete for the contract has revealed the contents of a bid to, or in any way colluded with, the firm submitting the bid.

By signing below, the Undersigned certifies that the statements provided herein are accurate and certifies the intent to be bound by such statements.

Name of Contractor: SDB, Inc.
 Signature: Edward W. Riccio, CFO
 By: Edward W. Riccio
 Title: Vice President / Chief Financial Officer
 Business Address: 810 W. 1st Street
Tempe, AZ 85281
 Telephone: (480) 967-5810

Bidder shall signify the receipt of all Addenda (if any):

Addenda No.: 1 Dated 10/26/12
 Addenda No.: 2 Dated 11/5/12
 Addenda No.: _____

Bidder's Initials: (Signature)
 Bidder's Initials: (Signature)
 Bidder's Initials: _____

EXHIBIT A
PROPOSAL FOR THE PARTIAL DEMOLITION AND REMODEL
OF THE COUNCIL CHAMBERS BUILDING AND CONTRACTOR
REQUIREMENTS

Proposal of: GOC Specialty Contractors, Inc. Date: 11/8/12

A corporation duly organized and existing under the laws of the State of AZ

A partnership consisting of _____

An individual doing business under the name and style of _____

PROJECT: PARTIAL DEMOLITION AND REMODEL OF THE COUNCIL CHAMBERS BUILDING

1. The Undersigned hereby proposes to furnish the plant, materials, labor, construction, equipment, services and transportation required for performing all the work for construction of the project described above, and to construct the same and install the material within for the City, in a good and workmanlike manner and to the satisfaction of the City strictly in conformity with the Specifications, Plans, Schedules and pertinent Contract Documents, and the base bid is the sum of:

Ninety Eight Thousand Two Hundred Dollars (\$ 98,200.⁰⁰).

Bid alternate for wood base and glue down carpet in Council Chambers:

Four Thousand Two Hundred Dollars (\$ 4,200.⁰⁰).

Bid Alternate for wood base and glue down carpet in Jury Room:

One Thousand Six Hundred Dollars (\$ 1,600.⁰⁰).

2. The Undersigned agrees to deliver to the City within ten (10) days of issuance of the Notice of Intent to Award, a Performance Bond and a Payment Bond, each equal to one hundred percent (100%) of the Contract amount, and execute the Contract at that time.
3. Enclosed is Bid Security as required by the Instructions to Bidders payable to the Owner in the amount of 10% of bid Amount dollars (\$ 10%) which shall become the property of the City in the event the Contract and Bonds are not executed within the time set forth, as liquidated damages for the delay and additional work caused thereby.

4. The Undersigned agrees, if awarded the Contract, that work shall commence on the date designated in the Notice to Proceed and shall be Substantially Complete no later than _____ CALENDAR DAYS after receipt of Notice to Proceed.
5. The Undersigned agrees that the base bid as stated herein includes the cost of insurance required as listed in the General Conditions, or as otherwise be required by the Specifications.
6. The Undersigned hereby declares that he has visited the site and has carefully examined the Contract Documents relating to the Work covered by this bid, and has checked carefully all of the figures in this bid and understands that the City will not be responsible for any errors or omissions on the part of the Undersigned in making this bid.
7. The Undersigned understands that the City reserves the right to reject any and all bids or any part thereof, or to accept any bid or any part thereof, or to waive any commissions or omissions of an insubstantial nature in any bid, or to withhold the award for any reason.
8. Non-Collusion Affidavit: The Undersigned certifies that this bid is genuine, and is not in any way collusive or a sham; that the bid is not made with the intent to restrict or prohibit competition; that the firm submitting the bid has not revealed the contents of the bid to, or in any way colluded with, any other firm which may compete for the contract; and that no other firm which may compete for the contract has revealed the contents of a bid to, or in any way colluded with, the firm submitting the bid.

By signing below, the Undersigned certifies that the statements provided herein are accurate and certifies the intent to be bound by such statements.

Name of Contractor: GoGo Specialty Contractors, Inc.

Signature: 

By: Stephen Crivisara

Title: P.M.

Business Address: 4633 S. 36th St

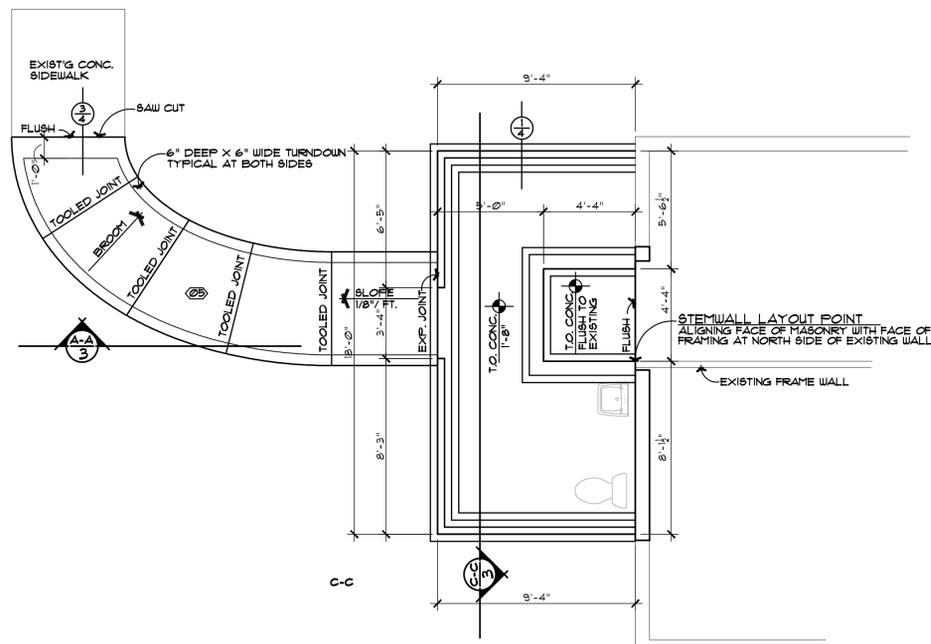
Phoenix, AZ 85040

Telephone: 480.921.4079

Bidder shall signify the receipt of all Addenda (if any):

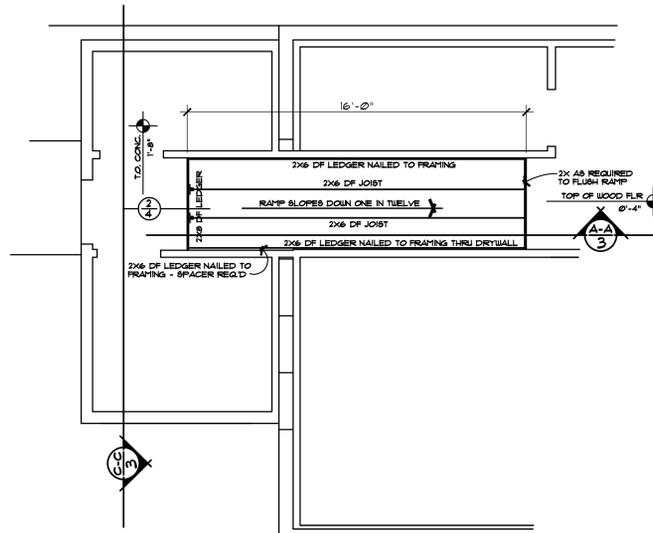
Addenda No.: 1
 Addenda No.: 2
 Addenda No.: _____

Bidder's Initials: 
 Bidder's Initials: 
 Bidder's Initials: _____



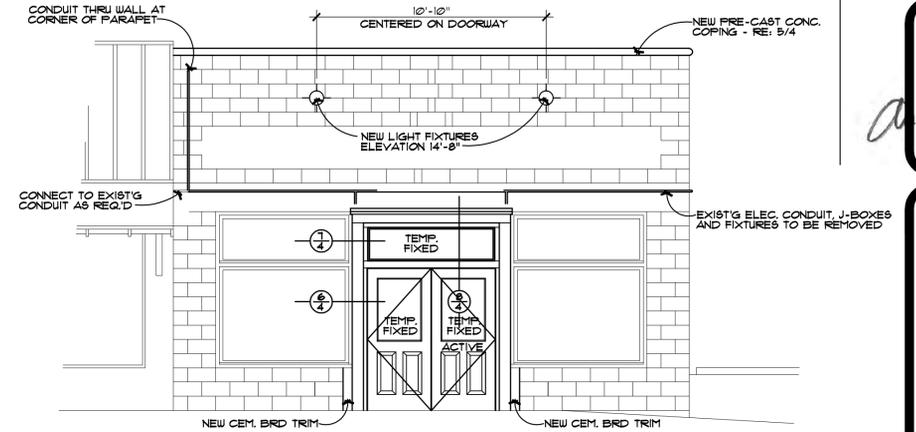
FOUNDATION PLAN

1/4" = 1'-0"



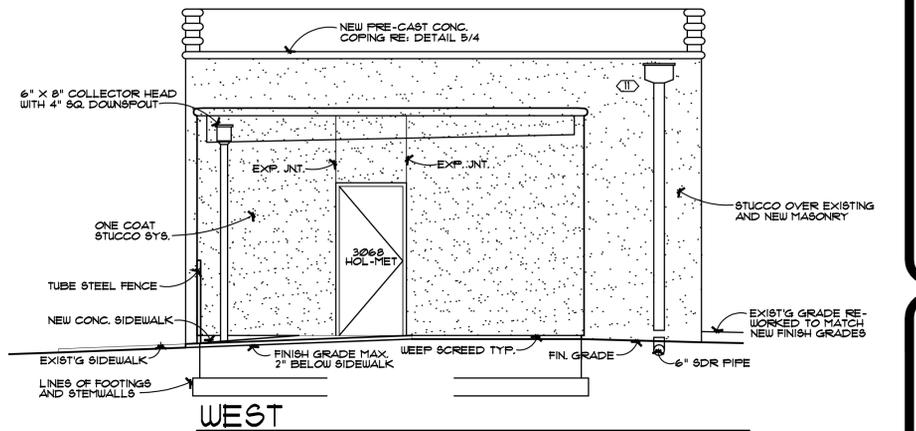
RAMP FRAMING PLAN

1/4" = 1'-0"



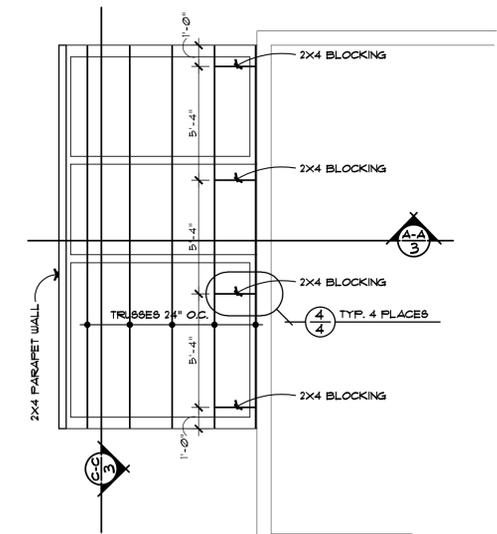
EAST

1/4" = 1'-0"



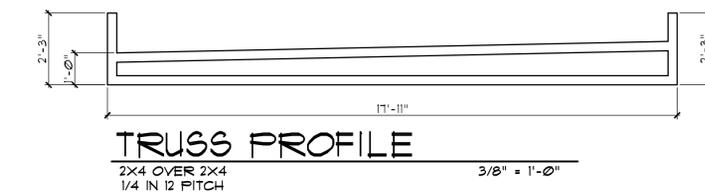
WEST

1/4" = 1'-0"



ROOF FRAMING PLAN

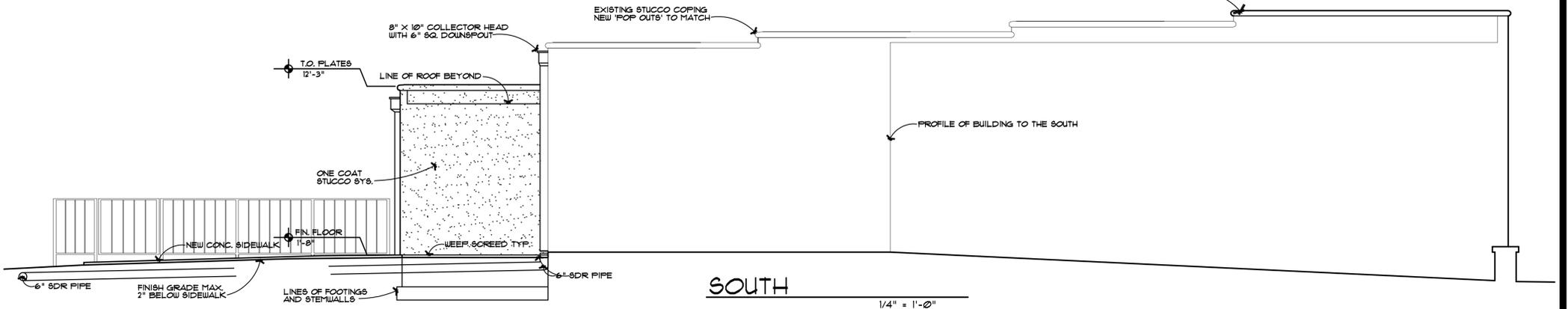
1/4" = 1'-0"



TRUSS PROFILE

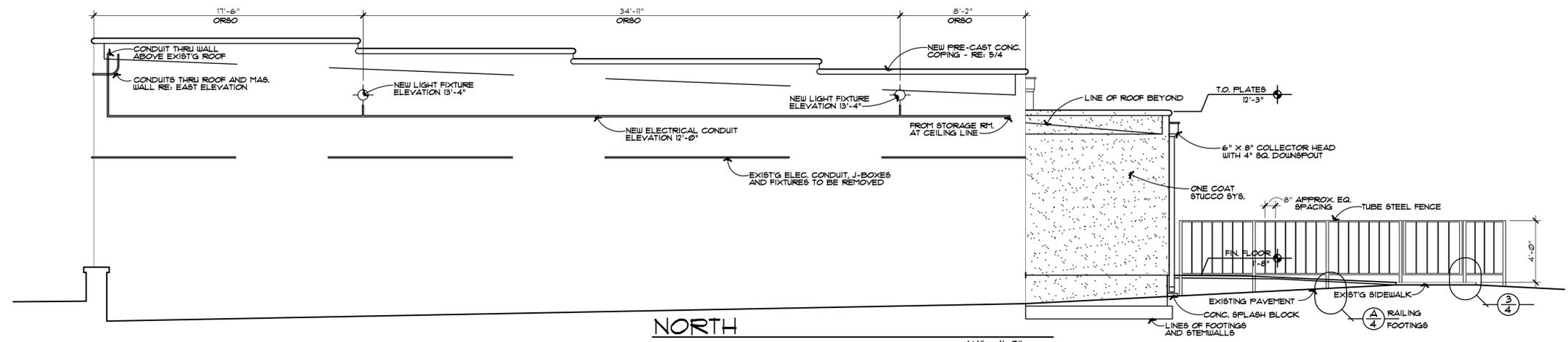
2x4 OVER 2x4
1/4 IN 12 PITCH

ROOF DEAD LOAD = 15 PSF
ROOF SNOW LOAD = 20 PSF (SEVEN DAY DURATION)
ROOF MECHANICAL LOAD = 100 PSF - POINT LOAD
CEILING LIVE LOAD = 10 PSF
TRUSS MANUFACTURE SHALL VERIFY THE LOCATIONS AND WEIGHTS OF ALL ROOF OR CEILING MOUNTED HVAC EQUIPMENT



SOUTH

1/4" = 1'-0"



NORTH

1/4" = 1'-0"



CHRISTIAN VERNOSKY ARCHITECTS LLC
411 SOUTH FOURTEENTH STREET COTTONWOOD, AZ 86326
928-634-8318

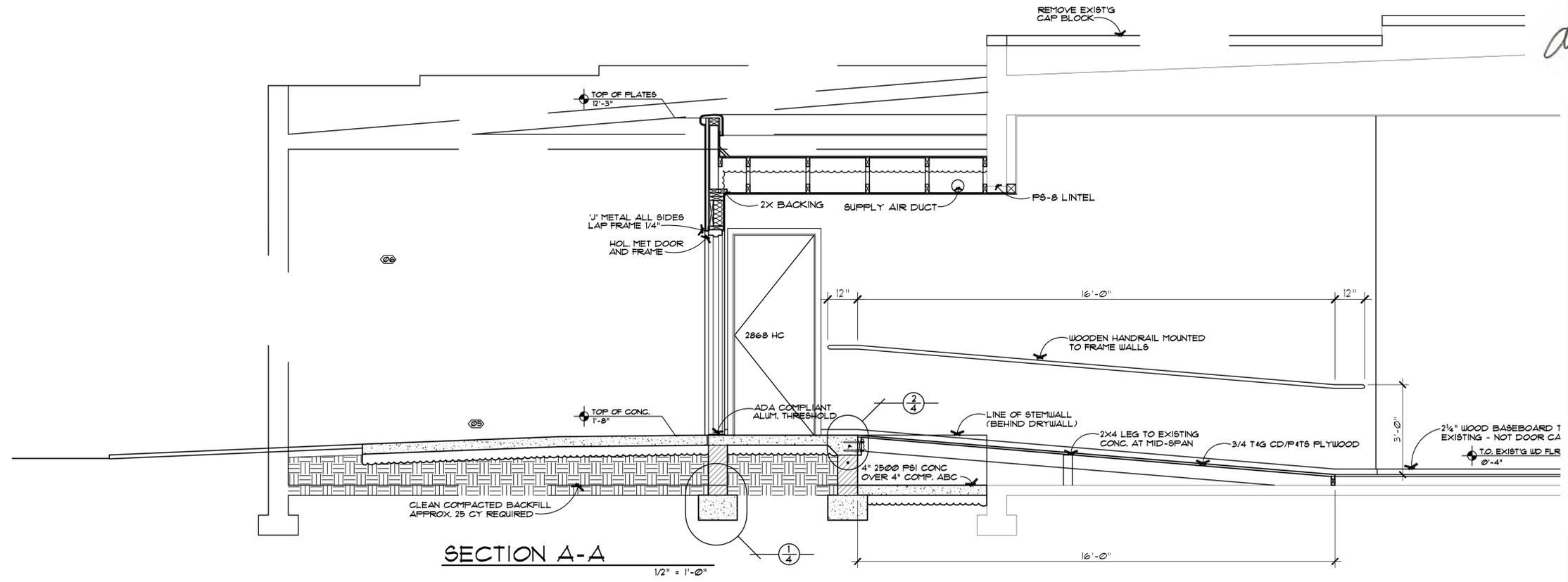
DEMOLITION AND CONSTRUCTION
CITY OF COTTONWOOD COUNCIL CHAMBERS
826 N. MAIN ST. COTTONWOOD, AZ 86326 APN 406-32-045



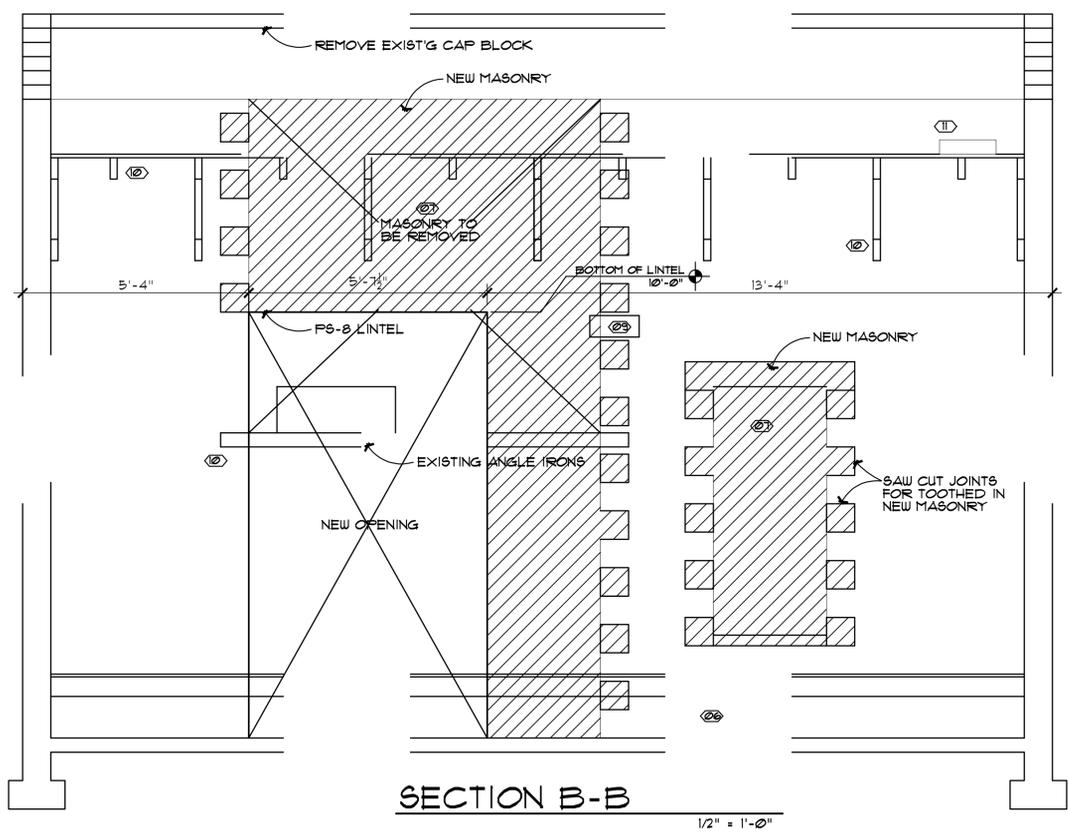
SHEET
TWO
OF
FOUR



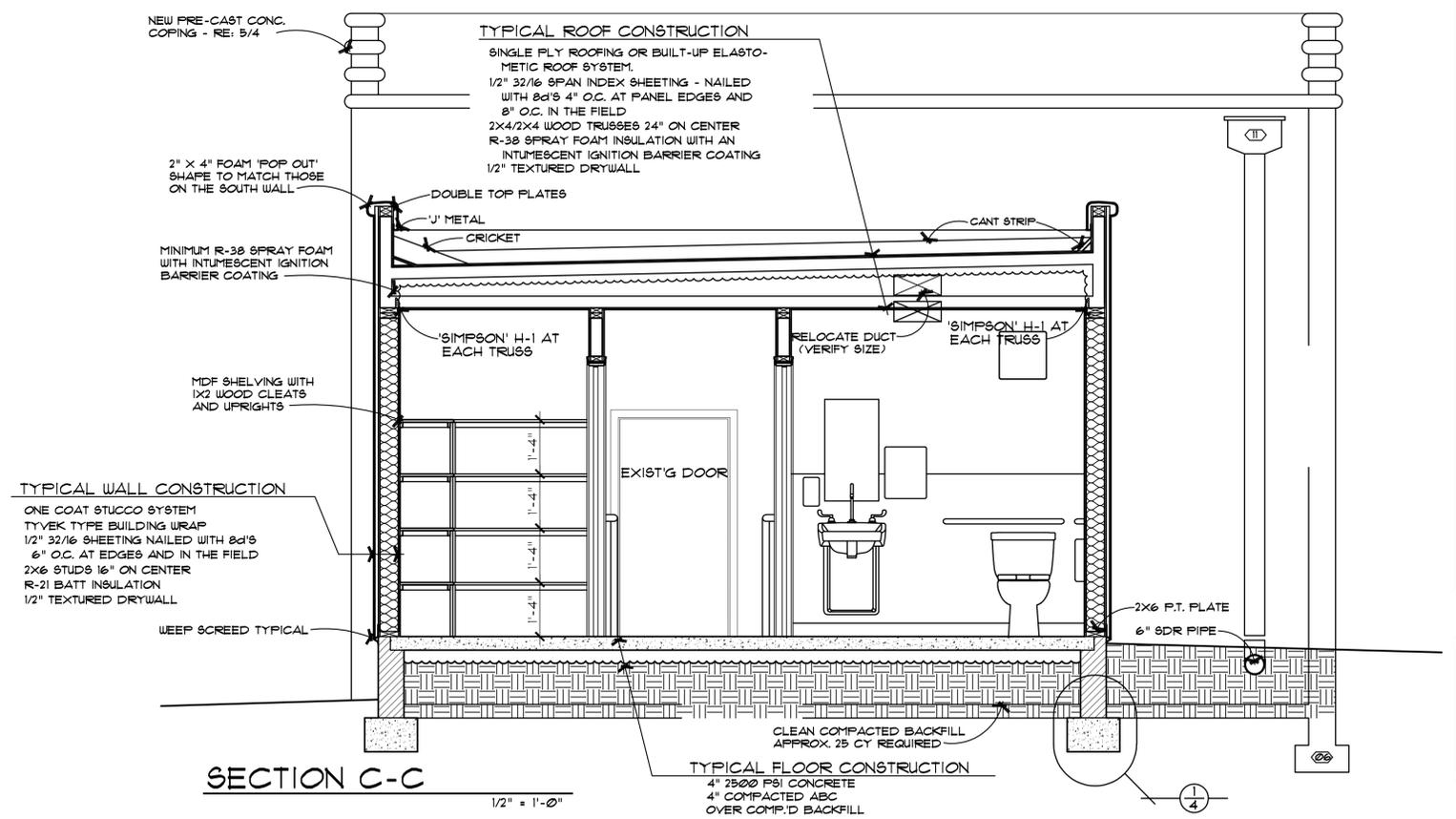
CHRISTIAN VERNOSKY ARCHITECTS LLC
 411 SOUTH FOURTEENTH STREET COTTONWOOD, AZ 86326
 928-634-8318



SECTION A-A
 1/2" = 1'-0"



SECTION B-B
 1/2" = 1'-0"



SECTION C-C
 1/2" = 1'-0"

DEMOLITION AND CONSTRUCTION
CITY OF COTTONWOOD COUNCIL CHAMBERS
 826 N. MAIN ST. COTTONWOOD, AZ 86326 APN 406-32-045



SHEET
THREE
 OF
FOUR

**City of Cottonwood, Arizona
City Council Agenda Communication**



 Print

Meeting Date:	December 4, 2012
Subject:	Sunshine Hill Public Safety Communications Repeater Site Ground Lease
Department:	Attorney
From:	Steve Horton, City Attorney Jody Fanning, Police Chief Mike Kuykendall, Fire Chief

REQUESTED ACTION

Approval of ground lease with Jerome Verde Development Company for the Sunshine Hill public safety communications repeater site.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:

I move to approve the ground lease with Jerome Verde Development Company and authorize the Mayor to execute the lease on the City's behalf.

BACKGROUND

Cottonwood PD - which dispatches the Jerome and Clarkdale police departments as well as itself - has had a radio repeater and other emergency communications equipment on Sunshine Hill for many years. The Sedona Fire District maintains certain emergency communications equipment at this site as well, which enables it to provide better and more reliable coverage to Cottonwood Fire and other public safety agencies it dispatches in this part of the Verde Valley.

The Sunshine Hill site is owned by Jerome Verde Development Company, and the prior lease has expired. Over a period of many months, staff has negotiated the attached proposed ground lease with JVDC and its attorney so that the City and SFD can both continue to maintain their public safety/emergency communications equipment at the site.

At the same time, the City Manager has directed staff to explore other alternatives to leasing this site that will provide the City with more security, predictability and control over its emergency communications facilities over the long term, in conjunction with the construction of the new emergency communications facility. For the near-term, however, keeping this equipment at the present site appears to be the best alternative.

The new lease rate is \$600.00 per month (which represents a \$200.00 per month increase over the prior lease), with an annual escalator tied to inflation. The new lease term begins on January 1, 2013.

JUSTIFICATION/BENEFITS/ISSUES

Staff believes the terms of the proposed ground lease are reasonable, and represent the best alternative for maintaining the the City's current emergency communications capabilities, as well as those of SFD in this part of the Valley.

COST/FUNDING SOURCE

General fund.

ATTACHMENTS:

Name:	Description:	Type:
 cottonwood_pd_repeater_lease2012j.doc	Repeater Tower Lease	Backup Material

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement") is made and is agreed to be effective on the 1st day of January, 2013, by and between JEROME VERDE DEVELOPMENT COMPANY, a Delaware corporation duly authorized to do business in the State of Arizona, hereinafter referred to as "Lessor", and CITY OF COTTONWOOD, an Arizona municipality, hereinafter referred to as "Lessee".

I.

DESCRIPTION OF PROPERTY

Lessor agrees to lease and Lessee to hire from Lessor a site to be mutually agreed upon by the parties, located on the northeast side of Sunshine Hill, near Jerome, Arizona, along the old United Verde Railroad dump right of way, located on a portion of the Capstan Lode mining Claim, Claim No. 1492, which is located in a portion of the southwest quarter of the southwest quarter of the southwest quarter of Section 14, Township 16 North, Range 2 East, with sufficient space for a Police and Fire Dispatch Radio transmitting tower not to exceed eighty (80) feet in height, provided that the uppermost point of said tower shall be at least thirty (30) feet below the adjacent crest of Sunshine Hill, hereinafter referred to as the "Premise". Lessee will have the right to reasonable ingress and egress to construct and maintain a Police and Fire Dispatch Radio transmitter tower. The Premises shall not exceed two hundred (200') square feet.

II.

TERM & RENEWAL

This Agreement shall be for a term of one (1) year, beginning on January 1, 2013, and terminating on December 31, 2013. This Lease shall automatically renew for additional one (1) year periods on January 1st each year, unless either party gives to the other party Notice of Intent not to renew at least 90 days in advance of the expiration date.

III.

RENTAL

The Lessee hereby covenants and agrees to pay to Lessor the sum of SIX HUNDRED DOLLARS AND NO/00 (\$600.00) per month, payable in advance on the first (1st) day of each month, beginning January 1, 2013, and on the first (1st) day of each successive month thereafter during the term of this Agreement.

The rental fee shall be adjustable annually according to the Consumer Price Index (CPI), U.S. City Average.

IV.

NON-EXCLUSIVE LEASE

Lessee understands that this is a non-exclusive Lease, and Lessee's possession of the demised Premises may be shared with other lessees of Lessor, at Lessor's sole discretion, for communication towers.

V.

USE OF PREMISES

Lessee shall use the Premises as a Police and Fire Dispatch Radio transmitter for the City of Cottonwood and emergency dispatch services to the Town of Clarkdale and Town of Jerome, and for no other purpose without the written consent of Lessor. Lessor specifically consents that Sedona Fire District may co-locate equipment, that presently exists, on the subject tower during the term of this lease, if permitted to do so by Lessee. Lessee shall not disturb the quiet enjoyment of any other tenant of Lessor, if any. Lessor shall not interfere or disturb Lessee's peaceable and quiet enjoyment of the Premises.

VI.

DEFAULT

It shall be an event of default hereunder if Lessee shall fail to observe any of the terms and conditions of this Agreement. In the event of any such default, Lessor may terminate this Agreement as permitted by law and hold Lessee liable for damages and/or exercise such other rights or remedies as may be provided herein or by law or equity. The foregoing remedies shall be cumulative and not exclusive.

VII.

TERMINATION

This Agreement may be terminated by Lessor on (90) days advance written notice to Lessee in the event that operation of said radio transmission tower results in significant interference. For the purpose of this paragraph, "significant interference" shall be interference to radio or television receiving equipment, audio equipment, or any other electronic equipment susceptible to radio frequency interference affecting any pre-existing tenant or Lessor, or as to ten (10) or more residents of the Town of Jerome, Arizona, provided, however, that such interference is not caused by:

1. Faulty equipment of said tenant or resident; or
2. Equipment which is not faulty but which is outdated and lacks low cost filters now available on receivers or equipment presently being manufactured.

Lessor shall provide Lessee sufficient notification of interference and provide a reasonable length of time for Lessee to correct said interference, prior to arbitration.

Whether significant interference has resulted shall be determined by arbitration under the laws of the State of Arizona, and any arbitration hearings required thereunder shall be held at a site selected by the arbiters located within Yavapai County, Arizona. In the event the arbitration procedure results in the finding of significant interference, the period of time consumed by the arbitration proceedings, from the date of first request for arbitration to the date of decision by the arbitrator or arbitrators, shall be deducted from the (90) day advance notice set forth above.

It is the intention of the parties hereto that the arbitration procedure set forth above be used to expedite a speedy resolution to any controversy as to whether or not significant interference has occurred. Therefore, each party hereto instructs the arbiters to act as quickly as possible without delay in reaching a decision as to whether said significant interference has occurred.

Lessee shall have the right to terminate this Agreement upon ninety (90) days written notice to Lessor should its reception or transmission be interfered with or affected by other antenna and equipment, or by obstacles such as buildings, additions, towers or other structures which might be constructed or maintained in Lessee's receiving or transmitting paths after the date of this Agreement .

VIII. WAIVER OF BREACH

No waiver by any party of a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained.

IX. SURRENDER OF PREMISES; HOLDING OVER

Upon termination of this Agreement, whether by lapse of time or otherwise, or upon any voluntary termination of this Agreement, Lessee shall surrender the premises to Lessor in reasonably clean, good and tenable condition.

In the event that Lessee remains in possession of the premises after the end of the term, or any extension thereto, Lessor may either (a) elect, at its sole option, to treat Lessee as a month to month tenant for a monthly rental equal twice the monthly rental set forth hereinabove, and otherwise under the terms and conditions set forth herein, or (b) proceed as provided by law to evict Lessee from the premises and recover any damages, costs, expenses or fees (including attorneys' fees) as may be suffered or incurred by Lessor in connection with such holding over and any related action deemed necessary or appropriate.

X.
REAL PROPERTY TAXES

Lessee shall pay, as additional rental, to Lessor any personal property taxes assessed on, or any portion of such taxes attributable to, the Lessee facilities and any increase in real property taxes levied against the premises which are attributable to Lessee's use of the property.

XI.
ASSIGNMENT, SUBLEASE

Lessee shall not assign or sublet (co-locate) any interest in this Agreement.

XII.
NON-LIABILITY OF LESSOR FOR DAMAGES

Lessee, as a material part of the consideration to be rendered to Lessor under this Agreement, hereby waives all claims against Lessor for damages to personal property in, upon and about said premises, and for injuries to persons in or about said premises, from any cause arising at any time, and Lessee will hold Lessor exempt and harmless from, for any injury to any person, or arising from the failure of Lessee to keep the premises in good condition as herein provided. Lessor shall not be liable to Lessee for any damage by or from any act of negligence of any other third party.

XIII.
LIABILITY INSURANCE

Lessee shall maintain a public liability insurance policy in an amount of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) with such company or companies as shall be satisfactory to Lessor. Such policy shall name Lessor as the named insured. Such coverage shall be for the purpose of protecting Lessor against liability for damage claims arising through public use of or arising out of accidents occurring in or around the leased premises. Lessee shall obtain a written obligation from the insurers to notify Lessor in writing at least thirty (30) days prior to cancellation or refusal to renew any policy. A copy of the insurance certificate shall be delivered to Lessor within thirty (30) days of the commencement of this Agreement.

XIV.
IMPROVEMENTS

Provided that Lessee is not in default of this Agreement, Lessee shall have the right to remove all improvements and fixtures placed on the Premises, provided that said improvements and fixtures can be removed without damage to the real property of Lessor. In addition, provided that Lessee shall not be in default of this Agreement, Lessee shall have the right to lease or sell all improvements and fixtures placed on the Premises to a third party acceptable to

Lessor, whose approval and assignment of this Agreement to said third party will not be unreasonably withheld.

Portable equipment placed on the Premises by Lessee may be removed by Lessee at the termination of this Agreement. However, any such portable equipment left upon the Premises for a period exceeding one hundred twenty

(120) days after the termination of this Agreement shall be considered abandoned, and shall become the property of Lessor, unless other arrangements have been made in writing between the parties hereto.

XV.

NUISANCE NOT PERMITTED

Lessee shall not, during the term hereof, maintain, commit, or permit the maintenance or commission of any nuisance on the demised premises; provided, however, the lawful operation of the transmitter shall not be deemed a nuisance, if said transmitter is not resulting in significant interference as set forth in Paragraph III herein.

XVI.

MAINTENANCE

Lessee shall provide maintenance required to keep the Premises in a good serviceable condition. Lessee shall keep the Premises free from debris and other refuse.

XVII.

UTILITIES

In addition to all rents to be paid by Lessee, Lessee agrees to pay for all utilities. Lessee shall further pay for all expense incurred, if any, in securing extension of utility lines to said property.

XVIII

SIGNS

The Lessor shall approve all signs on the premises.

XIX.

INSPECTION

Lessor or his designated agent or broker shall have the right to enter the premises at reasonable times (a) upon twenty-four (24) hours oral or written notice to inspect the premises, make or supply necessary or agreed repairs or services, or exhibit the premises to prospective or actual purchasers, mortgagees, tenants, workman or contractors, and (b) without notice in the event of emergency.

XX.

NOTICES

All notices, demands or other writings to this Agreement to be sent to or provided either party hereto shall be deemed to have been properly served when made in writing and deposited in the U.S. Mail, registered or certified, and postage prepaid, and addressed as follows:

To Lessor: Roberta Westcott
Property Manager,
Jerome Verde Development Company
P.O. Box 384
Clarkdale, AZ 86324

with copy to: Robert S. Pecharich, Esq.
Boyle, Pecharich, Cline & Whittington
P.O. Box 1191
Prescott, Arizona 86302-1191

To Lessee: City of Cottonwood
827 N. Main Street
Cottonwood, Arizona 86326

XXI.

CONDEMNATION

In the event that any part of the premises is taken by eminent domain or transferred in contemplation thereof, this Agreement, at Lessor's option, shall terminate upon such taking or transfer, and Lessor shall be entitled to the entire award.

XXII.

TIME IS OF THE ESSENCE

Time is of the essence in the performance of each covenant of this Agreement.

XXIII.

APPLICABLE LAW

The laws of the State of Arizona shall govern the construction, performance and enforcement of this Agreement. Venue for any action arising out of the provisions of this Agreement shall be Yavapai County, Arizona.

XXIV.

ATTORNEYS' FEES

The prevailing party in any action or proceeding in court or mutually agreed upon arbitration proceeding to enforce the terms of this Agreement is entitled to receive its reasonable attorneys' fees and other reasonable enforcement costs and expenses from the non-prevailing party.

XXV.
ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior written and verbal agreements, representations, promises or understandings between the parties. Any amendments to this Agreement must be in writing and must be executed by both parties hereto.

XXVI
SEVERABILITY

Should any part, term or provision of this Agreement be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

XXVII.
JOINT AND SEVERAL

In the event more than one person or entity executes this Agreement as Lessee, the obligations of Lessee hereunder shall be joint, several and, where applicable, community obligations of each person or entity. This Agreement shall be binding upon the heirs, personal representatives and assigns of all the parties hereto.

XXVIII.
CANCELLATION OF POLITICAL SUBDIVISION AND STATE CONTRACTS

- A. The state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.
- B. The cancellation under this section by the state or its political subdivisions shall be effective when written notice from the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time.

- C. The cancellation under this section by any department or agency of the state or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

- D. In addition to the right to cancel a contract as provided in subsection A of this section, the state, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract.

IN WITNESS WHEREOF, this Agreement has been executed in triplicate, each to be considered an original, as of the effective date and year first above written.

LESSOR: JEROME VERDE DEVELOPMENT

By: Roberta Westcott
Its: Property Manager

LESSEE: CITY OF COTTONWOOD

By: _____
Its: _____

**City of Cottonwood, Arizona
City Council Agenda Communication**



 Print

Meeting Date:	December 4, 2012
Subject:	Application for 2013/14 Section 5311 Rural Transportation Funding - CAT/Verde Lynx Transit Service
Department:	Community Services
From:	Bruce Morrow, Transportation Manager

REQUESTED ACTION

Staff requests Council authorization of the 2013/14 Section 5311 Application and Contract with the Arizona Department of Transportation. This Grant will provide funding for the operation of the Cottonwood Area Transit and Verde Lynx Transit systems during the 2013/2014 Federal budget cycle from October 1, 2013 through September 30, 2014.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:
I move to authorize staff to submit the Section 5311 Application and Contract to the Arizona Department of Transportation (ADOT) for federal grant funding for the Cottonwood Area Transit (CAT) and Verde Lynx Systems.

BACKGROUND

Section 5311 grant funding has been a constant source of funding for the Cottonwood Area Transit (CAT) system for the past 16 years and most recently for the Verde Lynx System operations from 2007 to the present.

The state and federal governments continue to support the Cottonwood Area Transit and the Verde Lynx operations and the state has recently been involved in numerous discussions with staff pertaining to 5311 funding, continuing operations of both service routes and is particularly interested in future possibilities for expansion should funding become available.

JUSTIFICATION/BENEFITS/ISSUES

The Cottonwood Area Transit and Verde Lynx Systems need to continue to honor contract obligations with the Arizona Department of Transportation (ADOT) to be a partner in future transportation operations, along with the future use of transportation throughout the City of Cottonwood, Clarkdale, Yavapai County and Sedona.

This grant application coincides with Council's direction to staff to move forward with the re-integration of the CAT and Verde Lynx Systems into the City's management structure along with participation in all available grant opportunities with the state and federal governments.

COST/FUNDING SOURCE

This application seeks grant funding for the federal fiscal year from October 1, 2013 through September 30, 2014. It requests funds on behalf of Cottonwood, Sedona, Clarkdale and Yavapai County, each of which will contribute local match funding to support transit operations in and between Cottonwood, Clarkdale, Sedona, Verde Village and Bridgeport.

ATTACHMENTS:

Name:	Description:	Type:
 12-4-12_ADOT_5311_Application.doc	ADOT 5311 Application	Cover Memo

ARIZONA DEPARTMENT OF TRANSPORTATION

Application and Contract

Section 5311
Rural Transit Program
FFY 2013

To be completed in Word Format



September 2012

SECTION 5311 PROJECT APPLICATION

****Please reference the ADOT Section 5311 Application Instructions and Grant Guidelines document for information on how to complete and submit the application/contract.***

APPLICANT/PROJECT SUMMARY

Legal Name of Agency	City of Cottonwood
Operating Name (DBA, if different)	
Legal Contact Name	Richard Faust
Legal Contact Telephone	928-639-3200, X-3209
Legal Contact Email Address	rfaust@cottonwoodaz.gov
Agency DUNS Number	100838775
Federal ID Number	866007877
Application/Project Summary	The City of Cottonwood is the primary management agency applying for 5311 transportation funding which provides transportation services to the communities of Cottonwood, Sedona, Clarkdale, and un-incorporated Verde Villages and Bridgeport. Cottonwood has approximately 15 years managing and operating the Cottonwood Area Transit System (CAT), Verde Lynx, transit transfer facilities, and the Cottonwood/Verde Valley Transit Facility. Service area incorporates an overall community population base of nearly 36,000 residents within the Verde Valley region.

SIGNATURE OF APPLICANT:

By signing below, I, a representative of the agency requesting federal funds, do hereby attest to the accuracy of all information provided in this grant application. I further agree that the agency has the matching funds required, and the funding available to maintain the project for the duration of the contract.

PRINT NAME

PRINT TITLE

SIGNATURE

DATE

APPLICATION FOR SECTION 5311 ASSISTANCE FOR FY 2013

APPLICATION SECTION 1: CHECKLIST OF APPLICATION MATERIALS

Submit the following documents as a part of your application/contract. Unless otherwise noted, copies of support documents are sufficient.

CONTINUING APPLICANTS:

- Applicant/Project Summary
- Budget and Five-Year Capital Plan Excel Form
- A-1 Checklist of Application Materials
- A-1 Project Information
- A-2 Narrative Description of System – Continuing Applicants
- A-2 Support Documentation
 - Transit Program Organizational Chart
 - Most Recent TAC Meeting Minutes
 - Service Area Map, Service Schedule(s), and Program Brochure
 - Regional Transportation Coordination Plan – Agency Reference Page(s)
 - Service Delivery Contingency Plan
 - Vehicle Maintenance Plan
 - Record of Training
- A-4 Civil Rights
- A-4 Support Documentation
 - EEO Policy
 - Customer Comment/Complaint Forms
 - Customer Complaint Policy/Procedure
 - LEP Policy
 - LEP Plan (if applicable)
 - ADA Policies, Procedures, and Information
 - Pre/Post-Trip Inspection Form
- A-5 2013 Administration and Operating Budgets (Excel File)

Section 5311 Application and Contract – FEDERAL FISCAL YEAR 2013

Formula Grants for Non-Urbanized Areas: 49 USC 5311– CFDA 20.509

- A-6 2013 Capital Request Application (Word and Excel Files)
- A-7 Additional Support Documentation
 - Letter of Notification to Providers (sample letter provided)
 - Listing of Recipients, Eligible Surface Public Transportation Providers, and Labor Representation for 13(c) (sample provided)
 - Notice of Public Hearing (sample notice provided)
 - Discretionary Funding Letter of Support (sample notice provided)
 - Public Body Support Letters
 - Project Opposition Letters
 - Substance Abuse Program Implementation Checklist
 - Vehicle Inventory Form
 - Updated Five-Year Transit Implementation Schedule
- Signed Federal Certifications and Assurances Forms: Pages 58-63
- Signed Contract Pages: Pages 64-65

NEW APPLICANTS

- Applicant/Project Summary
- A-1 Checklist of Application Materials
- A-1 Project Information
- A-3 Narrative Description of System - New Applicants
- A-3 Support Documentation
 - Transit Program Organizational Chart
 - Proposed Service Area Map and Service Schedule(s)
 - Feasibility Study
 - Implementation / Operations Plan
- A-4 Civil Rights
- A-4 Support Documentation
 - EEO Policy
 - Customer Comment/Complaint Forms
 - Customer Complaint Policy/Procedure
 - LEP Policy
 - LEP Plan (if applicable)
 - ADA Policies, Procedures, and Information
- A-5 2013 Administration and Operating Budgets (Excel File)
- A-6 2013 Capital Request Application (Word and Excel Files)
- A-7 Support Documentation
 - Letter of Notification to Providers (sample letter provided)
 - Listing of Recipients, Eligible Surface Public Transportation Providers, and Labor Representation for 13(c) (sample provided)
 - Notice of Public Hearing (sample notice provided)
 - Discretionary Funding Letter of Support (sample notice provided)

Section 5311 Application and Contract – FEDERAL FISCAL YEAR 2013

Formula Grants for Non-Urbanized Areas: 49 USC 5311– CFDA 20.509

- Public Body Support Letters
- Project Opposition Letters
- Public Transportation Needs Survey / Feasibility Study (as applicable)
- Five-Year Capital Plan Form (as provided by ADOT at a later date)
- Signed Federal Certifications and Assurances Forms
- Signed Contract Pages

APPLICATION SECTION 1: PROJECT INFORMATION

(ALL APPLICANTS COMPLETE THIS SECTION)

1. Project Contact Information

Agency Name:
Contact Person's Name:
Title:
Agency Address: City and Zip:

Agency Phone: Agency Fax:
Agency Email:
Agency Website Address:

Primary Point of Contact for Civil Rights including Title VI, EEO, DBE, and ADA

Contact Person's Name:
Title:
Address: City and Zip:

Phone: Fax:
Email:

2. Transit Service Sponsor:

- City Tribal Government or community
 County Other Agency (Specify):

3. Application Category:

- New 5311 (do *not* complete section 2)
 Continuing 5311 (do *not* complete section 3)

4. This application contains funding requests for:

- Administrative and Operating Funds
 Capital Funds

APPLICATION SECTION 2: NARRATIVE DESCRIPTION OF SYSTEM CONTINUING PROJECTS

(NEW APPLICANTS SKIP TO SECTION 3)

(Attach any support documents/materials following Section 2)

This part of the application is divided into several sections, each covering a different aspect of your system and its management. Applicants are urged to provide thorough but concise answers to the questions.

A. ORGANIZATION

- 1. Provide a detailed description/history of your transit program to include your mission statement and how many years you have been providing general public transportation. Describe your target population and general service area.**

Mission Statement – “Cottonwood Area Transit exists to provide safe and efficient General Public Transportation services, as well as ADA Paratransit services, with safety to the General Public and ADA clientele incorporated into all phases of the operation.” The Transit System will maintain a maximum level of service to the public and our ADA clients, recognizing that limits are imposed on the system by manpower and equipment resources available for use. Expansion of the services, to meet existing and forecasted demands, will continue to be a priority to be accomplished by feasible means.

The system began operations in 1987 – 25 years ago. We have grown considerably since that time. In 2009, we implemented new service – three fixed routes, with four paratransit buses available for ADA Plus service. In 2012, the fixed route service was re-structured to two routes serving approximately the same area that was previous served by three and the ADA service was reduced from ADA plus to complementary ADA curb-to-curb service. Service Area Maps are included as Exhibit A.3. The fixed route originates at the primary transfer point located at the Cottonwood Public Library, with Park and Ride spots available at Garrison Park, directly behind the Library. The fixed routes leave the library at the top of each service hour. The Red Line services the northern neighborhoods of Cottonwood, Old Town, Clarkdale, and Yavapai College. The Blue Line services the major businesses along Main Street, Historic 89A, State Highway 260 out to Southern Verde Villages, and back along SR 89A. These routes are coordinated with the Verde Lynx, which provides commuter service between the cities of Cottonwood and Sedona, eight times a day, Monday through Saturday, and 6 trips on Sundays.

Section 5311 Application and Contract – FEDERAL FISCAL YEAR 2013

Formula Grants for Non-Urbanized Areas: 49 USC 5311– CFDA 20.509

The routes travel by K-12 public schools, private schools, the regional community college, shopping areas, government sponsored low-income residential neighborhoods, the regional hospital, the regional Senior Center, the Guidance Clinic, Post Office, public library, Recreational Center, community pools, and civic districts of Cottonwood and Clarkdale. Fares for the fixed routes are \$1.25 per ride, \$3.00 all-day pass, a \$25 20-Trip pass, and a \$40 monthly pass. Fares for the ADA Paratransit service are \$2.25 per ride, 20-Trip pass for \$45, 10-Trip pass for \$22.50, and a monthly pass for \$75. CAT Service area boundaries include the City of Cottonwood, Town of Clarkdale, and unincorporated Yavapai County areas of Bridgeport and the Verde Villages.

2. Describe how your general public transit services relate to other services provided by your agency.

The City of Cottonwood, as a municipality, provides cross functional support through a governmental body of elected officials and a city manager. Support is provided by various departments involved throughout the agency whereby Public Works, Community Development, Public Transportation, Parks & Recreation, Library Services, and Public Safety are interrelated in order to serve the public in a broad scope and integrated operation. This type of structure can effectively administer and function as a unique team of managers to assist during program/project operations along with coordinating all emergency related service functions. In essence, a municipality such as Cottonwood can provide management support to other entities needing assistance on transportation and transit service operations.

3. What is the structure of your organization (attach organizational chart), including the number of transit employees and job titles? (e.g. drivers, mechanics, administrative, etc.)

One organizational chart will suffice for this application. The current organization under the City of Cottonwood, Community Services Department is attached as Exhibit B.2., which shows the Cottonwood Area Transit within the City municipal structure of government. Administrative responsibility, including grant management, is also provided by the City of Cottonwood, along with all staff support services.

Direct Staff includes 18 positions – 6 full time drivers, 7 part time drivers, 2 full time transit supervisors, two dispatchers, and one transportation manager. Administrative and operations management is provided by the City of Cottonwood, administrated under an established cost allocation plan consistent with adopted financial and managerial practices and procedures as established by State statute and the City bylaws and policies. The Cottonwood Area Transit

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System has its own standard operating procedures and policies, including a fleet management plan and drug and alcohol policy.

4. Does the Transit Manager perform other duties besides managing day-to-day transit operations? If yes, explain and include the percent of time spent on each duty. Yes No

The Transit Manager performs all essential job duties on a day-to-day basis at the Verde Valley Transit facility. The Organization Chart demonstrates the flow of duties and command for operations. The Transit Manager provides management objectives, carried out by various staff personnel. Overall decision making is empowered to the Manager by the Community Services General Manager and The City Manager Team.

5. Please list the membership of your Transit Advisory Committee (TAC), including the member's positions within the community?

The City of Cottonwood does not have a Transit Advisory Committee (TAC). The City relies upon an elected City Council along with staff management teams to effectively provide transportation services. In addition, the City of Cottonwood embraces team centered quarterly meetings; communications and value sharing with each local community representative (Sedona and Clarkdale Councils and staff). This also includes Yavapai County Supervisors, Yavapai County management staff and public representatives of each agency and community. Through these public representatives, communications are shared as to the transportation needs in the various communities along with decision making processes in order to obtain consensus in transportation/transit programs and projects throughout the various communities and areas served by the transportation system.

For the City of Cottonwood:

Diane Joens – Mayor

Linda Norman, City Council Representative – Transportation & Transit Services

Doug Bartosh – City Manager

Richard Faust – Community Services General Manager

Rudy Rodriguez – Administrative Services General Manager

For the City of Sedona:

Rob Adams – Mayor

Mike Ward, City Council Representative – Transportation & Transit Services

Tim Ernster – City Manager

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Karen Daines – Assistant City Manager

Andi Welsh – Community Services & Cultural Arts Director

Barbara Ashley – Finance Director

For the Town of Clarkdale:

Doug Von Gausig – Mayor

Richard Dehnert – Vice Mayor – Transportation & Transit Services

Gayle Mabery – Town Manager

For Yavapai County:

Chip Davis – Yavapai County Supervisor

Mike Willet – Transportation Planning Engineer

Gay Hendin – Grant Administrator

6. Describe the TAC’s role in the decision-making process for transit. Explain how they provide input to the transit manager regarding vehicle equipment purchases, expansion of service, fare structure, marketing strategies, reviewing your application, performance statistics, and transit benefits to the community. (Attach minutes of most recent TAC meeting.)

Area agencies and municipalities provide input and guidance for transit issues within the region. Each community is aware of the needs as expressed by individual constituents, members of the various Councils, and County Representatives. Staff members from each community or organization explore and endorse service recommendations. The City of Cottonwood reviews all service items, including marketing and budgets, for adequacy and feasibility before implementation. Staff representatives interact with the various community organizations, as well as government entities, to ensure services meet the various community needs. Primarily focused on transportation issues, the Transportation Department of the City of Cottonwood can pursue and assist in all transportation activities and opportunities throughout the Cottonwood, Clarkdale, Sedona, and the surrounding Verde Valley area.

B. SERVICE DESCRIPTION

Use the following questions to describe your transit service. Attach your schedule, service area map, and brochure(s) provided to customers.

1. Type of service (check all that apply)

Local

Regional

Intercity

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- Fixed Route Demand Response Deviated/Flex Routes
 Dial-a-Ride

If your system operates fixed route service (as opposed to deviated or flex route service), explain how you meet Complementary ADA Paratransit requirements?

Cottonwood Area Transit (CAT) provides ADA qualified clients paratransit services, curb-to-curb, five days a week to coincide with the hours the fixed route service operates. Paratransit services run 7am – 6pm, Monday through Friday. Clients may call for a ride 24 hours in advance and up to 7 days in advance. CAT can provide limited same-day rides, providing they do not “bump” existing reservations in the system. CAT Paratransit service operates in a roughly $\frac{3}{4}$ mile corridor around out fixed routes.

Per ADA guidelines, fares for paratransit services can be no more than two times the regular fare for fixed routes. Fares for the paratransit service are \$2.25 per ride. There is a 20-trip pass available for \$45.00 and a monthly pass available for \$75.00. See attached fare chart for more details. Clients may qualify for low income fares of \$1.00 per trip if their income falls at or below Federal poverty guidelines. There are programs available through NACOG (Northern Arizona Council of Governments) to assist low-income persons with transit and other needs.

CAT follows Federal guidelines in the scheduling and transporting its clients. People are informed when they apply for the service that drivers may arrive at their residence or other pick-up point at any time 15 minutes before or 15 minutes after their scheduled pick-up. This policy is also reaffirmed when clients call in to make their reservations for rides. CAT also informs the client that the driver will wait up to 5 minutes at their pick-up point for them to get out to the bus and board.

CAT places no restrictions on the trip purpose and the hours of service match those of the fixed route service. CAT has the ability to add buses and drivers on those days when the demand is highest in order to ensure that all rides will be honored. CAT also has supervisors and a manager trained in paratransit operations and can fill in as needed when a bus breaks down or there is a need that falls outside the regular demands of the system. CAT has a minivan that is handicapped accessible, with the ability to load a wheelchair that can also be used as needed.

If your system operates deviated route service, explain how far you deviate from the route, and under what circumstances.

N/A

If your system operates intercity service, please document the average number of riders per day, frequency of service, trip destinations.

The CAT fixed route system includes 3 routes that could be considered intercity routes. The Red Route is an hourly route, averaging 67 rides a day, and provides service to and from the adjacent town of Clarkdale. The Blue route is an hourly route that serves the rural communities of Verde Villages and Bridgeport in Yavapai County and links these communities to Cottonwood's downtown business areas and the Yavapai Community College, with an average of 150 riders per day. Trip destinations vary between employment, business and retail shopping, various medical facilities, and educational and recreational facilities. Our passengers cover the full range of ages and mobility, from the youngest in strollers to the eldest in mobility devices. All CAT buses are equipped with ramps or lifts to allow anyone to ride. The Verde Lynx System connects with the CAT System and provides eight daily trips between the cities of Cottonwood and Sedona and averages 209 riders per day.

2. Describe your current service area(s), days and hours of operation, and fare structure.

The CAT system provides service to the City of Cottonwood (population approximately 20,000), the Town of Clarkdale, and unincorporated areas of Yavapai County surrounding Cottonwood. Fixed route and ADA Paratransit service is scheduled Monday through Friday, from 7:00 AM to 6:00 PM. There are two routes that serve the area, with ADA service in the $\frac{3}{4}$ mile corridor around the fixed routes for those that are qualified. Fares for the fixed routes are \$1.25 cash per ride, \$3.00 all-day pass, \$25.00 20-Trip punch card, and a \$40.00 monthly pass. Fares for the ADA complementary service are \$2.25 cash per ride, \$45.00 20-trip punch card, and a \$75.00 monthly pass. Reduced fares for ADA service are available to pre-qualified, low-income eligible passengers through a separate NACOG grant.

3. List the local activity centers such as medical, employment, commercial locations, human service programs, and low-income or public housing that are served by your system. Explain the daily service to these areas and indicate the activity centers that are the busiest.

Our routes service an estimated 1,000 to 2,000 local business sites. Major employers in the area are Walmart Super Center, Home Depot, CTI-Phoenix Cement Plant, Verde Valley Medical Center and the medical offices and labs that surround the medical center, and numerous smaller employers on the bus routes. Governmental and public locations served by our routes include City of Cottonwood Civic Center, Yavapai County Offices, Yavapai Community College, Cottonwood and Clarkdale Schools, Cottonwood Library, Cottonwood Public

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Safety Building, Cottonwood Recreation Center, and State of Arizona DES/DDD and ADOT offices. Senior and youth facilities include Verde Valley Manor, Infinia Senior Center, Christian Care Center, Boys and Girls Clubs. The routes provide service to all low-income housing projects in the Cottonwood area.

The busiest activity centers include Walmart Super Center, Verde Valley Medical Center and offices, public schools, Cottonwood Library, Recreation Center, and the Senior Centers.

4. **Does your system connect with other modes of transportation? For example, urban public transit services, airports, park-and-ride lots, senior centers, or intercity bus stations.**

The CAT system provides connections to the Sedona-Phoenix Shuttle which provides service from the Verde Valley to Sky Harbor Airport in Phoenix.

Through the park-and-ride lots in Cottonwood and Sedona, commuter service is provided by the Verde Lynx System.

5. **Other than any limitations described in your schedule, are there any limitations on services, such as unescorted minors, amount of baggage, bike racks, flag stops, etc.?**

No Yes. If yes, please describe.

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6. **Is intercity bus service provided in your area?** Yes No

If yes, describe service/service provider.

Locally, this service is provided through the CAT system. The Verde Lynx system provides commuter service to Sedona, from the transfer station at the Cottonwood Library to the Sedona Municipal parking lot, making a few stops at major resort centers in and near the center of Sedona. The CAT system provides continuous service throughout the inner city areas of Cottonwood and Clarkdale. This service links all major businesses, schools, libraries, recreation centers, and shopping plazas and centers, as well as a variety of city, county and state government campus areas.

7. **Is your system planning to:**

- Maintain the same level of service as last year.
 Change the level of service.

If your system is proposing to change service(s) (such as: routes, days and hours, and/or service frequency), please describe in detail the proposed changes and your estimate of costs to increase the service(s) or cost savings to decrease the service(s)

During the time frame of 2010-2012, there were a number of changes implemented in the CAT/Lynx system, removing one route and changing the timing of another. There have been discussions on how to best return CAT/Lynx to its previous level of service. To that end, several proposals have been put forth to modify the existing routes to better serve the areas that were removed from service and providing better linkage between the CAT and Lynx systems. Two proposals have been examined and are potential candidates for inclusion in this document. The first, involving the Verde Lynx service is to increase the number of buses running during the peak hours to better enable the current fleet of buses to handle the increasing number of passengers riding the Lynx buses. The proposal that looks the most promising will add a second bus, running at a 45 minute offset to the current bus on the two most heavily traveled time periods in the morning and afternoon, thereby giving riders more opportunities to catch a bus and lessen the chances of getting a bus that has already reached capacity. This would require an additional expenditure of approximately \$75,000/yr, and is the least expensive of the proposals. Additionally, Saturday service for the CAT system is also being proposed, which would also require the ADA paratransit service to be in operation. This would require an additional expenditure of approximately \$30,000/yr for the CAT fixed routes and \$21,000/yr for the ADA Paratransit service. Both options have support from the general ridership, but will

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need to be fully presented at open meetings and to the various city councils and to the county for their approval and support. It is obvious, from the ridership statistics, that the systems cannot continue doing business as they have been and provide quality service to the communities they serve. Ridership continues to grow and the systems must grow their capacity to serve all riders in the area.

8. **Summarize any issues your service needs to focus on in FFY 2013 and how you plan to meet your prioritized goals and objectives.** (This should be consistent with the agency's Five Year Plan matrix.)

To meet the challenges of ever increasing ridership, CAT will need to add service to its current level of service. Adding a third circulator route to tie the retail areas of Cottonwood to areas that are currently not being serviced is projected to increase ridership another 10 – 15%. This would return service to some of the areas dropped when service was cut back and open new areas to service that have not had service before. To meet this need, new drivers will have to be hired and trained in order ensure we have enough staff to handle the additional route work, and do so without increasing overtime. Another proposal would be to add a full-time mechanic to the staff in order to reduce the dependency on outside vendors for our bus maintenance. We can ill afford to have a bus down for an extended period of time while we wait in for our service provider to get to it when he has time or after he services his other clients. We currently do not have the luxury of multiple buses for backups. Our Lynx Service has two buses that will need to be replaced during this fiscal year as they are both reaching their service life and reaching a point where ridership exceeds capacity. As these buses travel in excess of 55,000 miles a year, we will need to look at buses that have both larger capacity and longer service life, per ADOT standards. There are a number of bus designs we could look at, but any bus chosen must be able to travel in the areas that the Lynx buses currently travel or else we will need to modify the routes to accommodate the different bus design. In any case, the Lynx buses need to be replaced and estimates run anywhere from \$225,000 to \$350,000 per bus to give us the capacity we need or expect to need during the lifetime of the new buses. We are still considering the options.

C. LEVEL AND USE OF SERVICE

1. **Ridership: What was your total ridership in FFY2012 (Oct, 2011 to Sept. 2012):** 117,202
2. **Do you anticipate a significant ridership change in FFY 2013? (Oct, 2012 to Sept. 2013)**

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Yes No

If yes, please explain the change in projected annual ridership for

FFY 2013. Additional routes and increased service within our service area. We

have projected annual ridership for fiscal year 2013 to be at 127,000 without any
changes to the CAT and Lynx systems.

3. How many revenue miles and revenue hours did you operate in FFY 2012?

Revenue Miles 270,495

Revenue Hours 13,583

4. Do you anticipate service hours and service miles will change in FFY 2013?

Yes No

If yes, please identify below the anticipated increase or decrease in service miles and hours. The projected annual service miles and hours for FFY 2013 are:

Projected Revenue Miles per Year 296,710

Projected Revenue Hours per Year 19,390

5. Based on last year's statistics (FFY 2012), estimate the percentage of your proposed service in the following categories:

TRIP Percent
PURPOSE to equal 100%

- A. Medical 45
- B. Shopping 25
- C. Employment 20
- D. Education 5
- E. Recreation 5
- F. Other (Specify)

Total Percent 100

PASSENGER Percent
TYPE to equal 100%

- A. Seniors 25
- B. Disabled 35
- C. Other 40

Total Percent 100

D. COORDINATION OF SERVICE

This section is an opportunity to provide evidence of coordination or attempts to coordinate with other agencies (e.g. DES, departments of human services, senior centers, One-Stop Centers for employment assistance, training programs in your community, or other transportation providers in your service area, including 5310 providers).

1. **Is your system included in a Regional Transportation Coordination Plan?** (Attach page(s) referencing your transit system.) **When was this plan last updated and how has your participation in the process improved your service?**

The 5311 program is included on page 123 of the State STIP (draft) 2010-2013. The Northern Arizona Regional Transportation Coordination Plan (May 2012), pages 17 – 42, by NACOG (Northern Arizona Council of Governments), with input from the various communities served in the Verde Valley area, including Sedona, Cottonwood, Clarkdale, and Yavapai and Coconino Counties.

2. **What human service agencies or other transportation providers have you met within the last year to discuss transit service coordination? Include the outcomes of your meetings.**

Cottonwood Area Transit has existing contracts for service with: 1) Yavapai East Sedona – The Association for Retarded Citizens aka YES The ARC – DES/DDD Contract. 2) Northern Arizona Council of Governments for low income clients. All employment service agencies have been contacted to hold an annual contract. CAT continues to stay in close contact with the Senior Center. The Center is located on the CAT Fixed route system and is close to the transfer station. CAT also transports clients to and from the center daily. In addition, CAT provides service to the clients of the Guidance Center and local Charity services. We provide transit information the various Chambers of Commerce, local governments, resorts and hotels to ensure that residents and visitors has ready access to transit information. CAT also participates in regional coordination activities and meetings to increase the communications between the various transportation providers in the Verde Valley area to promote increased cooperation in providing for the transportation needs of the area.

CAT will continue to have service agreements with Sedona, Clarkdale, and Yavapai County into the future. In addition, Verde Lynx and CAT continue to share the Verde Valley Transit facility, creating greater efficiency in reducing operational costs for dispatch, fueling, wash area, vehicle housing, and potential vehicle maintenance in the future.

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Cottonwood staff have met with Yavapai Apache Nation officials and their staff in order to assist them with a new FTA grant for establishing transportation services from the tribal housing in Middle Verde, through Camp Verde along the Hwy 260 corridor, through Cottonwood and into and through Clarkdale to the tribal housing development west of Clarkdale. CAT staff are assisting in coordination of services and transfer sites with the Nation for both tribal and non-tribal users to utilize the service to travel throughout the Verde Valley. When this service becomes active, it will connect the Middle Verde to business districts throughout Camp Verde and, with the transfer points within the CAT/Lynx system, provide connections to the western housing development of the Nation and to Sedona. This would provide transportation services to a large portion of the Verde Valley not currently being serviced by current transportation operations.

3. **Describe the services you operate that are oriented to addressing employment travel needs in your area. Include any efforts you have made to coordinate with DES agencies in regards to “Access to Jobs”, TANF, or “Reverse Commute” Programs.**

CAT provides service to DES clients involved in the above mentioned programs through the regularly scheduled fixed route service and, for those that qualify, the ADA paratransit service. CAT works with caseworkers in Cottonwood and Sedona areas. As the primary employers in the area are along CAT and Lynx fixed routes, that service is the primary source of transportation for many of the workers in the area.

4. **Describe the efforts you have made to market your service to human service agencies, One-Stop Centers, and local businesses/employers.**

The Transportation Manager meets regularly with the Chamber of Commerce and the Economic Development Council to obtain updated information on employers’ transportation needs and to keep the members informed on transit availability and locations. This provides outreach into the retail community and employers throughout the Verde Valley. The Transportation Manager is in contact with DES, City Halls, Senior Center on a regular to ensure that transportation information is readily available to those that need it. Monthly and All-Day passes are available for purchase at the City of Cottonwood Finance Office, Cottonwood Library, Cottonwood Recreation Center, Sedona Finance Office and the CAT offices.

5. **Do you have a contingency plan in place with other transportation providers to ensure the delivery of transit services when there are insufficient back-up vehicles or drivers at your agency?**

Yes (Attach your plan.) No

6. **Is any part of your service subcontracted to another agency? If yes, explain how you monitor their performance and compliance with Federal regulations.**

Yes No

7. **Does your agency or subcontractor contract with unionized labor? If yes, please provide contact information.**

Yes No

E. FINANCIAL MANAGEMENT AND MANAGERIAL CAPABILITY

BUDGET

1. **Briefly describe your organization’s budgeting process. Include information on the process for approving purchases for operating supplies, services, and capital items such as vehicles.**

The City of Cottonwood develops operational and capital budgets based on agency and service needs. The budget is based on previous year actual figures and reviewed with each partner. After the partner approves the appropriate budget, the City identifies needs for increased operations and funding and provides detailed information to the Cottonwood City Council for budget adoption. This process entails a detailed summation of all partner budgets from February through June of each year. The budget process includes meetings with all partner agencies within the system that receive transit services, summation of priorities/ridership and route activities, coupled with cost analysis, for each community. Review is then necessary by the Transit Manager, Community Services General Manager, Finance Manager, and the City Manager, with ultimate discussion and authorization by the City Council.

The budget is approved by the City Council annually. Budget items are reflected in the regional TIP documents. Matching funds originate through partner IGA agreements with the Cities, Towns, and Counties we provide service to.

2. **What is your source of matching funds?**

The City of Cottonwood will match funding through General Fund sources from municipal sales tax authorization guidelines as a State recognized taxing entity. Funds will also be used from other Stakeholder communities and Yavapai County resources, whereby each community will be invoiced for services to their respective communities on a cost share basis.

3. Explain how you monitor your transit budget, including revenues and expenditures by line item.

Budget oversight is conducted by the Community Services General Manager and the Finance General Manager of the City of Cottonwood, along with general oversight by the Transportation Manager. Grant Management and monitoring/reporting will also be conducted by the Transportation Manager in conjunction with the Community Services General Manager and the City's Finance Department. Accounting oversight is performed by the Financial Analyst Manager, with daily accounting functions performed by an Accounting Technician.

The City of Cottonwood performs monthly budget to actual reporting that enables the staff to evaluate current spending as well as providing an estimate of the year end spending based on actual expenses. Additionally, the City of Cottonwood provides quarterly reports to partner agencies/stakeholders on performance measures, ridership levels, and budget items.

The City of Cottonwood Community Services Manager will be responsible for preparing the Transportation budget. CAT is responsible for filing monthly invoices, ridership data, and annual reports for the 5311 program. The Community Services General Manager will work closely with the Transportation Manager and partners to monitor monthly expenditures to stay within approved budgets.

PROGRAM MANAGEMENT

4. What problems, if any, have arisen in submitting monthly invoices on a timely basis or closing out contracts promptly at the end of the federal fiscal year?

During the conversion from NAIPTA management to City of Cottonwood management, the first monthly invoice was late. Additionally, getting the various contracts signed by all parties took longer than anticipated. Since the initial month (7/2012), operations have smoothed out and reporting has been on time. All required contracts have been signed and reporting is going smoothly.

5. Identify program deficiencies that are still pending and why, as noted in your last site visit.

There have been no reported program deficiencies in the operations and management of the current systems.

MARKETING AND COMMUNICATION

6. Describe your agency’s marketing plan.

The City of Cottonwood, in conjunction with other community stakeholders, will be launching a rigorous marketing campaign with each City, Town, and un-incorporated community to provide information pamphlets and brochures identifying CAT and Verde Lynx services. Additionally, each community will continue to provide a detailed web page address for contact purposes along with route information and transit stops. Bus shelters will provide a place where posters for community services and schedules and advertising can be posted. Marketing information will be posted on the buses, in the Chamber of Commerce welcome centers in each community, public libraries, city hall locations, local colleges and schools, recreation and senior centers, and guidance center facilities. Posting of Public Service Announcements (PSAs) will be a continuous marketing approach, through local newspapers (Verde Valley wide), along with local and regional radio/television advertising.

7. Does your agency maintain a website page for transit?

Yes No

If yes, provide the URL for the transit program.

8. How is information on proposed service or fare changes communicated to riders and the general public?

MAINTENANCE

9. Describe how vehicle maintenance is scheduled, completed, and documented. How often is preventive maintenance performed? (Attach a Vehicle Maintenance Plan, if applicable.)

10. Are maintenance services provided in-house, by an outside vendor via contract, or a combination of both?

11. If in-house, provide a list of services provided.

12. If by contract, list the vendors you use and what services they provide.

F. SAFETY & TRAINING PROGRAMS

1. What training policies, programs and other features do you have to promote safety?

Training Course	Check if Required for New Hires	How Often is Training Provided	How is Training Provided? (In-House, Other)
Defensive Driving	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
First Aid	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
CPR	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Accident Reporting	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Emergency Response	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
PASS Training	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Safety and Security	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Dispatching	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Other/ Specify	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

(Other training includes CCTM Manager/Supervisor Training, National Transit Institute, DBE, Civil Rights, ADA, and Drug and Alcohol Testing/Supervisory Classes, etc.)

2. How do you document training attendance? Provide your Record of Training (attach a copy) that includes dates of attendance, training course(s), and duration.

3. What are some of the goals for your Training Program? What can ADOT do to help you meet your training needs?

4. **How effective is your training program in reducing accidents? What plan do you have in place to help prevent accidents?**

5. **Describe your agency’s risk management policy in case of a fatal accident, liability claim, or legal action.**

APPLICATION SECTION 3: NARRATIVE DESCRIPTION OF SYSTEM NEW PROJECTS

(CONTINUING APPLICANTS SKIP TO SECTION 4)

(Attach any support documents/materials following Section 3)

This part of the application is divided into several sections, each covering a different aspect of your proposed system and its management. Please provide thorough but concise answers to the questions.

A. ORGANIZATION

1. **Describe your agency, including its decision-making body.**

2. **How is your agency organized (attach an organizational chart)? In what department will your transit program be located? How many employees are in that department and what are their job titles? What staff person will be responsible for your transit program? Will you operate transit services directly or through a contract provider?**

3. **Have you established a Transit Advisory Committee (TAC)?**

Yes If yes, please describe the membership and the members’ positions in your community.

No If no, please describe the TAC you envision, including its membership and when it will be established.

B. SERVICE DESCRIPTION

Describe your proposed transit service. Please include a service schedule and a map of your service area.

1. Type of proposed service or routes – check all that apply

- Local Regional Intercity
 Fixed Route Demand Response Deviated/Flex Routes
 Dial-a-Ride

2. Describe your proposed service area, days and hours of operation, and fare structure.

3. List any local activity centers including medical, employment, commercial locations, human service programs, One-Stop Centers, and low-income or public housing facilities that will be served.

4. Will your system connect with other modes of transportation? (i.e., urban public transit services, airports, park-and-ride lots, or intercity bus stations) Please describe.

C. PROPOSED LEVEL AND USE OF SERVICE FOR FFY2013

1. What is the estimated ridership for the proposed service (one-way passenger trips per year)?

2. What are the proposed number of revenue miles and revenue hours per year?

Revenue Miles

Revenue Hours

D. COORDINATION OF SERVICE

This section provides an opportunity to document your attempts to coordinate with other agencies, e.g.: DES, Department of Human Services, Senior Centers, One-Stop Centers for employment assistance, training programs and/or other transportation operators in the service area (including 5310 providers).

1. What human service agencies or other transportation providers participated in your transit feasibility study and implementation plan? How

will your proposed service be coordinated with other programs, such as sharing resources (vehicles, training, etc.) or contracting with another agency for transportation service?

2. **Describe the services you will operate that are geared toward meeting the transportation needs of human service agencies and programs, such as DES agencies, Access to Jobs, TANF, or Reverse Commute programs. Cite any efforts to coordinate service with local educational or economic development groups, such as Chambers of Commerce or other business or educational groups.**

E. FINANCIAL AND MANAGERIAL CAPABILITY

Please respond to the following questions to demonstrate your financial and managerial capability to manage an ADOT Section 5311 Rural Transit Program.

BUDGET

1. **Briefly describe your organization’s budgeting process.**

2. **How is the budget monitored for the organization as a whole and how will the transit budget be monitored?**

3. **Who will prepare and monitor the transit budget?**

PROGRAM MANAGEMENT

4. **Describe your organization’s experience in managing programs that include Federal funds and the associated requirements.**

5. **How do you ensure that the community is aware of your intent to apply for Section 5311 funding? Public meeting notice(s) and date(s) of meeting(s) must be attached.**

APPLICATION SECTION 4: CIVIL RIGHTS

(ALL APPLICANTS COMPLETE THIS SECTION)

(Attach any support documents/materials following Section 4)

Equal Employment Opportunity (EEO)

1. **Does your agency have an Equal Opportunity Employment (EEO) policy and does that policy include language that prohibits discrimination on the basis of race, color, religion, sex, disability, age or national origin?**
(Attach a copy)
 Yes No

2. **Does your agency include an Equal Employment Opportunity (EEO) statement in all job announcements?** Yes No
If no, please explain.

3. **Does your agency post EEO information in places where employees congregate?** Yes No
Please explain.

TITLE VI

Title VI is a federal law ensuring non-discrimination in all programs and services provided by federal aid recipients.

4. **Does your agency have a Title VI policy and does that policy include language that the services provided by your agency are accessible to your clients regardless of race, color, national origin or disability?**
 Yes No
If yes, please describe the process you use that ensures this.

COMPLAINTS: SERVICE AND TITLE VI

5. **Does your agency clearly display a Title VI public notice advising the public of their rights under Title VI and the process for filing a complaint?** (Attach complaint or comment forms and your customer complaint policy/procedures.)
Yes No

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6. Does your agency’s Title VI public notice identify the name and contact information of the Title VI coordinator?

Yes No

7. Have you had any civil rights complaints, lawsuits, allegations or legal actions filed against your agency in the last two years? If yes, explain the nature of the complaint(s) as well as how and when they were rectified.

Yes No

8. Does your Title VI policy state that Title VI complaints received against the agency will be investigated by the ADOT Civil Rights Office? Yes No

If no, please explain why.

9. Have you reported any Title VI civil rights complaints filed against your agency to ADOT for further investigation? Yes No

If no, please explain why.

LEP

9. Do you have a policy, in compliance with Federal Executive Order 13166, to ensure persons with Limited English Proficiency (LEP) needs can access your services? Yes No

If yes, please attach a copy.

DBE

11. Have you adopted, or have policy language stating you plan to adopt ADOT’s DBE program?

Yes No

12. If you contract out service or have other contracts using federal funds, *other than vehicle purchases*, are you reporting through AZ LPA Contract Management System at <https://arizonalpa.dbesystem.com/>?

Yes No

13. Please explain in detail how, and if, your agency is meeting your DBE requirements.

AMERICANS WITH DISABILITIES ACT (ADA)

The Americans with Disabilities Act of 1990 (ADA) requires that persons with disabilities receive the same level service from a transportation system as non-disabled persons. Services that are “separate but equal” are not acceptable (i.e., all individuals using wheel chairs on one bus and everyone else on another bus).

All section 5311 recipients must keep federally funded equipment and facilities in good operating condition. Recipients must have policies and procedures to maintain vehicles and must maintain, in operative condition, those features of facilities, vehicles, and other capital equipment that are required to make them accessible. ADA accessibility features must be repaired promptly if they are damaged or out of order. Recipients must establish a system of regular and frequent maintenance checks of lifts sufficient to determine if they are operative.

14. Does your agency have in place written policies, procedures, and information regarding the following requirements of the ADA?

Lift vehicle availability?

Yes No

Maintenance of accessible features on vehicle(s)?

Yes No

Adequate time for vehicle boarding and disembarking?

Yes No

Use of portable oxygen/respirator equipment allowed?

Yes No

Service animals allowed?

Yes No

Training (wheelchair securement, sensitivity to passengers, etc.)?

Yes No

Please provide copies of your written policies, procedures, and information.

15. FTA requires that if you have any *non-ADA* accessible vehicles in your inventory, you must be able to provide “equivalent service” through some other means, such as sufficient other accessible vehicles or a written agreement with another provider in your service area to provide a lift-equipped vehicle when needed. Do you have at least one operable, wheelchair accessible vehicle, meeting ADA standards, for each of your primary services areas?

Yes No

If no, please explain how you respond to this ADA requirement.

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16. Explain how people with disabilities (persons using wheelchairs, persons with visual or hearing impairment, etc.) schedule a ride. What accessible formats do you provide?

17. Has your agency every turned down a request for transportation from a person with a disability? Yes No

Is your turndown rate higher for people with disabilities than for the non-disabled? Yes No

If yes, please explain.

18. Are inspections of ADA equipment (lifts, ramps, securement devices, signage, and communication systems) included on your agency's pre-trip and post trip inspection checklists? (Please attach a copy.) Yes No

If no, please explain.

19. Where are repairs to wheelchair lifts done, when necessary? How do you ensure that an accessible vehicle is available when vehicles are out of service?

APPLICATION SECTION 5: ADDITIONAL SUPPORT DOCUMENTATION FORMS

(Attach support documents/materials following Section 5)

As documented in the Section 1 checklist, the following additional materials must be submitted with your application.

This section includes forms to use and/or complete and sample forms to follow.

- ✓ Letter of Notification to Providers (sample language provided)
- ✓ Listing of Recipients, Eligible Surface Public Transportation Providers, and Labor Representation for 13(c) (form and example provided)
- ✓ Notice of Public Hearing (sample language provided)
- ✓ Discretionary Funding Letter of Support (sample language provided)
- ✓ Substance Abuse Program Implementation Checklist (for continuing applicants only; form provided)
- ✓ Vehicle Inventory Form (for continuing applicants only; form and instructions provided)

LETTER OF NOTIFICATION TO PROVIDERS

(Use your letterhead)

S A M P L E

Dear _____:

This is to notify you that **(AGENCY NAME)** is applying for financial assistance under the ADOT Rural Public Transportation Program authorized under 49 U.S.C. Section 5311. This program provides for capital, administrative and operating assistance for public transportation programs in rural and small urban areas. **(AGENCY NAME)** proposes to provide the following service:

(Give a brief but complete description of your proposed service including: 1. The Service Area; 2. Specific Routes; 3. Days and Hours of Operation; 4. Specific Schedules; 5. Fare Schedule. Attach more detailed information, if appropriate.)

The purpose of this letter is to advise you of our application and to insure that this proposal would not represent a duplication of your service. Private and public transit and paratransit operators may receive reimbursement funds through purchase of service agreements. Therefore, we solicit your involvement in our proposed service.

I ask that you contact this office in writing within 10 days if you believe that you can provide all or a part of this service or if you have specific objections to the proposed project. In your letter you should state your specific objections or counter proposal. If you support the application, please complete the enclosed sign-off letter and return it to this office.

Our address is: **(your address)**

In addition, please send a copy of your letter to the Arizona Department of Transportation, which is the funding agency for the Rural Public Transportation Program. Their address is:

Arizona Department of Transportation
206 South 17th Avenue, Room 340 B
Phoenix, Arizona 85007-3213
Attention: 5311 Program Manager

Should you desire any additional information on the proposed service, please contact me at

_____ **(contact name and phone number)** _____.

Sincerely,

LISTING OF RECIPIENT, ELIGIBLE SURFACE PUBLIC
TRANSPORTATION PROVIDERS AND LABOR REPRESENTATION FOR
13(c).

(See Sample on Next Page)

Project	Recipient	Other Surface Public Transit Providers	Union Representation of Employees (if any)

LISTING OF RECIPIENTS, ELIGIBLE SURFACE PUBLIC
TRANSPORTATION PROVIDERS AND LABOR REPRESENTATION FOR
13(C)

SAMPLE

Project	Recipient	Other Surface Public Transit Providers	Union Representation of Employees (if any)
Application for public transportation funds under Rural Public Trans. Program for Salt River/Pima/Maricopa Comm. Transit System Fixed Route/ Demand Response Service on the Salt River /Pima/ Maricopa Indian reservation East of Scottsdale, Arizona and extending into nearby communities of Mesa, Tempe, and Scottsdale	Salt River/ Pima/Maricopa Community Transit System Route 1, Box 216 Scottsdale, AZ 85266 Contact Person: Dixon Andreas Phone Number: 941-7309	Checker Cab Co. 1602 S. 2nd St. Phoenix, AZ 85004	No Union
		Yellow Cab Co. 156 E. Mohave Phoenix, AZ 85004	No Union
		Phoenix Transit System 2225 Lower Buckeye Rd., Suite 223 Phoenix, AZ 85030	ATU
		Sun Valley Bus Lines, Inc. 1350 N. 22nd Ave. Phoenix, AZ 85015	
		Greyhound Bus Lines 525 E. Washington Phoenix, AZ 85004	No Union
			ATU

NOTICE OF PUBLIC HEARING

SAMPLE LANGUAGE

Notice is hereby given that a public hearing will be held by (applicant) at (address of hearing location) at (time and date) for the purpose of considering a project for which financial assistance is being sought from the U.S. Department of Transportation. Grant funds will be used to (describe project, including location, items to be purchased, constructed, etc.).

At the hearing, (applicant) will afford an opportunity for interested persons or agencies to be heard with respect to the social, economic, and environmental aspects of the project. Interested persons may submit oral or written evidence and recommendations with respect to said project.

A copy of the grant proposal is currently available for public inspection at (location).

Applicant's Authorized Representative

SAMPLE LETTER OF SUPPORT
REQUESTING CAPITAL EQUIPMENT FUNDING
VIA THE FEDERAL DISCRETIONARY GRANT APPLICATION AND AWARD
PROCESS

Please print your Letter of Support on your organization's letterhead and have the appropriate party sign the letter (someone authorized to make the commitment of support).

Date

Contact Name and Title

Organization Name

Street Address

City, State, Zip Code

Mr. Mike Normand, AICP
Director of Transit Programs
Arizona Department of Transportation
Multimodal Planning Division
206 S 17th Ave, Mail Drop 340B
Phoenix, AZ 85007-3213

Dear Mr. Normand,

The purpose of this Letter of Support is to respond to the possibility of obtaining capital equipment through the federal discretionary grant application and award process.

Given our current budgetary restraints, this avenue for funding capital equipment provides us with an opportunity to obtain resources that we consider critical to our delivery of service and might not otherwise afford to purchase. Accordingly, we are enthusiastically and highly supportive of this potential funding approach.

I understand that _____ (AGENCY NAME) may be responsible for a match amount not to exceed 20% of the amount awarded to our organization.

Insertion - (Please describe your organization in this section. Include an overview of your mission statement, key objectives and your customer base.)

Listed below, in priority order, is a listing of Capital Equipment, which we would like to include in a federal discretionary grant application. If you have any questions related to what is listed, please contact _____ at _____.

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	<u>Capital Equipment Item Description</u>	<u>Number Requested</u>	<u>Estimated Unit Cost</u>
1			
2			
3			
4			
5			
		Total	

As requested, below is a brief description of the need for each capital equipment item we are requesting.

Insertion - (Please provide a brief description of the need for each capital equipment item requested.)

We are excited about this emerging opportunity with its many possibilities and look forward to working with you and your staff. If I can answer any questions or provide additional information, please do not hesitate to contact me.

Sincerely,

Name
 Title

SUBSTANCE ABUSE

PROGRAM IMPLEMENTATION CHECKLIST

(Current program applicants only)

Check Box Below
If Applicable

- Do you have a substance abuse program in place that is thorough and reflects current Federal, State and Local regulations and practices?
- Does this program adequately reflect the structure and needs of your agency?
- Do you have a clearly written substance abuse policy statement and procedures that describe your agency's policy and plans for complying with the FTA regulations? **Attach your policy to this checklist.**
- If your program includes more than what is mandated by the FTA regulations, is this reflected in the written policies?
- Have you made the necessary provisions for recordkeeping and reporting?
- Do these provisions include procedures to protect the individual's right to privacy and the prevention of unauthorized release of test result information?
- Have you selected qualified personnel who will be responsible for implementing and monitoring the program?
- Have these individuals been provided with sufficient training?
- Have you informed your employees in writing of your agency's substance abuse policy and its implementation requirements?
- Have you established a minimum of 60 minutes of EAP training for drivers and supervisors?
- Are these training programs ongoing to account for staff turnover and other changes?
- Does your program include testing for the five prohibited classes of substances, marijuana, cocaine, opiates, amphetamines, and PCP?

VEHICLE CLASSIFICATION AND VEHICLE CONDITION CODE TABLES

Use the following vehicle condition and classification code table to fill in and complete the information on the total vehicle fleet inventory table on the next page. On the Total Fleet Vehicle Inventory list, please provide individual vehicle information on all vehicles in your fleet.

VEHICLE CLASSIFICATION TYPE	CODE
HEAVY DUTY 40 + FOOT BUSES	1
MEDIUM DUTY 30 + FOOT BUSES OR MINI-BUSES	2
LIGHT DUTY 20-30 FOOT VANS (Larger Cutaways, and Maxi-Vans, etc.)	3
LIGHT DUTY 15-25 FOOT VANS (Small Cutaways, Mini-Vans, Small Maxi-Vans (including lift vans) & Suburbans)	4
SUPPORT VEHICLES (Sedans, Station Wagons, Pickups, etc.)	5
NOTE: Vehicle footage is measured from bumper to bumper)	
VEHICLE CONDITION DEFINITIONS	CODE
EXCELLENT: Brand new or less than one year old, no major problems exist, or only routine preventive maintenance is required.	5
GOOD: Elements are in good working order, requiring only nominal or infrequent minor repairs.	4
ADEQUATE: Requires frequent minor repairs or infrequent major repairs. Elements are in adequate working order and the asset's usage can continue.	3
POOR: Requires frequent major repairs, elements are in poor working order, or asset is technologically dated and requires major retrofit. Future usage requires significant investment, which may or may not be cost-effective.	2
FAILURE: In sufficiently poor condition that continued use is impossible or non-cost-effective.	1

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TOTAL FLEET - VEHICLE INVENTORY AND CONDITION

(Includes: ADOT / FTA and NON - ADOT / FTA Vehicles used for passenger service)

RURAL PUBLIC TRANSPORTATION PROVIDER NAME:

Vehicle ID Number & Vehicle Class Code		Is This Vehicle Currently Or Anticipated To Be Used In Your Sec. 5311 Service?		Original Cost	Year	Make	Seating Capacity	Odometer Reading	Lift Equipped?		Originally Sec. 5311 Funded? (Check One)		Current ADOT Lien? (Check One)		Vehicle Condition Code	Is This Vehicle Operational? (Check One)	
ID Number	C O D E	YES	NO						YES	NO	YES	NO	YES	N O		YES	NO
EXAMPLE: G2WB1F82292	3	<input checked="" type="checkbox"/>		29,115	93	DODGE	15	80,000		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	
Transit		Yes	No														

NOTE:SEE PREVIOUS PAGE FOR CONDITION CODES AND VEHICLE CLASSIFICATION CODES. USE ADDITIONAL SHEETS IF NECESSARY.

APPLICATION SECTION 6: BUDGET FOR ADMINISTRATION, OPERATING AND CAPITAL ASSISTANCE

Administrative and Operating Expenses:

Complete data is required to assist in evaluating fiscal and managerial capability and the efficiency of your proposed service. Applicants must report the full cost of operations, regardless of who pays the cost. For example, if a county donates office space, the market value of the donated space must be included on the appropriate line. Volunteer labor needs to be accounted for in a similar way.

The match ratio for the 5311 program is 80% federal / 20% local match for administration and 58% federal /42% local match for operating.

Capital Expenses:

Capital funding is available through the Section 5311 program, the Surface Transportation Program (STP) flexible funding program, and discretionary funding sources.

The STP flexible funding program requires less local match than the 5311 Program. For STP flexible funding, the match ratio can be as high as a 93% Federal / 7% local. However, actual rates in any given year are based on the dollar volume of capital applications received by ADOT.

5311 program funds and STP funds may not meet all of the requested needs of the 5311 transit providers in Arizona. In order to better meet capital needs, ADOT is pursuing federal discretionary grant funds for capital purchases. Discretionary grant funds for rolling stock are generally awarded at an 80% Federal / 20% local match ratio, similar to the 5311 program.

If your capital request is not approved for 5311 or STP program funding, it may still be eligible for a discretionary funding application process. To be eligible to participate in a discretionary grant funding application process, applicants must state “yes” in the capital cost table provided in this section. Eligibility is also based on a letter of support. A sample of this letter of support is provided in Section 7. Based on the information provided in this application, when federal discretionary capital grants become available, ADOT will submit the grant application paperwork to FTA for your capital request(s) along with your letter(s) of support.

Willingness to participate in the discretionary grant funding application process will not affect ADOT's decision to award 5311 formula or STP funds.

Please complete the capital budget using both match ratios, 80% Federal / 20% local for the 5311 program and 93% Federal / 7% local for the STP flexible funding program. ADOT Multimodal Planning Division staff will notify applicants if it is possible to award capital funding with a lower local match requirement.

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DEFINITIONS: Budget Categories	
Administration	Overhead costs directly related to administration of transit system such as office supplies, salaries and fringe benefits of the administrative staff, vehicle insurance, marketing, office insurance, etc.
Operating	Costs directly related to vehicle operations, such as fuel, oil, driver and dispatcher salaries and fringe benefits, tires, vehicle maintenance, etc.
Capital	New or used transit vehicles, rehabilitation of vehicles, accessibility conversions, communication equipment, computers, bus stop improvement including signage, benches, shelters etc.
Expenses Which Cannot Be Claimed For Reimbursement Include:	Fines and penalties, bad debts, entertainment, interest, expenses associated with providing services in urbanized areas, expenses for charter services, and expenses paid by other funding sources for which no FTA funding is requested.
Passenger/Farebox Revenues:	Farebox revenues are fares paid by the riders. Amounts listed here are the anticipated farebox revenues and must be used to offset the cost of system operation. (Farebox revenues cannot be used to satisfy local match requirements. Farebox revenue only reduces the overall project operating costs eligible for Federal funding.)
Other Operating Revenues:	Cash funds received from other non-federal sources. This includes private donations/contributions, dedicated tax revenues, state or local appropriations, and net income generated from advertising and concessions.

B. VEHICLE REQUEST

If you intend to purchase a bus, it is important to identify whether it will be a light, medium, or heavy duty bus and the approximate total vehicle length, passenger seating, and if the bus is a replacement or addition to the fleet. This will assist ADOT in its application for federal funds. Example: 35', 22 passengers, addition. If it will be a replacement vehicle, include the VIN number of the vehicle to be replaced.

- 1. Describe the requested vehicle(s) in detail including: number of passenger seats, seating arrangement, special accessibility devices, wheelchair securement system, drive train data, fuel type, etc.**

- 2. Will this request be for replacement in your fleet? If so, what is the age and mileage of the vehicle(s) to be replaced? Will the replaced vehicle(s) be**

retired from service? If the vehicle is not being retired from service, what is your justification for increasing your fleet size? Provide VIN numbers for vehicle(s) being replaced.

3. Will your requested vehicle be fully accessible to the disabled, in accordance with ADA guidelines? If no, please explain.

C. VEHICLE REHABILITATION REQUEST

1. If you are requesting funds to rehabilitate an existing vehicle(s), please provide the following information: year, make and model, condition, driveline information, current mileage, seating capacity, ADA accessible features, and what parts of the vehicle are planned for rehab.

2. Describe the proposed tasks to be done as part of this rehabilitation under the appropriate category:

Drive Line:

Paint:

Suspension/Breaks:

Interior:

Accessibility:

Other:

D. COMMUNICATION EQUIPMENT REQUEST

1. Describe any communication equipment you are requesting. Is this a replacement of an older unit(s) or an addition?

2. Explain why this equipment is essential for the operation of your transit service?

E. OTHER CAPITAL PROJECTS

1. For other capital item(s) request(s), provide a brief description. Please contact ADOT Multimodal Planning Division staff to obtain additional information needed for your particular request(s).

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BUDGET SPREADSHEETS WILL BE INSERTED IN THE HARD COPY CONTRACT HERE
ELECTRONIC COPY OF THE BUDGET WORKSHEETS WILL BE SUBMITTED AS A SEPARATE
EXCEL FILE ACCOMPANYING THIS ELECTRONIC APPLICATION AND CONTRACT

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Agreement No	«Contract_No»
AG Contract No	Template: P001-2012-003243
Advantage Project No	Refer to Exhibit A
DUNS Number	
Taxpayer ID Number	
Project Name	Formula Grants for Non-Urbanized Areas: 49 USC 5311– CFDA 20.509
Effective Year	

GRANT AGREEMENT

BETWEEN

THE ARIZONA DEPARTMENT OF TRANSPORTATION
MULTIMODAL PLANNING DIVISION acting for and on behalf of
THE STATE OF ARIZONA

AND

LEGAL NAME OF AGENCY, a Not For Profit, Local Government, Tribal etc. Agency

THIS GRANT AGREEMENT is entered into _____, 2012, between the ARIZONA DEPARTMENT OF TRANSPORTATION MULTIMODAL PLANNING DIVISION (ADOT) acting for and on behalf of THE STATE OF ARIZONA herein referred to as the STATE, established pursuant to Arizona Revised Statutes (A.R.S.) § 28-334 and LEGAL NAME OF AGENCY, herein referred to as the RECIPIENT. The STATE and the RECIPIENT are collectively referred to as the “Parties”, and individually as STATE, RECIPIENT, and “Party”.

I. RECITALS

- 1) STATE is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of STATE.
- 2) RECIPIENT is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of RECIPIENT.
- 3) 49 U.S.C. 5311 provides funding for the purpose of supporting public transportation in rural areas, with population of less than 50,000. The goal is to enhance access of people in non-urbanized areas to health care, shopping, education, employment, public services, and recreation; to assist in the maintenance, development, improvement, and use of public transportation systems in non-urbanized areas; to encourage and facilitate the most efficient use of all transportation funds used to provide passenger transportation in non-urbanized areas through the coordination of programs and services; to assist in the development and support of intercity bus transportation; and to provide for

the participation of private transportation providers in non-urbanized transportation.

- 4) 49 U.S.C. 5311 is authorized under the provisions set forth in the Moving Ahead for Progress in the 21st Century (MAP-21, Section 20010) designates eligible sub-recipients of the program to include a State or local governmental authority, nonprofit organization, or an operator of public transportation or intercity bus service that receives federal transit program grant funds indirectly through a recipient. 49 U.S.C. 5311(c) designates only Federally-recognized tribes as eligible recipients under the Tribal Transit Program. However, tribes which are not federally recognized remain eligible to apply to the State as a sub-recipient for funding under the State's apportionment.
- 5) The Governor of the STATE of Arizona, in accordance with a request by the Federal Transit Administration, hereinafter referred to as FTA, has designated the Arizona Department of Transportation as the responsible agency to evaluate and select proposed projects and to coordinate the grant applications. The current ADOT 5311 Program Handbook prescribes the STATE's Administrative Policies and Requirements for the Program.
- 6) The STATE and the RECIPIENT desire to secure funding for planning, capital, operating, intercity, and/or administrative expenses using the expenditure of FTA funds to meet the transportation needs of rural communities in the State of Arizona within the RECIPIENT's service area which will be carried out according to this Agreement and under the applicable section(s) of 49 USC Chapter 53.
- 7) The STATE and the RECIPIENT desire defining their respective responsibilities related to the reimbursement of up to the amount of funds described in Exhibit A and referred to as the PROJECT.
- 8) RECIPIENT qualified local match will be due over the life of the awarded PROJECT(s) as indicated in Exhibit A.
- 9) The APPLICATION section of this Agreement does not constitute the AWARD amount. The AWARD will be demonstrated in Exhibit A of this Agreement, incorporated into the document at the time of execution and/or as updated from time-to-time by mutual consent.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

II. SCOPE

- 1) RECIPIENT shall provide activities related to eligible funding for capital, operating, intercity, and/or administrative expenses for public transportation projects, herein called the PROJECT, in accordance with the RECIPIENT'S application(s), incorporated herein as referenced and as allowable under 49 U.S.C. 5311.
- 2) The PROJECT activities are described and detailed in Exhibit A.
- 3) PROJECT-appropriate capital, operating, intercity, and/or administrative expenses supported by receipts and other suitable and appropriate documentation are eligible for reimbursement beginning on October 1 of the effective year. Expenses paid for prior to this date are ineligible for reimbursement.
- 4) Approved Capital expenditures must be incurred within the expiration date of: the earlier of spend-down of the funds awarded or the September 30, two calendar years forward. Expenses incurred outside that period are ineligible for reimbursement under this Agreement. Final reimbursement requests must be received no later than November 30 of the expiration year to be eligible for reimbursement.
- 5) Approved Operating, Intercity, and/or Administrative expenditures must be incurred within the expiration date of: the earlier of spend-down of the funds awarded or 365 days from the eligible date. Expenditures outside that period are ineligible for reimbursement under this Agreement. Final reimbursement requests must be received no later than November 30 of the expiration year to be eligible for reimbursement.
- 6) The recipient shall provide a monthly reimbursement request and progress spreadsheet report to ADOT. ADOT will provide the reporting form and the due dates prescribing when each report shall be submitted. Information regarding measurements over the existing service conditions to be reported according to the data requested in the spreadsheet. The data required may include but is not limited to: the rides provided/shared, miles increased/replaced, cost savings and other related improvements. Each month the signed original reimbursement request is due the last Friday of the month following when the expenses were paid for by the RECIPIENT.

III. RESPONSIBILITIES

- 1) **ADOT will:**
 - a. Review PROJECTS for compliance with statutory and program guidance.

- b. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
- c. Review reimbursement requests, when appropriate to the Grant Award, from RECIPIENT and reimburse RECIPIENT within 30 days after receipt and approval of reimbursement requests, in a total amount not to exceed the lesser of the approved costs or the Grant Award.
- d. Have the authority to re-distribute funds, if this Agreement is not received, signed by the parties herein and executed by December 31 of the effective year.**
- e. Communicate with RECIPIENT and FTA as necessary to facilitate program compliance and procedural efficiency.

2) **RECIPIENT will:**

- a. Take necessary steps to ensure this Agreement is signed and returned to ADOT no later than September 15 of the effective year, to allow sufficient time to execute no later than October 1, of the effective year.
- b. Apply qualified MATCH requirements with applicable reimbursement requests and/or as indicated in the Recitals and Exhibit A. Local match must be remitted from funds of the program for which it was awarded as qualified under the applicable 49 USC regulations. Most federally-funded programs cannot use federal funds to provide match but 49 USC does provide certain exceptions to that stipulation. The RECIPIENT will ensure that matching funds qualify under the appropriate section of 49 USC 5311 as appropriate to the awarded PROJECT(s) indicated in Exhibit A.
- c. Comply with all terms of the Grant Program in accordance with the RECIPIENT'S application(s) and the applicable Program Handbook in effect at the time of application or subsequently revised and published, incorporated herein as referenced.
- d. Obtain prior written concurrence of the State before assigning 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.
- e. Communicate contractual requirements to contractors and sub-contractors and ensure all the requirements of this Agreement are incorporated by means of a contract or other legally binding documents stipulating the contractor and/or sub-contractor's responsibility to comply with this Agreement.

- f. Communicate with STATE and FTA as necessary to facilitate program compliance and procedural efficiency.
- g. Provide all required reports as prescribed by the Program Handbook or as requested by ADOT in a timely manner and as required by the STATE.
- h. Ensure users of PROJECT equipment and/or services meet applicable federal and state regulations and statutes.
- i. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
- j. Submit an approved Indirect Cost Plan if and only if indirect costs will be billed for reimbursement. Title 2 CFR Part 225, also known as OMB Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments”, Title 2 CFR Part 220, also known as OMB Circular A-21 “Cost Principles for Educational Institutions”, Title 2 CFR Part 230, also known as OMB Circular A-122, “Cost Principles for Non-Profit Organizations”, FARS 31.2 for Private Agencies, and Appendix E of FTA Circular 5010 requires all grantees who intend to seek payment for indirect costs to prepare a Cost Allocation Plan (CAP) or an Indirect Cost Rate Proposal. CAPs and/or Indirect Cost Rate Proposals must be approved by FTA or another Cognizant Federal agency. ADOT will not reimburse indirect costs if a Cost Allocation Plan or an Indirect Cost Plan is not in place.

Indirect costs, as defined in 2 CFR Part 225 are costs that are: 1) incurred for a common or joint purpose benefiting more than one cost objective; 2) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved; and 3) originating in the grantee’ department as well as those incurred by other departments in supplying goods, services, and facilities to the grantee department.

Cognizance is generally assigned to the Federal agency that provides the predominant amount of dollar involvement with a grantee organization within a given State or locality. (OMB has assigned cognizant audit agencies for State and local governments. See *Federal Register* (51 FR 552, Jan 6, 1986). In those cases where a grant recipient is not assigned a cognizant agency, these grantees will be under the general oversight of the Federal agency that provides them the most funds; which will also be identified as the “lead” Federal agency.

If an indirect cost plan approved by a Federal cognizant agency has not been received by the time of execution of this Agreement, indirect costs will not be permitted. Subsequent submission of an approved plan will not grant retroactive eligibility of indirect costs; only costs incurred subsequent to ADOT

receipt and written acknowledgement of the plan will be eligible for indirect costs. In the event that the applying agency primarily receives FTA funds but is not a direct recipient of those funds, ADOT will function as the cost plan approver as delegated by FTA. If ADOT will function as the approver, the indirect cost plan must be received with the signed original of this Agreement. Subsequent requests for ADOT approval within the effective period of this Agreement award will not be accepted.

- k. Report to the STATE quarterly that no expenditures occurred or, on the invoice form provided by ADOT, submit an invoice to the STATE on the last Friday of the month following when the expenses were paid for by the RECIPIENT for categorized reimbursable capital, operating, intercity, and/or administrative expenses awarded as demonstrated in Exhibit A, as authorized and allowable under the federal grant requirements. Only a system-generated ledger report and program-required forms must be submitted with the reimbursement request. Detailed support documentation shall be maintained by the Recipient and shall not be submitted to ADOT unless and until requested

In the event a system-generated ledger cannot be provided, it is acceptable to use a manually-created or spreadsheet ledger. However, in this case, all support documentation must also be submitted.

Every invoice must include the Agreement Number, the Advantage Project number, and the Grant Program Name with expenditures billed separately according to the Budget Item(s) from Exhibit A.

In accordance with 49 CFR 18.20 (2) – “Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and incomes.”

In accordance with 49 CFR 18.20 (6) – “Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contracts and subgrant award documentation, etc.”

Adequate supporting documentation should include a system generated financial summary disclosing an expense amount that matches the invoice amount.

If a system generated report is unavailable, an excel spreadsheet maybe utilized to summarize the expenses and must be accompanied by appropriate invoices including evidence of payment, payroll documentation, etc.

- I. Submit required reports of procurement activities according to the section labeled: *Criteria for Funding* and submit reports of contract activities via email in a spreadsheet template provided by the ADOT Program Manager.

- m. In the event of an accident involving any equipment funded under this Agreement, the RECIPIENT shall, within **24 hours**, notify the ADOT Program Manager and the MPD Finance & Administration Manager (mroder@azdot.gov) electronically via email. Pursuant to FTA Circular 5010.1D, any insurance proceeds received when project property has been lost or damaged, the grantee shall a) apply those proceeds to the cost of replacing the damaged or destroyed project property taken out of service or b) return to FTA an amount equal to the remaining Federal interest in the lost, damaged, or destroyed project property. The RECIPIENT agrees to request from and adhere to guidance from the ADOT Project Manager regarding which option shall be followed.

- n. AUDIT: The administration of resources awarded by ADOT to the RECIPIENT may be subject to audits and/or monitoring by ADOT, as described in this section.

Monitoring: In addition to reviews of audits conducted in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, monitoring procedures may include, but not be limited to, on-site visits by ADOT staff or designees, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the RECIPIENT agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by ADOT. In the event ADOT determines that a limited scope audit of the RECIPIENT is appropriate, the RECIPIENT agrees to comply with any additional instructions provided by ADOT staff to the RECIPIENT regarding such audit. The RECIPIENT further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the ADOT's Office of Audit and Analysis, ADOT's Office of the Inspector General (OIG) and ADOT's Financial Management Services. It is the responsibility of the RECIPIENT to monitor their sub-recipients.

Federally funded: Recipients of federal funds (i.e. state, local government, or non-profit organizations as defined in OMB Circular A-133, as revised) are to have audits done annually using the following criteria:

1. In the event that the **RECIPIENT** or their sub-recipient expends \$500,000 or more in Federal awards in its fiscal year, the **RECIPIENT** and the sub-recipient must have a Single Audit conducted in accordance with the provisions of OMB Circular A-133, as revised. In determining the Federal awards expended in its fiscal year, the **RECIPIENT** and sub-recipient shall consider all sources of Federal awards, including Federal resources

received from ADOT. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the **RECIPIENT** conducted by the Arizona Auditor General or an independent auditor in accordance with the provisions OMB Circular A-133, as revised, will meet the requirements of this part. In connection with the audit requirements the **RECIPIENT** shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

2. If the RECIPIENT expends less than \$500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. However, if the RECIPIENT elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such an audit must be paid from RECIPIENT resources obtained from other than Federal entities)

Federal awards are to be identified using the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, and name of the awarding federal agency.

In compliance with OMB A-133.235(c), the audit shall be completed and the report must be submitted within 30 days after receipt of the auditor's report(s), or nine (9) months of the end of the audit period.

The **RECIPIENT** shall follow up and take corrective action on audit findings. Preparation of summary schedule of prior year audit findings, including corrective action, a timetable for resolution, and current status of the audit findings are required to be submitted to ADOT. Current year audit findings require corrective action, a timetable for resolution, and status of findings will also be reported to ADOT.

If the **RECIPIENT** fails to take corrective action, ADOT will make a determination to:

1. make financial adjustments to the allocated Federal funding as determined appropriate, up to and including repayment by the RECIPIENT of disallowed costs, or
2. ADOT may take other action as determined appropriate.

If the **RECIPIENT** has not completed corrective action, a timetable for follow-up should be provided.

Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is completed or the dispute is resolved. Access to project records and audit work papers shall be given to ADOT and the Arizona Auditor General. This section does not limit the authority of ADOT to conduct or arrange

for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any other state official.

Audit Report submission: Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by this section titled AUDIT shall be submitted when required by OMB Circular A-133, as revised, directly to each of the following:

- a. ADOT at the following address:
Arizona Department of Transportation
206 S. 17th Ave. MD310B
Phoenix, AZ 85007
- b. The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised, at the following address:

Federal Audit Clearinghouse
Bureau of the Census
1201 East 10th Street
Jeffersonville, IN 47132
- c. Other Federal agencies and pass-through entities in accordance OMB Circular A-133 as revised.

Copies of written communication between the **RECIPIENT** and the independent auditor in compliance with the Statement on Auditing Standards No 114 and as required by this section titled AUDIT of this agreement shall be submitted by or on behalf of the **RECIPIENT** directly to:

- a. ADOT at the following address:
Arizona Department of Transportation
206 S. 17th Ave. MD310B
Phoenix, AZ 85007
- b. Any written communication required to be submitted to ADOT pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133.
- c. **RECIPIENT**, when submitting financial reporting packages to ADOT for audits done in accordance with OMB Circular A-133 should indicate the date that the reporting package was delivered in correspondence accompanying the reporting package.

IV. MISCELLANEOUS PROVISIONS

- 1) **Term Incorporation:** This Agreement is governed according to the laws of the State of Arizona. All cited statutes, public law, executive orders, and policies cited in this Agreement are incorporated by reference as a part of this Agreement. It is the RECIPIENT'S responsibility to ensure that any Agreement between RECIPIENT and its CONTRACTORS for use of grant funds shall incorporate the provisions contained herein.
- 2) **Duration:** This Agreement shall become effective upon signature by the parties hereto and shall remain in force and effect until PROJECT satisfaction and completion. This Agreement may be cancelled at any time prior to the commencement of performance under this Agreement, upon thirty (30) days written notice to the other party.

For operating, intercity, administrative, and/or other capital cost PROJECTS awarded, the life of this Agreement will be the earlier of spend-down of the awarded funds or two (2) years from the date authorized under this Agreement's Section II: *SCOPE* unless extended by amendment.

For vehicle PROJECTS, the life of this Agreement shall continue through the useful life of the vehicle(s) as determined by FTA rules and explained under this Agreement's section titled *MISCELLANEOUS PROVISIONS: Liens on Equipment* unless extended by amendment or as otherwise provided herein.

- 3) **Amendments:** This Agreement may be amended upon mutual agreement of the Parties at any time when in the best interest of FTA, STATE, or RECIPIENT. Modifications to Exhibit A describing the details of the approved PROJECT may be modified without enacting an amendment to this Agreement; acceptance of the modification shall be indicated on the modified Exhibit A.
- 4) **Matching and Federal Funding:** PROJECT award amounts and match requirements are indicated in Exhibit A. The RECIPIENT will provide, from eligible sources as prescribed in 49 USC 5311 as appropriate to the Award(s) in Exhibit A, the Match amount required as indicated. The applied Match shall be demonstrated on reimbursement requests from the RECIPIENT.
- 5) **Availability of Funds:** Every payment obligation of STATE under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by STATE at the end of the period for which the funds are available. No liability shall accrue to STATE in the event this provision is exercised, and STATE shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
- 6) **Liens on Equipment:** The purchase of PROJECT equipment shall be undertaken by the RECIPIENT. The PROJECT equipment shall be titled in the name of the RECIPIENT. To the extent of financial assistance provided, the

STATE shall hold a first lien on all capital equipment acquired under this Agreement in the amount of the federal share of the equipment cost. The lien placed on vehicle equipment will remain in effect for at least four years or 100,000 miles but will extend through the useful life of the vehicle(s) and until the remaining asset value is less than \$5,000 or is no longer in service, whichever occurs first, from issuance of title unless this Agreement is otherwise terminated under terms of this Agreement or four years from issuance of equipment if not a vehicle. Lien release is incumbent upon the RECIPIENT's submission of a written request for a lien release and compliance of all requirements and guidance during the course of the lien period. These requirements include but are not limited to: maintenance of the equipment, annual reporting to the STATE of administrative and vehicle performance data, annual vehicle inspections, timely incident reporting and situation resolution, and other requirements as specified in the applicable Program Handbook and Application.

- 7) **Property and Equipment, Use, Inventory, and Disposal:** Title to real property under a grant will vest under acquisition in the RECIPIENT or their CONTRACTOR as applicable. The RECIPIENT or their CONTRACTOR is, however, responsible for adherence to any applicable federal program compliance requirement under 49 CFR 18 Section 32. Except as otherwise provided by statute, property and equipment shall be used for the originally authorized purposes as long as needed for that purpose. When no longer needed for the originally authorized purpose, the RECIPIENT and/or their CONTRACTOR will request disposition instructions from the STATE. RECIPIENT agrees to inventory, to maintain records of, and to ensure the proper use, control, and disposal of all property and equipment acquired pursuant to ADOT Policy FIN 11.08, incorporated herein by reference.
- 8) **Modifications and Other Changes to Grant Equipment:** Prior to any substantive modifications or other changes made or elimination, reduction, or addition to grant equipment, written approval from an authorized State grant program official must first be obtained. Examples include but are not limited to the elimination of wheelchair positions and additions of ambulatory seating, reduction in number or addition of passenger assist stanchions, rails, steps, secondary manufacturer and aftermarket vehicle components provided by the STATE, and other devices requiring or otherwise exposing or altering mechanical or structural modification to the vehicle.
- 9) **Statutory Compliance:** All parties shall comply with all applicable federal, state and local requirements including all applicable provision of Title 49 (United States Department of Transportation) and other applicable Codes of Federal Regulations where and when relevant.

- 10) **Incorporation of Federal Transit Administration (FTA) Terms:** All contractual provisions required by the U.S. Department of Transportation are hereby incorporated by reference. All applicable clauses shown in the FTA Master Agreement apply to this Agreement. The Federal Transit Administration Master Agreement can be viewed in its entirety at <http://www.fta.dot.gov/documents/12-Master.doc>.
- 11) **Conflict of Interest:** This Agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards to conflicts of interest on behalf of STATE employees.
- 12) **Audit and Recordkeeping:** All PARTIES and/or their CONTRACTORS shall retain all data, books, and other records relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the STATE at reasonable times as set forth in A.R.S. 35-214, 49 CFR 18.26 and the requirements of applicable OMB Circulars.
- 13) **Dispute Resolution / Arbitration:** In the event of any controversy, the Parties agree that it is in their mutual best interest to promptly meet with the purpose of resolving said Dispute. In the event that the Parties cannot resolve their dispute informally, the parties hereto agree to abide by required arbitration as set forth for in Arizona Revised Statutes Section 12-1518.
 - a. **(TRIBAL) Limited Waiver of Sovereign Immunity:** For purposes of this Agreement, and subject to the terms of this section, the Nation, consents and agrees to a limited waiver of its sovereign immunity from suit and consents to be sued on an arbitration award. The Nation represents that this limited waiver of sovereign immunity has been duly approved by the Nation's Tribal Council, as required by the Nation's Constitution. The Nation is not waiving its right to assert the defense of sovereign immunity except as expressly set forth, referred to, and provided for, in this Agreement. This limited waiver is enforceable solely by the State as limited hereunder and does not create any additional third party beneficiary rights to suits or private causes of action in favor of third Parties. The Parties agree that this section provides a limited waiver of sovereign immunity solely for the purpose of enforcing the provisions of this Agreement and enforcing any arbitration award hereunder and for no other purpose.
 - b. **(TRIBAL) Dispute Resolution:** In the event of a dispute, claim or controversy ("Dispute") arising out of or related to this Agreement, the Parties agree that it is in their mutual best interest to meet as promptly as possible for the purpose of informally resolving said Dispute. In the event the Parties cannot resolve their Dispute informally after attempting to work in good faith, the Parties hereto agree to abide by arbitration as set forth

below and that arbitration shall be a requisite before any Party may seek relief of any kind in State or Tribal court.

- c. **(TRIBAL) Arbitration:** If a party in good faith concludes that a Dispute arising out of or related to this Agreement is not likely to be resolved by informal dispute resolution then, upon notice by that Party to the other, said Dispute shall be finally and exclusively settled by submission of such Dispute to the American Arbitration Association (“AAA”) under its then prevailing procedural rules contained in the AAA’s Commercial Arbitration Rules to the extent that such rules shall not be interpreted to diminish, limit, or void the limited waiver of sovereign immunity set forth in Section 1 above or to increase the enforcement rights of the Parties. Within ten (10) days after the commencement of arbitration, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within ten (10) days of their appointment. The third arbitrator shall be a practicing attorney, actively engaged in the practice of law for at least ten (10) years and a member in good standing of the bar of the State of Arizona. Alternatively, the third arbitrator may be a retired judge of the federal court or the trial court of the state of Arizona. At least one of the arbitrators shall be knowledgeable with federal Indian law and one arbitrator shall have AAA-acknowledged expertise in the appropriate subject matter. All arbitration proceedings shall be held in Maricopa County or at such other place as shall be agreed by the Parties.
- d. **(TRIBAL) Award:** The award shall be made within thirty (30) days of the filing of the notice of intent to arbitrate, and the arbitrators shall agree to comply with the schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the majority of the arbitrators, if necessary. Any award rendered in any such arbitration proceeding shall be final and binding upon all Parties to the proceeding. Review of an arbitration award must be made within 90 days after delivery of the award by the arbitrator(s).
- e. **(TRIBAL) Governing Law:** This Agreement, including any claim or dispute arising hereunder submitted to binding arbitration shall be governed by the laws of the State of Arizona.
- f. **(TRIBAL) Enforcement:** Judgment upon any award rendered by the arbitrators against either Party may be entered in the Nation’s tribal court system (“Tribal Court”) or the Arizona State Court System (“State Court”) and interpreted and/or enforced pursuant to the terms of this Agreement, and/or pursuant to the terms of the AAA’s Commercial Arbitration Rules, and/or pursuant to the terms and provisions of the statutes, rules and regulations governing or providing for interpretation or enforcement of judgments applicable in any State of Arizona court.

- 14) **Third Party Antitrust Violations:** The Recipient assigns to the STATE any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Recipient toward fulfillment of this Agreement.
- 15) **General Indemnification:** The Grantee shall indemnify, defend, save and hold harmless The State of Arizona, its departments, agencies, boards, commissions, universities and its Officers, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the Grantee or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the Grantee from and against any and all claims. It is agreed that the Grantee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Agreement, the Grantee agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona. *This indemnity shall not apply if the Recipient or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*
- 16) **Minimum Required Insurance Coverage:** Grant recipients are responsible for acquiring and maintaining current, appropriate insurance on their vehicles while under ADOT lien, listing ADOT as loss-payee and additional insured, as well as other large capital assets.

Program participants must maintain adequate property and liability insurance coverage. The current minimum requirement for automobile liability insurance is based on vehicle size, and is as follows:

- Combined Single Limit (CSL) of \$5,000,000 for vehicles carrying nine (9) or more passengers
- Combined Single Limit (CSL) of \$2,000,000 for vehicles carrying less than nine (9) but more than four (4) passengers

Combined Single Limit (CSL) of \$1,000,000 for vehicles carrying less than four (4) or passengers. In addition, Grantee must maintain collision and comprehensive coverage for the full fair market value of each vehicle provided under this Program. The deductible for such coverage shall not exceed five thousand dollars (\$5,000).

Insurance policies for vehicles on which the State of Arizona or ADOT is listed on the title as vehicle owner or lien holder must also show the State of Arizona or ADOT as “loss payee.”

ADOT shall be an “additional insured” on all insurance policies required under this Program. Insurance policies shall be endorsed to include the following additional insured language: The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Grantee, involving automobiles owned, leased, hired or borrowed by the Grantee.

The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Grantee, even if those limits of liability are in excess of those required by this Program.

The Grantees insurance coverage shall be primary insurance with respect to all other available sources.

Policies required under this Program shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees.

Grantee and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Recipient, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Grantee from liabilities that might arise out of the performance of the work under this Agreement by the Recipient, its agents, representatives, employees or subcontractors, and the Grantee is free to purchase additional insurance.

It is critical that the vehicle Grantee-operator ensure that it retains on file up-to-date insurance, that this information is readily available for review by ADOT and its auditors, and that a current insurance card is located in the vehicle at all times.

The Certificate of Insurance and card must be submitted to ADOT prior to receipt of the vehicle(s). In addition, a current copy of the Certificate must be included with the Annual Report/Notice of Impending Vehicle Inspection, and submitted or returned to ADOT.

NOTICE OF CANCELLATION: Any changes material to compliance with the insurance coverage required under this Program shall require thirty (30) days written notice to ADOT. Such notice shall be sent directly to Multimodal Planning Division of the Arizona Department of Transportation (ADOT) and shall be sent by certified mail, return receipt requested.

ACCEPTABILITY OF INSURERS: Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an “A.M. Best” rating of not less than A- VII. ADOT in no way warrants that the above-required minimum insurer rating is sufficient to protect the Grantees from potential insurer insolvency.

VERIFICATION OF COVERAGE: The Grantee shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona). The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy must be in effect at or prior to commencement of work and remain in effect for the duration of the project.

All certificates required by this Agreement shall be sent directly to ADOT-MPD Community/Grants Services, 206 South 17th Avenue 340B, Phoenix, Arizona 85007. The State of Arizona project/Agreement number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by the Grant Agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

SUBCONTRACTORS: Grantees certificate(s) shall include all subcontractors as insured's under its policies or Recipient shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

APPROVAL: Any modification or variation from these insurance requirements shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Agreement amendment, but may be made by administrative action.

EXCEPTIONS: In the event the Grantee or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the Recipient or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

- 17) **Discrimination:** This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 USC. 12101-12213) and all applicable Federal regulations under the ACT. RECIPIENT or its CONTRACTORS shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, Arizona State Executive Order 2009-09, or A.R.S. 41-1461 through 1465, which mandates that all persons, regardless of race, color, religion, sex age, national origin or political affiliation shall have equal access to employment opportunities, and all other applicable state and federal employment laws, rules and regulations, including the Americans With Disabilities Act. The RECIPIENT shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, age, national origin or political affiliation or disability.
- 18) **Title VI Of The Civil Rights Act Of 1964:** The RECIPIENT hereby agrees that as a condition to receiving any Federal financial assistance from the Department of Transportation it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4 (hereinafter referred to as the Act), the Civil Rights Restoration Act of 1987 (Public Law 100.259) and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the Regulations) and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the Department of Transportation, including the Federal Highway Administration, and HEREBY GIVES ASSURANCE THAT it will promptly take any measures necessary to effectuate this Agreement.

During the performance of this Agreement, the RECIPIENT, for itself, its assignees and successors in interest agrees as follows:

(1) Compliance with Regulations. The RECIPIENT shall comply with the regulations relative to non-discrimination in federally assisted programs of the U.S. Department of Transportation (USDOT), 49 CFR 21 and Executive Order 99-4, as they may be amended from time to time, which is herein incorporated by reference and made a part of the Agreement.

(2) Nondiscrimination. The RECIPIENT, with regard to the work performed by it during the Agreement will not discriminate on the grounds of race, color, disability, sex, or national origin in the selection and retention of contractors and subcontractors, including procurement of material and leases of equipment. The RECIPIENT will not participate either directly or indirectly in discrimination prohibited by 49 CFR 21.5, including employment practices when the Agreement covers a program set forth in Appendix A of 49 CFR part 21.

(3) Solicitations for contractors, including procurement of real property, materials, and equipment. In all solicitations made by competitive bidding or negotiation by the RECIPIENT for work to be performed under a contract or subcontract, including procurement of real property, materials, and purchase or lease of equipment, each potential contractor, subcontractor, supplier, or lessor shall be notified by the RECIPIENT of the RECIPIENT's obligations under this Agreement and the regulations relative to nondiscrimination on the grounds of race, color, disability, sex, or national origin. Any contract or agreement established shall contain the language from this Agreement's Appendix A and B, and where appropriate, Appendix C.

(4) Information and Reports. The RECIPIENT shall provide all information and reports required by the regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by ADOT, FHWA, and FTA to be pertinent to ascertain compliance with such regulations, orders, and instructions. Where any information required of the RECIPIENT is in the exclusive possession of another who fails or refuses to furnish this information, the RECIPIENT shall so certify to ADOT, FHWA, and FTA, as appropriate, and shall set forth what efforts it has made to obtain the information.

(5) Sanctions for Non-Compliance. In the event of the RECIPIENT's non-compliance with the non-discrimination provisions of this Agreement, ADOT shall impose such sanctions as it, FHWA and FTA determine to be appropriate, including, but not limited to: withholding of payments to the RECIPIENT under the Agreement until the RECIPIENT complies, and/or cancellation, termination, or suspension of the Agreement, in whole or in part.

The RECIPIENT will include the provisions of Paragraphs (1) through (5) above in every contract, including procurement of materials and leases of equipment, unless exempt by the regulations, order, or instruction issued pursuant thereto. The RECIPIENT will take such action with respect to any subcontract or procurement as ADOT, FHWA, and FTA may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that, in the event the RECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the RECIPIENT may request the State to enter into such litigation to protect the interests of the State, and in addition, may request the United States to enter into such litigation to protect the interests of the United States.

- 19) **Disadvantaged Business Enterprises (DBE):** The RECIPIENT shall include the following statement in all solicitations for bids for work or material made in connection with funds received under this Agreement.

The issuing agency, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C 2000d to 2000d-4 and Title 49, the Civil Rights Restoration Act of 1987 (Public Law 100.259). Code of Federal Regulations, Department of Transportation, Subtitle A, Office the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this solicitation, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

- 20) **Immigration:** To the extent applicable under Arizona Revised Statutes Section 41-4401, each Party and its subcontractors warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under Arizona Revised Statutes Section 23-214(A). A breach of the above-mentioned warranty by any Party or its subcontractors shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by the non-breaching Parties. Each Party retains the legal right to randomly inspect the papers and records of the other Parties or its subcontractor employees who work on the Agreement to ensure that the Parties or its subcontractors are complying with the above-mentioned warranty.
- 21) **Scrutinized Business Operations:** Pursuant to Arizona Revised Statutes Sections 35-391 and 35-393, each Party certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term “scrutinized business operations” shall have the meanings set forth in Arizona Revised Statutes Section 35-391 or 35-393, as applicable. If any Party determines that another Party submitted a false certification, that Party may impose remedies as provided by law including terminating this Agreement.

- 22) **Debarment and Suspension.** The RECIPIENT agrees to comply, and assures the compliance of each third-party contractor and sub-recipient at any tier, with Executive Orders Nos. 12549 and 12689, "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 RECIPIENT agrees to and assures that its third party contractors and sub-recipients will review the Excluded Parties Listing System at <http://epls.arnet.gov/> before entering into any contracts.
- 23) **Termination for Convenience:** Either Party has the right to terminate the Agreement, in whole or in part at any time, when in the best interests of the FTA, RECIPIENT, or STATE without penalty or recourse.
- 24) **Transparency Act:** Because ADOT receives federal funds, ADOT is required to comply with the Federal Funding Accountability and Transparency Act of 2006 and associated 2008 Amendments. The reporting requirements and levels of reporting due to FTA are currently under development. Accordingly, ADOT is not currently aware of reporting requirements that might become required from RECIPIENTS. Should requirements be stipulated wherein information is required from RECIPIENTS, such information will be requested. The RECIPIENT herein agrees that in a timely manner, and in the method specified by the STATE, the RECIPIENT will provide information that is requested by the STATE to enable the STATE's compliance with the requirements as may be applicable.
- 25) **Termination for Default:** STATE reserves the right to terminate this Agreement in whole or in part due to failure of RECIPIENT to carry out any term, promise, or condition of the Agreement. STATE will issue a written ten (10) day cure notice to RECIPIENT for failure to adequately perform, or if there is reason for STATE to believe that the RECIPIENT cannot or will not adequately perform the requirements of the Agreement. If RECIPIENT does not submit a Corrective Action Plan to the satisfaction of STATE within the ten (10) day period, then STATE may pursue action in accordance with Section III: Arbitration.
- 26) **Federal Certifications and Assurances for FTA Assistance Programs:** Pursuant to 49 U.S.C. 5323(n), the FTA consolidated the certifications and assurances required by Federal law or regulations for its programs with an effective date of October 1, 2010. The applicant for any project financed under the authority of 49 U.S.C. Chapter 53, Title 23, United States Code or any other Federal statute was required to annually submit new Certifications and Assurances to FTA for any funding received through FTA. The Arizona Department of Transportation (ADOT) is considered the Applicant for allocated and obligated federal monies used in various projects including but not limited to the 5310, 5311, 5316, 5317 grant programs, research projects, study projects, planning projects, regardless of whether the funds are expended by ADOT,

reimbursed to grant applicants / recipients / sub-recipients / contractors, or passed through to grant applicants / recipients / sub-recipients / contractors and is required to submit annual Certifications and Assurances to FTA. Attorney affirmation of authority to certify and assure is also required.

Annual Certifications and Assurances to FTA generally remain in effect for either the duration of the Grant or Cooperative Agreement supporting the Project until the Project is closed out or for the duration of the Project or Project property when a useful life or industry standard is in effect, whichever occurs later. If, however, the Applicant provides Certifications and Assurances to FTA in a later year that differ from the Certifications and Assurances previously provided, the later Certifications and Assurances will apply to the Grant, Cooperative Agreement, Project, or Project property unless an exception is granted by FTA in writing. The effect of this is that ADOT must sign new certifications and assurances annually since changes typically occur annually.

As the applicant, ADOT is responsible for compliance with the provisions of the FTA Certifications and Assurances by each recipient or sub-recipient. Accordingly, each sub-recipient that will be implementing projects is required to affirm compliance by submitting an annual Certification and Assurances to ADOT.

The FTA Certification and Assurances required of ADOT and its recipients / sub-recipients are found in Exhibit B. Throughout the document, the term “Applicant” referred to ADOT in the original certification to the FTA and now refers to ADOT’s recipients / sub-recipients in this certification. Completion and Signing of this FTA Certification and Assurances document is a requirement and a condition to receive federal funding through ADOT and does not relieve the sub-recipient of any obligation of other certifications or assurances required in any application or contracting process, and should be treated as an addition to such certifications and assurances. Specific FTA Certification and Assurances may not be immediately applicable to funding or programs for the RECIPIENT. All are required in the event that, through the life of this Agreement, they may become applicable.

- 27) **Entire Agreement.** This Agreement may be amended, modified, or waived only by an instrument in writing signed by both Parties. Should the PROJECT awarded under this Agreement be completed at a lower cost than the amount awarded, or for any other reason should any of these funds not be expended, or expended in other than in strict accordance with the terms and conditions of this Agreement, a proportionate amount of the funds provided shall be reimbursed to the STATE. Except as identified in the PROJECT the RECIPIENT shall not assign any portion of the PROJECT or execute any agreement, 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 STATE.

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28) **Communication:** All notices or demands upon any party relating to this Agreement shall be in writing delivered in person or sent by mail addressed as follows:

	<u>STATE Agreement Contact:</u>	<u>STATE Reimbursement Contact:</u>
	Arizona Department of Transportation	Arizona Department of Transportation
Contact	Sally J. Palmer Contracts Administrator	Mary Ann Roder Finance & Administration Manager
Mailing Address	Multimodal Planning Division Mail Drop 310B 206 S. 17 th Avenue Phoenix, AZ 85007	Multimodal Planning Division Mail Drop 310B 206 S. 17 th Avenue Phoenix, AZ 85007
Phone	602-712-6732	602-712-7333
Fax	602-712-3046	602-712-3046
Email	spalmer@azdot.gov	mroder@azdot.gov

STATE Program Contacts:				RECIPIENT Program Contact:
	Northern Arizona	Central Arizona	Southern Arizona	Region:
Contact	Tracy Young	Sara Allred	Nicole Patrick	
Email	Tyoung@azdot.gov	SAllred@azdot.gov	NPatrick@azdot.gov	
Phone	602-712-7106	602-712-4498	602-712-8947	
Fax	602-712-6412			
Mailing Address	Arizona Department of Transportation			
	Mail Drop 340B			
	206 S. 17 th Avenue			
	Phoenix, AZ 85007			, AZ

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V. RESPONSIBILITY MATRIX

Actions (from inception to completion)	RECIPIENT Responsible Person	STATE / ADOT Responsible Person	Due Date
Provide transit services to service area	Transit Manager		Ongoing
Submit procurement documentation pre-bid, pre-award, and post-award if applicable	Grant Accountant		Prior to vehicle procurement
Approve procurement pre-bid, pre-award, and post-award documentation		5311 Administrator	Within 15 days of receipt
Submit small purchase cost/price analysis procurement information	Transit Manager		With reimbursement request
Review progress reports and reimbursement requests for program compliance		5311 Administrator	Within 15 days of receipt
Submit reimbursement requests including invoice, budget spreadsheet, and system generated documentation identifying invoiced request amounts to TransitInvoice@azdot.gov	Grant Accountant		Monthly
Process reimbursement requests for payment		Grant Accountant	Within 15 days of receipt
DBE Report of all contract invoices through https://arizonaipa.dbesystem.com	Transit Manager / Grant Accountant		Monthly reporting of contract invoices as applicable
Procurement Process	Transit Manager	5311 Administrator	As Needed
Compliance with Agreement	Transit Manager		Ongoing
Final Capital Invoice Due	Transit Manager		November 30 – two (2) calendar years from the date eligible for reimbursement

VI. CRITERIA FOR FUNDING

Refer to the Capital and Facility Procurement Handbook located www.azdot.gov/Transitprograms - go to "Grant Programs" > "Section 5311 Rural Public Transportation Program".

Public notice is required for capital projects but not for administrative, planning, or operations funding. Pursuant to 49 U.S.C. 5323 (b), Notice and Public Hearing is required:

(1) In general.— For a capital project that will substantially affect a community, or the public transportation service of a community, an applicant shall—

- (A) Provide an adequate opportunity for public review and comment on the project;
- (B) After providing notice, hold a public hearing on the project if the project affects significant economic, social, or environmental interests;
- (C) Consider the economic, social, and environmental effects of the project; and
- (D) Find that the project is consistent with official plans for developing the community.

(2) Notice.— Notice of a hearing under this subsection—

- (A) Shall include a concise description of the proposed project; and
- (B) Shall be published in a newspaper of general circulation in the geographic area the project will serve.

(3) Application requirements — An application for a grant under this chapter for a capital project described in paragraph (1) shall include—

- (A) A certification that the applicant has complied with the requirements of this subsection; and
- (B) In the environmental record for the project, evidence that the applicant has complied with the requirements of this subsection.

The capital project is considered substantial if it meets one or more of these criteria including but not limited to: increase or decreases service, raises fares, changes hours of service, frequency of service, route length, adds buildings, demolishes buildings, affects the environment, affects social well-being, or affects business.

Vehicles Purchases – Required Information

- Submission of public solicitation documentation (including signed certifications) and obtain approval from ADOT Program Manager pre-bid, pre-award and post award
- Date RFP Out For Bid
- Contract Awarded Date
- First Vehicle Delivery Date
- All Vehicles Delivered Date
- Contract Complete

Piggyback Purchases – Obtain Information from Original Requestor

Joint Procurement = every party is obligated to buy their base in the procurement. This is the FTA preferred method of procurements shared by Recipients.

Piggyback Procurement = another party is using someone else's OPTIONS on an existing procurement. Piggyback procurements are allowed but not the preferred method of procurements shared by Recipients. To use this option, the original contract must have had an Assignability clause that permits a party to assign its OPTIONS to another end-user. This is different than the standard assignable clause which allows transfer of the contract to another party.

- Must include a copy of the original Agreement
- Date RFP Out For Bid
- Contract Awarded Date
- First Vehicle Delivery Date
- All Vehicles Delivered Date
- Contract Complete

Prior to Reimbursement of Vehicles the Following Information Must Be Provided to ADOT:

- All vehicles must have ADOT as the listed lienholder – ADOT lienholder Number G00004004
- Proof of insurance
- Original Title
- Copy of Invoice

Capital Purchased through Public Solicitation Process

- Submission of procurement documentation (including signed certifications) and obtain approval from ADOT Program Manager pre-bid and pre-award
- Date RFP Out For Bid
- Date Contract Awarded
- Date Contract Complete

Small Purchases

- Submit cost/price analysis with reimbursement request.
- Date Complete

Third Party Contract Provisions

Include applicable contract provisions in every third-party contract / purchase order. For your use as a reference, a copy of Appendix D from Circular 4220.1F is provided to assist you in ensuring appropriate inclusion. Refer to that appendix for additional information about statutory / contractual references, explanatory comments, and additional forms and certifications that may be required.

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TYPE OF PROCUREMENT					
PROVISION	Professional Services / A&E	Operations / Management	Rolling Stock Purchase	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Termination	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.
Civil Rights (Title VI, ADA, EEO except Special DOL EEO clause for construction projects)	All	All	All>\$10,000	All	All
Special DOL EEO clause for construction projects				>\$10,000	
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$100,000	>\$100,000	>\$100,000
Resolution of Disputes, Breaches, or Other Litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference			Transport by ocean vessel.	Transport by ocean vessel.	Transport by ocean vessel.
Fly America	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.
Davis-Bacon Act				>\$2,000 (also ferries)	
Contract Work Hours and Safety Standards Act		>\$100,000 (transportation services excepted).	>\$100,000	>\$100,000 (also ferries)	
Copeland Anti-Kickback Act, Section 1, Section 2				All > \$2,000 (also ferries)	
Bonding				\$100,000	
Seismic Safety	A&E for new buildings & additions			New buildings & additions	

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TYPE OF PROCUREMENT					
PROVISION	Professional Services / A&E	Operations / Management	Rolling Stock Purchase	Construction	Materials & Supplies
Transit Employee Protective Arrangements		Transit operations			
Charter Service Operations		All			
School Bus Operations		All			
Drug Use and Testing		Transit operations			
Alcohol Misuse and Testing		Transit operations			
Patent Rights	R & D				
Rights in Data and Copyrights	R & D				
Energy Conservation	All	All	All	All	All
Recycled Products		EPA-selected items \$10,000 or more annually		EPA-selected items \$10,000 or more annually	EPA-selected items \$10,000 or more annually
Conformance with ITS National Architecture	ITS projects	ITS projects	ITS projects	ITS projects	ITS projects
ADA Access	A&E	All	All	All	All
Notification of Federal Participation for States	Limited to States	Limited to States	Limited to States	Limited to States	Limited to States

VI. SECURITY AGREEMENT

- 1) In consideration of the STATE / FTA funding for the purchase of any PROJECT equipment identified in Exhibit A including any equipment added, the RECIPIENT hereby grants ADOT a security interest in the PROJECT equipment in the amount of indicated in Exhibit A as the “Federal Portion” payable to the Department upon its demand, if and only if:
 - a. The RECIPIENT by itself or any agent sells, transfers, offers or attempts to sell or transfer, in whole or in part, the PROJECT equipment, or,
 - b. The PROJECT equipment is totally destroyed or is lost, stolen or otherwise disappears, or,
 - c. This Agreement by and between the STATE and the RECIPIENT is terminated.

- 2) In the event of the occurrences described in Paragraphs 1 or 3 above, the RECIPIENT shall be liable for no more than the fair market value of the PROJECT equipment on the date of the occurrence of such event.

- 3) In the event the PROJECT is totally destroyed, lost, stolen, or disappears, the obligation herein may be extinguished by assigning to ADOT the proceeds of insurance covering such an event, provided the assignment and the ultimate

payment is equal to the fair market value of the PROJECT equipment on the date of occurrence of such event.

- 4) Upon the occurrence of any other event described herein which would allow the STATE to demand payment under this Agreement, the obligation assured herein may be extinguished by assigning the herein PROJECT equipment to ADOT in as good a condition as when received, normal wear and tear excepted, thereby no longer having any further obligation to reimburse the STATE should the STATE exercise its right to terminate the Agreement under the terms of the Agreement under paragraph (2) of Section III. ADOT may refuse to accept such assignment, if in its sole judgment the PROJECT equipment has been abused or is in such condition as to substantially impair its value.
- 5) During the useful, economical life of the PROJECT equipment, as defined in the applicable Program Handbook and Application for the grant year, the equipment may be returned to ADOT subject to its acceptance, and the obligation herein will be extinguished.
- 6) In the event of a vehicle transfer back to ADOT during useful life, the Secondary Manufacturer and Aftermarket Vehicle Components, in addition to the original equipment manufacturer (OEM) components (as supplied by the manufacturer or vendor to the STATE or ADOT) or their equivalent—must remain with the vehicle as delivered by ADOT to the RECIPIENT and are considered to be included in the lien.
- 7) **Secondary Manufacturer and Aftermarket Vehicle Components As Part of the Lien for Lift-Equipped Vehicles:** In addition to the Original Equipment Manufacturer (OEM—i.e., Ford, Dodge, Chevrolet, etc.) chassis, the Secondary Manufacturer adds to this chassis the following equipment, non-inclusive, which are considered part of the vehicle and therefore remain on lien with the vehicle, along with OEM components (Note: as a part of the vehicle modifications, the Secondary Manufacturer may also remove some OEM parts, replacing with after-market items):
 - a. Fast idle system, after-market alternator (200A) replacing OEM unit, related wiring, accessory drive belts and pulleys (varies by vehicle type, alternator and A/C compressor configuration), inside vehicle-located electrical fuse, fuse block and breaker box with key(s),
 - b. Under-hood or elsewhere on chassis, dual deep cycle marine batteries, in some vehicles combined with an isolator system,
 - c. Adjacent to, behind and above the front windshield area, a separate or modified body which is manufactured and installed in the driver and passenger compartment area to accommodate the driver, his/her vehicle and accessory system controls, and passenger, mobility-device and safety equipment. This body construction or modification typically includes related after-market windows, passenger service entry door(s), emergency rear door(s), and emergency exit/access door (i.e., hatch, roof mounted). The degree to which OEM equipment and body parts (including doors, windows, etc.) are removed

- permanently by the secondary manufacturer for the latter's vehicle modification purposes varies by whether the vehicle is a dual-rear wheel cutaway or single rear wheel raised roof lift van,
- d. Passenger (and on some vehicles, driver's) seats and, where required, seat belts,
 - e. Passenger ingress, egress and other assist stanchions and handrails, modesty panels,
 - f. Wheelchair lift door, lift mechanism and related control apparatus at the lift and driver area, related transmission/brake interlock equipment preventing unwanted motion of the vehicle when door is ajar and/or lift is otherwise in operation,
 - g. Wheelchair position components, related restraint and securement belts and belt storage,
 - h. Added springs or other weight compensating devices to suspension,
 - i. Additional equipment related to dual battery installation (in some units),
 - j. Basic first aid kit and other emergency/safety items, typically including flares, reflector triangles and fire extinguisher, wide-view internal rearview mirror, and outside rearview "RV-style" mirrors, internal and external lighting for lift, access doors and interior of vehicle, reverse alarm (some vehicles),
 - k. Rear heater and related lines and under-body flow controls,
 - l. Air conditioning equipment for rear passenger area including added condenser(s) (street-side "skirt" mounted), rear compartment evaporator, related refrigerant lines, air outlets and controls, on some units added (second) compressor and related belts and pulleys.
 - m. If the recipient-agency returning the vehicle to ADOT is uncertain regarding any particular component, it may contact ADOT or the issuing vendor regarding that component(s). The RECIPIENT should otherwise assume that any component supplied on or with the vehicle at the time of delivery to the RECIPIENT should be returned to ADOT in its originally-removed state.
 - n. Other equipment purchased by ADOT (on behalf of the recipient-agency) is to remain with vehicle or otherwise be returned to ADOT.
 - o. After-market communication radios or other communication equipment supplied by ADOT, if ADOT agrees that the RECIPIENT should have further legitimate use of the equipment should be returned to ADOT.
 - p. This list includes only "major" items added by the after-market supplier and shall not be considered all-inclusive. The vendor and ADOT retain on file complete parts listings that will be reviewed by ADOT upon return of the vehicle to ADOT and/or prior to transfer of the vehicle to another recipient agency.
- 8)** This security Agreement and its terms shall not inure to the benefit of any assignee, purchaser for value, or any other person acquiring an interest herein, and this security interest herein created shall not be extinguished until and unless the STATE receives the fair market value of the PROJECT equipment on the date of assignment, purchase, or acquisition of other interest.

CERTIFICATION FOR CIVIL RIGHTS COMPLAINT STATUS

- I hereby certify that our organization does NOT have any pending Title VI (Civil Rights) complaints of discrimination filed against its transit program.

- I hereby certify that our organization DOES have (number) pending Title VI (Civil Rights) complaints of discrimination filed against its transit program. This complaint(s), and its status, is briefly described below. The agency agrees it will keep the Arizona Department of Transportation's Civil Rights Office informed of any changes in the status of that complaint(s).

To comply with the Civil Rights Act of 1964, Title VI, the Americans with Disabilities Act of 1990, Title II, and the Vocational Rehabilitation Act of 1973, Section 504, we do not discriminate on the basis of disability, race, color, national origin, age, or gender.

By

Signature

Print Signatory Name and Title

Date Signed

**CERTIFICATION
OF
RESTRICTIONS ON LOBBYING**

Name and Title of Authorized Official: _____ hereby certify to the Arizona Department of Transportation, on behalf of _____ Name of Grantee: _____ that to the best of my knowledge and belief:

1. No Federal appropriated funds have been or will be paid by or on behalf of the Applicant to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress regarding the award of Federal assistance, or the extension, continuation, renewal, amendment, or modification of any Federal assistance agreement; and
 - a. If any funds other than Federal appropriated funds have been or will be paid to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any application for Federal assistance, the Applicant assures that it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," including information required by the instructions accompanying the form, which form may be amended to omit such information as authorized by 31 U.S.C. 1352.
 - b. The language of this certification shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, subagreements, contracts under grants, loans, and cooperative agreements).
2. The Applicant understands that this certification is a material representation of fact upon which reliance is placed by the Federal Government and that submission of this certification is a prerequisite for providing Federal assistance for a transaction covered by 31 U.S.C. 1352. The Applicant also understands that any person who fails to file a 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.

By
Signature

Print Signatory Name and Title

Date Signed

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS
PRIMARY COVERED TRANSACTIONS**

The Grantee under this FTA project Name of Grantee: certifies to the best of its knowledge and belief, that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
- (b) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery falsification or destruction of records, making false statements, or receiving stolen property;
- (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default;
- (d) have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(If the Grantee is unable to certify to any of the statements in this certification, such Grantee shall attach an explanation to this certification).

THE GRANTEE, [Redacted] (*name of grantee*),

CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF Title 49 CFR PART 29 and FTA C.2015.1 ARE APPLICABLE THERETO.

By

Signature

Print Signatory Name and Title

Date Signed

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

The Grantee under this FTA project

[Redacted]

certifies

(name of grantee)

to the best of

its knowledge and belief, that it and its prospective lower tier participants:

- (1) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency;
- (2) if the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this certification.

THE GRANTEE,

[Redacted]

(name

of grantee),

CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF Title 49 CFR PART 29 and FTA C.2015.1 ARE APPLICABLE THERETO.

By

Signature

Print Signatory Name and Title

Date Signed

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**FEDERAL FISCAL YEAR 2012 CERTIFICATIONS AND ASSURANCES FOR
FEDERAL TRANSIT ADMINISTRATION ASSISTANCE PROGRAMS**

Name of Applicant		
The Applicant / Recipient / Sub-Recipient agrees to comply with applicable provisions of the Categories indicated herein. Details of each category are further explained in Exhibit B.		
Category / Item	Description	Initial Each
01	Assurances Required for Each Applicant	
A	<i>Assurance of Authority of the Applicant and Its Representative</i>	
B	<i>Standard Assurances</i>	
C	<i>Intergovernmental Review Assurance</i>	
D	<i>Nondiscrimination Assurance</i>	
E	<i>Assurance of Nondiscrimination on the Basis of Disability</i>	
F	<i>Suspension and Debarment</i>	
G	U.S. OMB Assurances	
02	Lobbying	
03	Procurement Compliance	
04	Protections for Private Transportation Providers	
05	Public Hearing	
06	Acquisition of Rolling Stock for Use in Revenue Service	
07	Acquisition of Capital Assets by Lease	
08	Bus Testing	
09	Charter Service Agreement	
10	School Transportation Agreement	
11	Demand Responsive Service	
12	Alcohol Misuse and Prohibited Drug Use	
13	Interest and Other Financing Costs	
14	Intelligent Transportation Systems	
15	Urbanized Area Formula Program	
16	Clean Fuels Grant Program	
17	Elderly Individuals and Individuals with Disabilities Formula Program and Pilot Program	
18	Non-Urbanized Area Formula Program for States	
19	Job Access and Reverse Commute Program	
20	New Freedom Program	
21	Paul S. Sarbanes Transit in Parks Program	
22	Tribal Transit Program	
23	TIFIA Projects	
24	Deposits of Federal Financial Assistance to a State Infrastructure Bank	

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FEDERAL FISCAL YEAR 2012 FTA CERTIFICATIONS AND ASSURANCES SIGNATURE PAGE

(Required of all Applicants for FTA funding and all FTA Grantees with an active capital or formula project)

AFFIRMATION OF APPLICANT

Name of Applicant: _____

Name and Relationship of Authorized Representative: _____

BY SIGNING BELOW, on behalf of the Applicant, I declare that the Applicant has duly authorized me to make these certifications and assurances and bind the Applicant's compliance. Thus, the Applicant agrees to comply with all Federal statutes and regulations, and follow applicable Federal directives, and comply with the certifications and assurances as indicated on the foregoing page applicable to each application it makes to the Federal Transit Administration (FTA) in Federal Fiscal Year 2012.

FTA intends that the certifications and assurances the Applicant selects on the other side of this document, as representative of the certifications and assurances, should apply, as provided, to each project for which the Applicant seeks now, or may later seek FTA funding during Federal Fiscal Year 2012.

The Applicant affirms the truthfulness and accuracy of the certifications and assurances it has made in the statements submitted with this document and any other submission made to FTA, and acknowledges that the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801 *et seq.*, and implementing U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR part 31 apply to any certification, assurance or submission made to FTA. The criminal provisions of 18 U.S.C. 1001 apply to any certification, assurance, or submission made in connection with a Federal public transportation program authorized in 49 U.S.C. chapter 53 or any other statute

In signing this document, I declare under penalties of perjury that the foregoing certifications and assurances, and any other statements made by me on behalf of the Applicant are true and accurate.

Signature _____ Date: _____

Name _____
Authorized Representative of Applicant

AFFIRMATION OF APPLICANT'S ATTORNEY

For (Name of Applicant): _____

As the undersigned Attorney for the above named Applicant, I hereby affirm to the Applicant that it has authority under State, local, or tribal government law, as applicable, to make and comply with the certifications and assurances as indicated on the foregoing pages. I further affirm that, in my opinion, the certifications and assurances have been legally made and constitute legal and binding obligations on the Applicant.

I further affirm to the Applicant that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the validity of these certifications and assurances, or of the performance of the project.

Signature _____ Date: _____

Name _____

APPROVAL OF LEGAL NAME OF AGENCY

I have reviewed this Grant Agreement BETWEEN the STATE OF ARIZONA, by and through its ARIZONA DEPARTMENT OF TRANSPORTATION, MULTIMODAL PLANNING DIVISION and LEGAL NAME OF AGENCY and declare this Agreement to be in proper form and within the powers and authority granted to the LEGAL NAME OF AGENCY under the laws of the State of Arizona. No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this _____ day of _____, 2012

Attorney for the LEGAL NAME OF AGENCY

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IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

RECIPIENT

Agency: LEGAL NAME OF AGENCY

STATE OF ARIZONA

Arizona Department of Transportation

By _____

Signatory:
Agency:

By _____

Joseph S. Omer, Division Director
Multimodal Planning Division

Date Signed

Date Signed

Reserved for AG Determination

**EXHIBIT A
PROJECT**

This Exhibit A will be replaced with final award information. For purposes of signing the contract, presume award is not to exceed requested amounts in the application. In the event that the award differs from the application, the Exhibit A will be forwarded to you for signature indicating acceptance. The finalized award Exhibit A will replace this page and will be included in the final contract distributed to you after execution.

EXHIBIT B

**FEDERAL FISCAL YEAR 2012 CERTIFICATIONS AND ASSURANCES
FOR FEDERAL TRANSIT ADMINISTRATION ASSISTANCE PROGRAMS**

GROUP 01. ASSURANCES REQUIRED FOR EACH APPLICANT

You must select the following assurances in Group 01.

A. Assurance of Authority of the Applicant and Its Representative. Both you and the Applicant's attorney who sign these certifications, assurances, and agreements, affirm that both the Applicant and you as its authorized representative may, under their State, local, or Indian tribal law and regulations, and the Applicant's bylaws or internal rules, undertake the following activities on behalf of the Applicant:

1. Execute and file its application for Federal funds,
2. Execute and file its certifications, assurances, and agreements binding its compliance, and
3. Execute Grant Agreements or Cooperative Agreements, or both, with FTA.

B. Standard Assurances. The Applicant assures that:

1. It has sufficient authority under its State, local, or Indian tribal law, regulations by-laws and internal rules to carry out each FTA funded project as required by Federal laws and regulations,
2. It will comply with all applicable Federal statutes and regulations to carry out any FTA funded project,
3. It is under a continuing obligation to comply with the terms and conditions of the FTA Grant Agreement or Cooperative Agreement for the project, including the FTA Master Agreement incorporated by reference and made part of the latest amendment to Grant Agreement or Cooperative Agreement,
4. It recognizes that Federal laws and regulations may be modified from time to time and those modifications may affect project implementation,
5. It understands that Presidential executive orders and Federal directives, including Federal policies and program guidance, may be issued concerning matters affecting the Applicant or its project, and
6. It agrees that the most recent Federal laws, regulations, and directives will apply to the project, unless FTA determines otherwise in writing.

C. Intergovernmental Review Assurance. *This assurance does not apply to Indian tribe or organization or a tribal organization that applies for funding under FTA's Tribal Transit Program, 49 U.S.C. 5311(c)(1).* The Applicant assures that it has or will submit each Federal funding application to the appropriate State and local agencies for intergovernmental review to facilitate compliance with U.S. Department of Transportation (U.S. DOT) regulations, "Intergovernmental Review of Department of Transportation Programs and Activities," 49 CFR part 17.

D. Nondiscrimination Assurance.

1. The Applicant assures that it will comply with the following laws and United States will be denied the benefits of, or otherwise be subjected to discrimination in any U.S. DOT or FTA funded program or activity (particularly in the level and quality of transportation services and transportation-related benefits on the basis of race, color, national origin, creed, sex, or age):

- a. Federal transit law, specifically 49 U.S.C. 5332 (prohibiting discrimination on the basis of race, color, creed, national origin, sex, or age, and in employment or business opportunity),
- b. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d, and
- c. U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act," 49 CFR part 21.

2. As required by 49 CFR 21.7, the Applicant assures that:

a. It will comply with 49 U.S.C. 5332, 42 U.S.C. 2000d, and 49 CFR part 21 in the manner:

- (1) It conducts each project,
- (2) It undertakes property acquisitions, and
- (3) It operates the project facilities, including:
 - (a) Its entire facilities, and
 - (b) Its facilities operated in connection with its project,

b. This assurance applies to its entire project and entire facilities, including facilities operated in connection with its project,

c. It will promptly take the necessary actions to carry out this assurance, including:

- (1) Notifying the public that discrimination complaints about transportation-related services or benefits may be filed with U.S. DOT or FTA, and
- (2) Submitting information about its compliance with these provisions to U.S. DOT or FTA upon their request,

d. If it transfers FTA funded real property, structures, or improvements to another party, any deeds and instruments recording that transfer will contain a covenant running with the land assuring nondiscrimination:

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- (1) While the property is used for the purpose that the Federal funding is extended,
 - (2) While the property is used for another purpose involving the provision of similar services or benefits,
- e. The United States has a right to seek judicial enforcement of any matter arising under:
- (1) Title VI of the Civil Rights Act, 42 U.S.C. 2000d,
 - (2) U.S. DOT regulations, 49 CFR part 21, and
 - (3) This assurance,
- f. It will make any changes in its Title VI implementing procedures as U.S. DOT or FTA may request to comply with:
- (1) Title VI of the Civil Rights Act, 42 U.S.C. 2000d,
 - (2) U.S. DOT regulations, 49 CFR part 21, and
 - (3) Federal transit law, 49 U.S.C. 5332,
- g. It will extend the requirements of 49 U.S.C. 5332, 42 U.S.C. 2000d, and 49 CFR part 21 to each third party participant, including:
- (1) Any subrecipient,
 - (2) Any transferee,
 - (3) Any third party contractor or subcontractor at any tier,
 - (4) Any successor in interest,
 - (5) Any lessee, or
 - (6) Any other participant in the project,
- h. It will include adequate provisions to extend the requirements of 49 U.S.C. 5332, 42 U.S.C. 2000d, and 49 CFR part 21 to each third party agreement, including:
- (1) Each subagreement,
 - (2) Each property transfer agreement,
 - (3) Each third party contract or subcontract at any tier,
 - (4) Each lease, or
 - (5) Each participation agreement,
- i. The assurances it has made will remain in effect for the longest of the following:
- (1) As long as Federal funding is extended to the project,
 - (2) As long as the Project property is used for a purpose for which the Federal funding is extended,
 - (3) As long as the Project property is used for a purpose involving the provision of similar services or benefits, or
 - (4) As long as the Applicant retains ownership or possession of the project property.

E. Assurance of Nondiscrimination on the Basis of Disability.

1. The Applicant assures that it and its project implementation and operations will comply with all applicable requirements of:
 - a. The Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, et seq.,
 - b. The Americans with Disabilities Act of 1990, as amended, 42 U.S.C. 12101 et seq., c. U.S. DOT regulations, specifically 49 CFR parts 27, 37, and 38, and
 - d. Any other applicable Federal laws that may be enacted or Federal regulations that may be promulgated,
2. As required by U.S. DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 CFR part 27, specifically 49 CFR 27.9, the Applicant assures that:
 - a. The following prohibition against discrimination on the basis of disability is a condition to the approval or extension of any FTA funding awarded to:
 - (1) Construct any facility,
 - (2) Obtain any rolling stock or other equipment,
 - (3) Undertake studies,
 - (4) Conduct research, or
 - (5) Participate in or obtain any benefit from any FTA administered program,
 - b. In any program or activity receiving or benefiting from Federal funding FTA or any entity within U.S. DOT administers, no otherwise qualified people with a disability will, because of their disability, be:
 - (1) Excluded from participation,
 - (2) Denied benefits, or
 - (3) Otherwise subjected to discrimination.

F. Suspension and Debarment.

1. U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 CFR part 1200, which adopts and supplements the provisions of U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement)," 2 CFR part 180, permit certifications to assure the Applicant acknowledges that:
2. The Applicant certifies to the best of its knowledge and belief that, it, its principals, and first tier subrecipients:
 - a. Are eligible to participate in covered transactions of any Federal department or agency and are not presently:
 - (1) Debarred,
 - (2) Suspended,
 - (3) Proposed for debarment,
 - (4) Declared ineligible, or
 - (5) Voluntarily excluded, or
 - (6) Disqualified,

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- b. Have not within a three-year period preceding its latest application or proposal been convicted of or had a civil judgment rendered against any of them for:
 - (1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction, or contract under a public transaction,
 - (2) Violation of any Federal or State antitrust statute, or
 - (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property,
- c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in the preceding Section 2.b of this certification,
- d. Have not had one or more public transactions (Federal, State, or local) terminated for cause or default within a three-year period preceding this certification,
- e. Will promptly provide any information to the FTA if at a later time any information contradicts the statements of subparagraphs (1) through (4) above, and
- f. Will treat each lower tier contract or lower tier subcontract under the Project as a covered lower tier contract for purposes of 2 CFR part 1200 and 2 CFR part 180 if it:
 - (1) Equals or exceeds \$25,000,
 - (2) Is for audit services, or
 - (3) Requires the consent of a Federal official,
- g. Will require that each covered lower tier contractor and subcontractor:
 - (1) Comply with the Federal requirements of 2 CFR part 1200 and 2 CFR part 180, and
 - (2) Assure that each lower tier participant in the Project is not presently declared by any Federal department or agency to be:
 - (a) Debarred from participation in the federally funded project,
 - (b) Suspended from participation in the federally funded project,
 - (c) Proposed for debarment from participation in the federally funded project,
 - (d) Declared ineligible to participate in the federally funded project,
 - (e) Voluntarily excluded from participation in the federally funded project, or
 - (f) Disqualified from participation in the federally funded Project.

3. The Applicant will provide a written explanation indicated on its Signature Page or a page attached in FTA's TEAM if it or any of its principals, including any of its first tier subrecipients or lower tier participants, is unable to certify to the preceding statements in this certification.

G. U.S. OMB Assurances in SF-424B and SF-424D. (These assurances are consistent with U.S. OMB assurances required in SF-424B and SF-424D.)

1. Administrative Activities. The Applicant assures that:

- a. For every project described in any application it submits, it has adequate resources to properly plan, manage, and complete the project, including:
 - (1) The legal authority to apply for Federal funding, and
 - (2) The institutional capability,
 - (3) The managerial capability, and
 - (4) The financial capability (including funds sufficient to pay the non-Federal share of project cost).
- b. It will give access and the right to examine project-related materials, including but not limited to:
 - (1) FTA,
 - (2) The Comptroller General of the United States, and,
 - (3) If appropriate, the State, through any authorized representative,
- c. It will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- d. It will establish safeguards to prohibit employees from using their positions for a purpose that:
 - (1) Results in a personal or organizational conflict of interest, or personal gain, or
 - (2) Presents the appearance of a personal or organizational conflict of interest or personal gain.

2. Project Specifics. The Applicant assures that:

- a. Following receipt of FTA award, it will begin and complete Project work within the applicable time periods,
- b. For FTA funded construction projects:
 - (1) It will comply with FTA provisions concerning the drafting, review, and approval of construction plans and specifications
 - (2) It will to the extent practicable provide and maintain competent and adequate engineering supervision at the construction site to assure that the completed work conforms with the approved plans and specifications,
 - (3) It will include a covenant in the title of federally funded real property acquired to assure nondiscrimination during the useful life of the project,
 - (4) To the extent FTA requires, it will record the Federal interest in the title to FTA assisted real property or interests in real property, and
 - (5) To the extent practicable, without permission and instructions from FTA, it will not alter the site of the FTA funded construction project or facilities by:
 - (a) Disposing of the underlying real property or other interest in the site and facilities,

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- (b) Modifying the use of the underlying real property or other interest in the site and facilities, or
 - (c) Changing the terms of the underlying real property title or other interest in the site and facilities.
 - c. It will furnish progress reports and other information as FTA or the State may require.
 - 3. *Statutory and Regulatory requirements.* The Applicant assures that:
 - a. It will comply with all applicable Federal statutes relating to nondiscrimination including, but not limited to the:
 - (1) Prohibitions against discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act, 42 U.S.C. 2000d,
 - (2) Prohibitions against discrimination on the basis of sex of:
 - (a) Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681–1683, and 1685–1687, and
 - (b) U.S. DOT regulations, “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR part 25,
 - (3) Prohibitions against discrimination on the basis of age in federally assisted programs of the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101–6107,
 - (4) Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of disability,
 - (5) Prohibitions against discrimination on the basis of disability of Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794,
 - (6) Nondiscrimination requirements relating to the sale, rental, or financing of housing of Title VIII of the Civil Rights Act, 42 U.S.C. 3601 *et seq.*,
 - (7) Prohibitions against discrimination on the basis of drug abuse of the Drug Abuse Office and Treatment Act of 1972, as amended, 21 U.S.C. 1101 *et seq.*,
 - (8) Prohibitions against discrimination on the basis of alcohol abuse of the Comprehensive Alcohol Abuse and Alcoholism Prevention Act of 1970, as amended, 42 U.S.C. 4541 *et seq.*,
 - (9) Confidentiality requirements for the records of alcohol and drug abuse patients of the Public Health Service Act, as amended, 42 U.S.C. 290dd– 290dd–2, and
 - (10) Nondiscrimination provisions of any other statute(s) that may apply to the project,
 - b. Regardless of whether Federal funding has been provided for any of the real property acquired for Project purposes, it will provide for fair and equitable treatment of displaced persons or persons whose property is acquired as a result of federally assisted programs, and:
 - (1) It has the necessary legal authority under State and local law to comply with:
 - (a) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (Uniform Relocation Act) 42 U.S.C. 4601 *et seq.*, as specified by sections 210 and 305 of that Act, 42 U.S.C. 4630 and 4655, respectively, and
 - (b) U.S. DOT regulations, “Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs,” 49 CFR part 24, specifically 49 CFR 24.4.
 - (2) It has complied with or will comply with the Uniform Relocation Act and implementing U.S. DOT regulations including but not limited to doing the following:
 - (a) It will adequately inform each affected person of the benefits, policies, and procedures provided for in 49 CFR part 24,
 - (b) As required by 42 U.S.C. 4622, 4623, and 4624, and 49 CFR part 24, it will provide fair and reasonable relocation payments and assistance for displacement, resulting from any FTA funded project, of:
 - 1 Families and individuals,
 - 2 Partnerships, corporations, or associations,
 - (c) As provided by 42 U.S.C. 4625 and 49 CFR part 24, it will provide relocation assistance programs offering the services described in to the U.S. DOT regulations to such displaced:
 - 1 Families and individuals,
 - 2 Partnerships, corporations, or associations,
 - (d) As required by 42 U.S.C. 4625(c)(3), within a reasonable time before displacement it will make available comparable replacement dwellings to families and individuals,
 - (e) It will:
 - 1 Carry out the relocation process to provide displaced persons with uniform and consistent services, and
 - 2 Make available replacement housing in the same range of choices with respect to such housing to all displaced persons regardless of race, color, religion, or national origin,
 - (f) It will be guided to the greatest extent practicable under State law, by the real property acquisition policies of 42 U.S.C. 4651 and 4652,
 - (g) It will pay or reimburse property owners for their necessary expenses as specified in 42 U.S.C. 4653 and 4654, understanding that FTA will provide Federal funding for its eligible costs of providing payments for those expenses, as required by 42 U.S.C. 4631,
 - (h) It will execute the necessary implementing amendments to third party contracts and subagreements financed with FTA funding, and
 - (i) It will execute, furnish, and be bound by such additional documents as FTA may determine necessary to effectuate or implement these assurances, and

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- (j) It will incorporate these assurances by reference into and make them a part of any third party contract or subagreement, or any amendments thereto, relating to any FTA funded project involving relocation or land acquisition, and
 - (k) It will provide in any affected document that these relocation and land acquisition provisions must supersede any conflicting provisions,
- c. To the extent practicable, it will comply with the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4831(b), which prohibits the use of lead based paint in the construction or rehabilitation of residence structures,
- d. It will, to the extent practicable, comply with the protections for human subjects involved in research, development, and related activities supported by Federal funding of:
- (1) The National Research Act, Pub. L. 93–348, July 12, 1974, as amended, 42 U.S.C. 289 *et seq.*, and (2) U.S. DOT regulations, “Protection of Human Subjects,” 49 CFR part 11,
- e. It will, to the extent practicable, comply with the labor standards and protections for federally funded projects of:
- (1) The Davis-Bacon Act, as amended, 40 U.S.C. 3141 *et seq.*,
 - (2) Sections 1 and 2 of the Copeland “Anti-Kickback” Act, as amended, 18 U.S.C. 874, and 40 U.S.C. 3145, respectively,
 - (3) The Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. 3701 *et seq.*,
- f. It will, to the extent practicable, comply with any applicable environmental standards that may be prescribed to implement the following Federal laws and executive orders, including but not limited to the following:
- (1) It will comply with the institution of environmental quality control measures under the National Environmental Policy Act of 1969, as amended, 42 U.S.C. 4321–4335 and Executive Order No. 11514, as amended, 42 U.S.C. 4321 note,
 - (2) It will comply with notification of violating facilities pursuant to Executive Order No. 11738, 42 U.S.C. 7606 note,
 - (3) It will comply with protection of wetlands pursuant to Executive Order No. 11990, 42 U.S.C. 4321 note,
 - (4) It will comply with evaluation of flood hazards in floodplains in accordance with Executive Order No. 11988, 42 U.S.C. 4321 note,
 - (5) It will comply with an assurance of project consistency with the approved State management program developed pursuant to the requirements of the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. 1451–1465,
 - (6) It will comply with Conformity of Federal actions to State (Clean Air) Implementation Plans under section 176(c) of the Clean Air Act of 1955, as amended, 42 U.S.C. 7401–7671q,
 - (7) It will comply with protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f–300j–6,
 - (8) It will comply with protection of endangered species under the Endangered Species Act of 1973, as amended, 16 U.S.C. 1531–1544, and
 - (9) It will comply with environmental protections for Federal transportation programs, including, but not limited to, protections for parks, recreation areas, or wildlife or waterfowl refuges of national, State, or local significance or any land from a historic site of national, State, or local significance to be used in a transportation project as required by 49 U.S.C. 303(b) and 303(c),
 - (10) It will comply with protection of the components of the national wild and scenic rivers systems, as required under the Wild and Scenic Rivers Act of 1968, as amended, 16 U.S.C. 1271–1287, and
 - (11) It will comply with and facilitate compliance with
 - (a) Section 106 of the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470f,
 - (b) The Archaeological and Historic Preservation Act of 1974, as amended, 16 U.S.C. 469–469c, and
 - (c) Executive Order No. 11593 (identification and protection of historic properties), 16 U.S.C. 470 note,
- g. To the extent practicable, it will comply with Federal requirements for the care, handling, and treatment of warm blooded animals held or used for research, teaching, or other activities supported by Federal funding of:
- (1) The Animal Welfare Act, as amended, 7 U.S.C. 2131 *et seq.*, and
 - (2) U.S. Department of Agriculture regulations, “Animal Welfare,” 9 CFR subchapter A, parts 1, 2, 3, and 4,
- h. To the extent practicable, before accepting delivery of any FTA funded building it will obtain a certificate of compliance with the seismic design and construction requirements of U.S. DOT regulations, “Seismic Safety,” 49 CFR part 41, specifically 49 CFR 41.117(d),
- i. To the extent practicable, it and its subrecipients located in special flood hazard areas will comply with section 102(a) of the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4012a(a), by:
- (1) Participating in the Federal flood insurance program,
 - (2) Purchasing flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more,
- j. To the extent practicable, it will comply with:
- (1) The Hatch Act, 5 U.S.C. 1501– 1508, 7324–7326, which limits the political activities of State and local agencies and their officers and employees whose primary employment activities are financed in whole or part with Federal funds including a Federal loan, grant agreement, or cooperative agreement, and
 - (2) 49 U.S.C. 5307(k)(2) and 23 U.S.C. 142(g), which provide an exception from Hatch Act restrictions for a nonsupervisory employee of a public transportation system (or of any other agency or entity performing related functions) receiving FTA funding to whom the Hatch Act does not otherwise apply,

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k. It will have performed the financial and compliance audits as required by:

- (1) The Single Audit Act Amendments of 1996, 31 U.S.C. 7501 *et seq.*,
 - (2) U.S. OMB Circular A–133, “Audits of States, Local Governments, and Non- Profit Organizations,” Revised, and
 - (3) The most recent applicable U.S. OMB A–133 Compliance Supplement provisions for the U.S. DOT, and
- l. It will, to the extent practicable, comply with all applicable provisions of all other Federal laws or regulations, and follow Federal directives governing the project, except to the extent that FTA has expressly approved otherwise in writing.

GROUP 02. LOBBYING CERTIFICATION

You must select the following certifications in Group 02 because ADOT’s cooperative agreement exceeds \$100,000, or a loan (including a line of credit), loan guarantee, or loan insurance exceeding \$150,000, except if you are applying on behalf of an Indian tribe, tribal organization, or other Indian organization.

As required by 31 U.S.C. 1352 and U.S. DOT regulations, “New Restrictions on Lobbying,” specifically 49 CFR 20.110, you and your Applicant understand that:

- a. The lobbying restrictions of your certification apply to your Applicant’s requests for:
 - (1) \$100,000 or more in Federal funding for a grant or cooperative agreement, and
 - (2) \$150,000 or more in Federal funding for a loan, line of credit, or loan guarantee,
- b. Its certification covers the lobbying activities of:
 - (1) It,
 - (2) Its principals, and
 - (3) Its first tier subrecipients:

Therefore, on behalf of your Applicant, you certify to the best of your knowledge and belief, that:

1. No Federal appropriated funds have been or will be paid by or on its behalf to any person:

- a. To influence or attempt to influence:
 - (1) An officer or employee of any Federal agency,
 - (2) A Member of Congress, an employee of a member of Congress, or an officer or employee of Congress,
- b. Regarding the award of a:
 - (1) Federal grant or cooperative agreement, or
 - (2) Federal loan, line of credit, loan guarantee, or loan insurance

2. It will submit a complete OMB Standard Form-LLL, “Disclosure of Lobbying Activities (Rev. 7–97),” in accordance with its instructions, if any funds other than Federal appropriated funds have been or will be paid to any person:

- a. To influence or attempt to influence:
 - (1) An officer or employee of any Federal agency,
 - (2) A Member of Congress, an employee of a Member of Congress, or an officer or employee of Congress, or
- b. Regarding any application for a:
 - (1) Federal grant or cooperative agreement,
 - (2) Federal loan, line of credit, loan guarantee, or loan insurance, and

3. It will include the language of this certification in the award documents for all subawards at all tiers including, but not limited to:

- a. Subcontracts,
- b. Subgrants,
- c. Subagreements, and
- d. Third party contracts under a:
 - (1) Federal grant or cooperative agreement, or
 - (2) Federal loan, line of credit, loan guarantee, or loan insurance, and

4. It understands that:

- a. This certification is a material representation of fact that the Federal Government relies on, and b. It must submit this certification before the Federal Government may award funding for a transaction covered by 31 U.S.C. 1352, including a:
 - (1) Federal grant or cooperative agreement, or
 - (2) Federal loan, line of credit, loan guarantee, or loan insurance, and

5. It also understands that any person who does not file a required certification will be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GROUP 03. PROCUREMENT COMPLIANCE

You must select Group 03, especially if your Applicant is a State, local, or Indian tribal government with a certified procurement system, as provided in 49 CFR 18.36(g)(3)(ii).

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The Applicant certifies that its procurements and procurement system will comply with all applicable Federal laws and regulations in accordance with applicable Federal directives, except to the extent FTA has approved otherwise in writing.

GROUP 04. PROTECTIONS FOR PRIVATE TRANSPORTATION PROVIDERS

Applies to awards for 49 U.S.C. chapter 53 funding to:

- Acquire property of a private transit operator, or*
- Operate public transit in competition with or in addition to a private transit provider*

As required by 49 U.S.C. 5323(a)(1), the Applicant certifies that:

1. Before it:

- a. Acquires the property or an interest in the property of a private provider of public transportation, or
- b. Operates public transportation equipment or facilities:
 - (1) In competition with transportation service provided by an existing public transportation company, or
 - (2) In addition to transportation service provided by an existing public transportation company,

2. It has or will have:

- a. Determined that the funding is essential to carrying out a program of projects as required by 49 U.S.C. 5303, 5304, and 5306,
- b. Provided for the participation of private companies engaged in public transportation to the maximum extent feasible, and
- c. Paid just compensation under State or local law to the company for any franchise or property acquired.

GROUP 05. PUBLIC HEARING

Applies to awards for 49 U.S.C. chapter 53 funding for a capital project that will substantially affect a community or its transit service.

As required by 49 U.S.C. 5323(b), the Applicant certifies that:

1. Before submitting an application for a capital project that:

- a. Will substantially affect:
 - (1) A community, or
 - (2) The public transportation service of a community, and
- b. Also will affect:
 - (1) Significant economic interests,
 - (2) Significant social interests, or
 - (3) Significant environmental interests, It will:
 - (1) Provide an adequate opportunity for public review and comment on the project, after giving notice that:
 - (a) Includes a concise description of the proposed project; and
 - (b) Has been published in a newspaper of general circulation in the geographic area the project.
 - (2) Hold a public hearing on the project if the project affects:
 - (a) Significant economic interests,
 - (b) Significant social interests, or
 - (c) Significant environmental interests,

2. It will have considered the economic, social, and environmental effects of the project, and

3. It will have determined that the project is consistent with official plans for developing the community.

GROUP 06. ACQUISITION OF ROLLING STOCK FOR USE IN REVENUE SERVICE

Applies to awards for 49 U.S.C. chapter 53 funding to acquire any rolling stock for use in revenue service.

The Applicant certifies that in procuring revenue service rolling stock, it will comply with:

1. Federal transit law, specifically 49 U.S.C. 5323(m),

2. FTA regulations, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 CFR part 663, specifically 49 CFR 663.7, as modified by amendments authorized by section 3023(k) of SAFETEA-LU, including the requirements to:

- a. Conduct or cause to be conducted the required preaward and post delivery reviews, and
- b. Maintain on file the certifications required by 49 CFR part 663, subparts B, C, and D.

GROUP 07. ACQUISITION OF CAPITAL ASSETS BY LEASE

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Applies to awards for 49 U.S.C. chapter 53 funding to acquire capital assets by lease.

As required by FTA regulations, “Capital Leases,” 49 CFR part 639, specifically 639.15(b)(1) and 639.21, if the Applicant acquires any capital asset by lease financed with Federal funding authorized under 49 U.S.C. chapter 53, the Applicant certifies as follows:

1. It will not use Federal funding authorized under 49 U.S.C. chapter 53 to finance the cost of leasing any capital asset until:
 - a. It performs calculations demonstrating that leasing the capital asset would be more cost-effective than purchasing or constructing a similar asset, and
 - b. It completes these calculations before the later of:
 - (1) Entering into the lease, or
 - (2) Receiving a capital grant for the asset, and
2. It will not enter into a capital lease for which FTA can provide only incremental Federal funding unless it has adequate financial resources to meet its future lease obligations if Federal funding is not available.

GROUP 08. BUS TESTING

Applies to awards for 49 U.S.C. chapter 53 funding to acquire any new or newly configured bus or a bus with new major components.

The Applicant certifies that:

1. It will comply with Federal transit law, specifically 49 U.S.C. 5318,
2. FTA regulations, “Bus Testing,” 49 CFR part 665, specifically 49 CFR 665.7, requires that
 - a. Before:
 - (1) Spending any Federal funds to acquire:
 - (a) The first bus of any new bus model,
 - (b) The first bus with a new major change in configuration or components, or
 - (2) Authorizing final acceptance of a new bus model or a bus model with a major change in components or configuration:
 - b. It will:
 - (1) Ensure that the bus model has been tested at FTA’s bus testing facility, and
 - (2) Have received a copy of the test report prepared on the bus model.

GROUP 09. CHARTER SERVICE AGREEMENT

Applicable to any awards for funding to acquire or operate transit facilities and equipment, unless Applicant qualifies for an exception under Federal law and regulations.

As required by 49 U.S.C. 5323(d) and (g) and FTA regulations, “Charter Service,” 49 CFR part 604, specifically 49 CFR 604.4, the Applicant understands and agrees that:

1. Except in certain circumstances described in its regulations, FTA’s “Charter Service” regulations restrict transportation by charter service using facilities and equipment acquired by FTA for transportation projects with Federal funding derived from:
 - (1) Federal transit laws, 49 U.S.C. chapter 53, or
 - (2) 23 U.S.C. §§ 133 or 142,
2. FTA’s charter service restrictions extend to:
 - a. The Applicant when it becomes a recipient of Federal funding under:
 - (1) Federal transit laws, 49 U.S.C. chapter 53, or
 - (2) 23 U.S.C. §§ 133 or 142,
 - b. Any third party participant that receives Federal funding derived from:
 - (1) Federal transit laws, 49 U.S.C. chapter 53, or (2) 23 U.S.C. §§ 133 or 142,
 - c. A third party participant includes a:
 - (1) Subrecipient at any tier,
 - (2) Lessee,
 - (3) Third party contractor or subcontractor at any tier, and
 - (4) Other participant in the project,
3. Neither the Applicant nor any third party participant involved in its Project will engage in charter service operations, except as permitted under:
 - a. Federal transit laws, specifically 49 U.S.C. 5323(d) and (g),
 - b. FTA regulations, “Charter Service,” 49 C.F.R. Part 604,
 - c. Any other Federal Charter Service regulations, or
 - d. Federal directives, except as FTA determines otherwise in writing.

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4. The Applicant agrees that the latest Charter Service Agreement it has selected in its latest annual Certifications and Assurances is incorporated by reference in and made part of the underlying Agreement accompanying an award of FTA funding.

5. The Applicant agrees that:

a. FTA may require corrective measures or impose remedies on it or any subrecipient that has engaged in a pattern of violations of FTA's Charter Service regulations by:

- (1) Conducting charter operations prohibited by Federal transit laws and FTA's Charter Service regulations, or
- (2) Otherwise violating the Applicant's Charter Service Agreement it has elected in its latest annual Certifications and Assurances.

b. These corrective measures and remedies may include:

- (1) Barring it or any third party participant operating public transportation under the Project that has provided prohibited charter service from receiving FTA funds, or
- (2) Withholding an amount of Federal funds as provided by Appendix D to FTA's Charter Service regulations.

GROUP 10. SCHOOL TRANSPORTATION AGREEMENT

Applies to awards for funding to acquire or operate transit facilities and equipment, unless Applicant qualifies for an exception under Federal law and regulations.

As required by 49 U.S.C. 5323(f) and (g) and FTA regulations, "School Bus Operations," 49 CFR part 605, to the extent consistent with 49 U.S.C. 5323(f) and (g), the Applicant understands and agrees that:

1. FTA's "School Bus Operations" regulations restrict school bus service as defined in the FTA regulations using facilities and equipment acquired with Federal funding derived from:

- (1) Federal transit laws, 49 U.S.C. chapter 53, or
- (2) 23 U.S.C. §§ 133 or 142,

2. FTA's school bus operations restrictions extend to:

a. The Applicant when it becomes a recipient of Federal funding under:

- (1) Federal transit laws, 49 U.S.C. chapter 53, or
- (2) 23 U.S.C. §§ 133 or 142,

b. Any third party participant that receives Federal funding derived from:

- (1) Federal transit laws, 49 U.S.C. chapter 53, or
- (2) 23 U.S.C. §§ 133 or 142,

c. A third party participant includes a:

- (1) Subrecipient at any tier,
- (2) Lessee,
- (3) Third party contractor or subcontractor at any tier, and
- (4) Other participant in the project,

3. Neither the Applicant nor any third party participant involved in its Project will engage in school transportation operations in competition with private operators of school transportation, except as permitted under:

- a. Federal transit laws, specifically 49 U.S.C. § 5323(f) and (g),
- b. FTA regulations, "School Bus Operations," 49 C.F.R. Part 605, to the extent consistent with 49 U.S.C. § 5323(f) and (g),
- c. Any other Federal School Transportation regulations, or
- d. Federal directives, except as FTA determines otherwise in writing.

4. The Applicant agrees that the latest School Transportation Agreement it has selected in its latest annual Certifications and Assurances is incorporated by reference in and made part of the underlying Agreement accompanying an award of FTA funding.

5. The Applicant agrees that FTA will bar the Applicant or any third party participant that has violated this School Transportation Agreement from receiving Federal transit funding in an amount FTA considers appropriate.

GROUP 11. DEMAND RESPONSIVE SERVICE

Applies to awards for demand responsive service and to awards for 49 U.S.C. chapter 53 funding to acquire non rail transit vehicles.

As required by U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 CFR part 37, specifically 49 CFR 37.77(d), the Applicant certifies that:

1. The following public transportation services it offers are equivalent in level and quality of service:

- a. Its demand responsive service offered to individuals with disabilities, including individuals who use wheelchairs,
- b. Its service offered to individuals without disabilities,

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2. Viewed in its entirety, the Applicant's service for individuals with disabilities is:
 - a. Provided in the most integrated setting feasible, and
 - b. Equivalent to the service it offers individuals without disabilities with respect to:
 - (1) Response time,
 - (2) Fares,
 - (3) Geographic service area,
 - (4) Hours and days of service,
 - (5) Restrictions on trip purpose,
 - (6) Availability of information and reservation capability, and
 - (7) Constraints on capacity or service availability.

GROUP 12. ALCOHOL MISUSE AND PROHIBITED DRUG USE

You must select the following certification if FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 CFR part 655, require Applicant to provide a certification concerning its activities to prevent alcohol misuse and prohibited drug use in its public transportation operations.

As required by FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," specifically 49 CFR part 655, subpart I, the Applicant certifies that it:

1. Has established and implemented:
 - a. An alcohol misuse program and
 - b. An anti-drug program, and
2. Has complied with or will comply with all applicable requirements of this part.

GROUP 13. INTEREST AND OTHER FINANCING COSTS

Applies to awards to reimburse interest or other financing costs with Urbanized Area Formula Program, Capital Investment Program, or Paul S. Sarbanes Transit in Parks Program funding

The Applicant certifies that:

1. It will not seek reimbursement for interest or other financing costs:
 - a. Unless it is eligible to receive Federal funding for those costs,
 - b. Its records demonstrate that it has used reasonable diligence in seeking the most favorable financing terms underlying those costs, to the extent FTA may require, and
2. It will comply with:
 - a. Urbanized Area Formula Program interest provisions of 49 U.S.C. 5307(g)(3),
 - b. Capital Investment Program provisions of 49 U.S.C. 5309(g)(2)(B)(iii),
 - c. Capital Investment Program provisions of 49 U.S.C. 5309(g)(3)(B)(iii),
 - d. Capital Investment Program provisions of 49 U.S.C. 5309(i)(2)(C), and
 - e. Paul S. Sarbanes Transit in Parks Program provisions of 49 U.S.C. 5320(h)(2)(C).

GROUP 14. INTELLIGENT TRANSPORTATION SYSTEMS

Applies to awards for an Intelligent Transportation Systems (ITS) project or a project in support of an ITS project. An Applicant for ITS project funding that fails to provide this assurance, without providing other documentation assuring its commitment to comply with applicable Federal ITS standards and protocols, may be ineligible for award of Federal funding for that ITS project.

As used in this assurance, the term Intelligent Transportation Systems (ITS) project is defined to include any project that in whole or in part finances the acquisition of technologies or systems of technologies that provide or significantly contribute to the provision of one or more ITS user services as defined in the "National ITS Architecture." The Applicant assures that:

1. As provided in subsection 5307(c) of SAFETEA–LU, 23 U.S.C. 512 note:
 - a. "Intelligent transportation system projects carried out using funds made available from the Highway Trust Fund, including funds made available under this subtitle to deploy intelligent transportation system technologies, [will] conform to the national architecture, applicable standards or provisional standards, and protocols developed under subsection (a) [of section 5307 of SAFETEA–LU]."
 - b. ITS standards will not apply if it obtains an exception to subsection 5307(c) of SAFETEA–LU, 23 U.S.C. 512 note.
2. It will use its best efforts to assure that any ITS project it undertakes will not preclude interface with other intelligent transportation systems in the Region, if supported with Federal funding not derived from:
 - a. Title 49, United States Code, or
 - b. Title 23, United States Code.

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3. To facilitate compliance with subsection 5307(c) of 23 U.S.C. 512 note, except as the Federal Government determines otherwise in writing, the Applicant assures that it will comply with:

- a. FTA Notice, “FTA National ITS Architecture Policy on Transit Projects,” 66 FR 1455, January 8, 2001, specifically:
 - (1) Applicable provisions of Section V (Regional ITS Architecture, and
 - (2) Section VI (Project Implementation), and
- b. Other FTA policies that may be issued in connection with any ITS project it undertakes financed with funds authorized under Title 49 or Title 23, United States Code,

GROUP 15. URBANIZED AREA FORMULA PROGRAM

Applies to awards for Urbanized Area Formula Program funding, 49 U.S.C. 5307. Applicant is ultimately responsible for compliance with its certifications and assurances even though a subrecipient, lessee, third party contractor, or other participant may participate in that project, unless FTA determines otherwise in writing. Consequently, we strongly encourage Applicant to take the appropriate measures including, but not limited to, obtaining sufficient documentation from each subrecipient, to assure the validity of all certifications and assurances it has made. Each Applicant is required by 49 U.S.C. 5307(d)(1)(J) to spend at least one (1) percent of its Urbanized Area Formula Program funding for public transportation security projects, unless it has certified that such expenses are not necessary. Information about its intentions must be recorded in the “Security” tab page of the TEAM–Web “Project Information” window when it submits its Urbanized Area Formula Program application in TEAM–Web.

We may not award Urbanized Area Formula Program funding to any Applicant that is required by 49 U.S.C. 5307(d)(1)(K) to spend one (1) percent of its Urbanized Area Formula Program funding for eligible transit enhancements unless its quarterly report for the fourth quarter of the preceding Federal fiscal year has been submitted to FTA and includes the required list or sufficient information to demonstrate that the Designated Recipients in its area together have spent one (1) percent of the amount of Urbanized Area Program funding made available to them for transit enhancement projects or have included the same information in a separate report attached in TEAM–Web.

The following certifications apply to each Applicant for funding under the Urbanized Area Formula Program authorized under 49 U.S.C. 5307. The Applicant certifies that:

1. As required by 49 U.S.C. 5307(d)(1)(A), it has or will have the:
 - a. Legal capacity to carry out its proposed projects,
 - b. Financial capacity to carry out its proposed projects,
 - c. Technical capacity to carry out its proposed projects,
 - d. Safety aspects of its proposed projects, and
 - e. Security aspects of its proposed projects,
2. As required by 49 U.S.C. 5307(d)(1)(B), it has or will have satisfactory continuing control over the use of project equipment and facilities,
3. As required by 49 U.S.C. 5307(d)(1)(C), it will maintain the project equipment and facilities adequately,
4. As required by 49 U.S.C. 5307(d)(1)(D), it will ensure that the following individuals will be charged not more than fifty (50) percent of the peak hour fare for transportation during non-peak hours using or involving project facilities or equipment supported under 49 U.S.C. 5307:
 - a. Elderly individuals,
 - b. Individuals with disabilities, or
 - c. Individuals presenting a Medicare card issued to himself or herself pursuant to title II or title XVIII of the Social Security Act (42 U.S.C. 401 *et seq.* or 42 U.S.C. 1395 *et seq.*),
5. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement under 49 U.S.C. 5307, it will:
 - a. Use competitive procurement (as defined or approved by FTA),
 - b. Not use exclusionary or discriminatory specifications in its procurements,
 - c. Comply with applicable Buy America laws, and
 - d. Comply with the:
 - (1) General provisions for FTA programs of 49 U.S.C. 5323, and
 - (2) Third party procurement requirements of 49 U.S.C. 5325,
6. As required by 49 U.S.C. 5307(d)(1)(F), it has complied with or will comply with 49 U.S.C. 5307(c) because it:
 - a. Has informed or will inform the public of the amounts of its Urbanized Area Formula Program funds available under 49 U.S.C. 5307, and the projects it proposes to undertake,
 - b. Has developed or will develop, in consultation with interested parties including private transportation providers, the projects proposed to be funded,
 - c. Has published or will publish a list of its projects in a way that affected citizens, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on the proposed projects and its performance,

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- d. Has provided or will provide an opportunity for a public hearing to obtain the views of citizens on the proposed projects,
 - e. Has assured or will assure that the proposed projects provide for coordination of transportation services assisted under 49 U.S.C. 5336 with federally assisted transportation services supported by a Federal Government source other than U.S. DOT,
 - f. Has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of projects, and
 - g. Has made or will make the final list of projects available to the public,
7. As required by 49 U.S.C. 5307(d)(1)(G), it:
- a. Has or will have the amount of funds required for the local share,
 - b. Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - c. Will provide the local share funds when needed,
8. As required by 49 U.S.C. 5307(d)(1)(H), it will comply with:
- a. The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (1) Maximize the safe, secure, and efficient mobility of people,
 - (2) Minimize environmental impacts, and,
 - (3) Minimize transportation-related fuel consumption and reliance on foreign oil,
 - b. The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (1) Design public transportation for elderly individuals and individuals with disabilities, and
 - (2) Provide public transportation for elderly individuals and individuals with disabilities, and
 - c. The requirements of 49 U.S.C. 5303–5306 for:
 - (1) Metropolitan and State Planning, and
 - (2) Private enterprise participation,
9. As required by 49 U.S.C. 5307(d)(1)(I), it has a locally developed process to solicit and consider public comment before:
- a. Raising a fare, or
 - b. Implementing a major reduction of public transportation,
10. As required by 49 U.S.C. 5307(d)(1)(J), if it serves an urbanized area with a population of at least 200,000:
- a. Each fiscal year, it will spend at least one (1) percent of its 49 U.S.C. 5307 funding for public transportation security projects (limited to capital projects in the case of an Applicant serving an urbanized area with a population of 200,000 or more), or
 - b. That fiscal year, it will certify that such expenses for transportation security projects are not necessary,
 - c. Public transportation security projects include:
 - (1) Increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages),
 - (2) Increased camera surveillance of an area in or adjacent to that system,
 - (3) Emergency telephone line or lines to contact law enforcement or security personnel in an area in or adjacent to that system, and
 - (4) Any other project intended to increase the security and safety of an existing or planned public transportation, and
11. As required by 49 U.S.C. 5307(d)(1)(K), if it serves an urbanized area with a population of at least 200,000:
- a. Each fiscal year, it or all the Recipients of 49 U.S.C. 5307 funding in its urbanized area will spend at least one (1) percent of that funding for transit enhancements, as defined in 49 U.S.C. 5302(a),
 - b. It will include in its quarterly report for the fourth quarter of the preceding Federal fiscal year a list of the projects during that Federal fiscal year using those 49 U.S.C. 5307 funds, and
 - c. The report of its transit enhancement projects is or will be incorporated by reference and made part of its certifications and assurances.

GROUP 16. CLEAN FUELS GRANT PROGRAM

Applies to awards for Clean Fuels Grant Program funding, 49 U.S.C. 5308. Applicant itself is ultimately responsible for compliance with its certifications and assurances even though a subrecipient, lessee, third party contractor, or other participant may participate in that project, unless FTA determines otherwise in writing. Consequently, we strongly encourage Applicant to take the appropriate measures including, but not limited to, obtaining sufficient documentation from each subrecipient, to assure the validity of all certifications and assurances it has made.

The following certifications apply to each Applicant for funding under the Clean Fuels Grant Program authorized under 49 U.S.C. 5308:

- 1. As required by FTA regulations, “Clean Fuels Grant Program, 49 CFR part 624, specifically 49 CFR 624.7, the Applicant certifies it will operate vehicles purchased with Federal funding provided under the Clean Fuels Grant Program, 49 U.S.C. 5308 only with clean fuels.
- 2. Under 49 U.S.C. 5308(d)(1), the requirements of 49 U.S.C. 5307 apply to the Clean Fuels Grant Program. To comply with those requirements, as specified under 49 U.S.C. 5307(d)(1), the Applicant certifies that:
 - a. As required by 49 U.S.C. 5307(d)(1)(A), it has or will have the:

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- (1) Legal capacity to carry out its proposed projects,
 - (2) Financial capacity to carry out its proposed projects,
 - (3) Technical capacity to carry out its proposed projects,
 - (4) Safety aspects of its proposed projects, and
 - (5) Security aspects of its proposed projects,
- b. As required by 49 U.S.C. 5307(d)(1)(B), it has or will have satisfactory continuing control over the use of project equipment and facilities,
- c. As required by 49 U.S.C. 5307(d)(1)(C), it will maintain the project equipment and facilities adequately,
- d. As required by 49 U.S.C. 5307(d)(1)(D), it will ensure that the following individuals will be charged not more than fifty (50) percent of the peak hour fare for transportation during non-peak hours using or involving project facilities or equipment supported under 49 U.S.C. 5308:
- (1) Elderly individuals,
 - (2) Individuals with disabilities, or
 - (3) Individuals presenting a Medicare card issued to himself or herself pursuant to title II or title XVIII of the Social Security Act (42 U.S.C. 401 et seq. or 42 U.S.C. 1395 et seq.),
- e. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement under 49 U.S.C. 5308, it will:
- (1) Use competitive procurement (as defined or approved by FTA),
 - (2) Not use exclusionary or discriminatory specifications in its procurements,
 - (3) Comply with applicable Buy America laws, and
 - (4) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and
 - (5) Comply with the third party procurement requirements of 49 U.S.C. 5325,
- f. As required by 49 U.S.C. 5307(d)(1)(F), it has complied with or will comply with 49 U.S.C. 5307(c) because it:
- (1) Has informed or will inform the public of the amounts of its Clean Fuels Grant Program funds available under 49 U.S.C. 5308, and the projects it proposes to undertake,
 - (2) Has developed or will develop, in consultation with interested parties including private transportation providers, the projects proposed to be funded,
 - (3) Has published or will publish a list of its projects in a way that affected citizens, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on the proposed projects and its performance,
 - (4) Has provided or will provide an opportunity for a public hearing to obtain the views of citizens on the proposed projects,
 - (5) Has assured or will assure that the proposed projects provide for coordination of transportation services assisted under 49 U.S.C. 5336 with federally assisted transportation services supported by a Federal government source other than U.S. DOT,
 - (6) Has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of projects, and
 - (7) Has made or will make the final list of projects available to the public,
- g. As required by 49 U.S.C. 5307(d)(1)(G), it:
- (1) Has or will have the amount of funds required for the local share,
 - (2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (3) Will provide the local share funds when needed,
- h. As required by 49 U.S.C. 5307(d)(1)(H), it will comply with:
- (1) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (a) Maximize the safe, secure, and efficient mobility of people,
 - (b) Minimize environmental impacts, and
 - (c) Minimize transportation-related fuel consumption and reliance on foreign oil,
 - (2) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (a) Design public transportation for elderly individuals and individuals with disabilities, and
 - (b) Provide public transportation for elderly individuals and individuals with disabilities, and
 - (3) The requirements of 49 U.S.C. 5303–5306 for:
 - (a) Metropolitan and State Planning, and
 - (b) Private enterprise participation, and
- i. As required by 49 U.S.C. 5307(d)(1)(I), it has a locally developed process to solicit and consider public comment before:
- (1) Raising a fare, or
 - (2) Implementing a major reduction of public transportation.

GROUP 17. ELDERLY INDIVIDUALS AND INDIVIDUALS WITH DISABILITIES FORMULA GRANT PROGRAM AND PILOT PROGRAM

Applies to awards as the direct Applicant for Elderly Individuals and Individuals with Disabilities Formula Grant Program funding 49 U.S.C. 5310, and, if qualified, for Elderly Individuals and Individuals with Disabilities Pilot Program funding, subsection 3012(b) of SAFETEA–LU. Only a State or a State organization acting as the Recipient on behalf of a State may be a direct recipient of this funding. Your State or State organization Applicant is ultimately responsible for compliance with its certifications and assurances even though a subrecipient, lessee, third party contractor, or other participant may participate in that project, unless FTA determines otherwise in writing. Consequently, we strongly encourage your State or State organization Applicant to take the appropriate measures

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including, but not limited to, obtaining sufficient documentation from each subrecipient, to assure the validity of all certifications and assurances it has made.

The following certifications and assurances apply to each State or State organization serving as Applicant for funding and each subrecipient of funding under the Elderly Individuals and Individuals with Disabilities Formula Grant Program authorized under 49 U.S.C. 5310, and the Elderly Individuals and Individuals with Disabilities Pilot Program authorized under subsection 3012(b) of SAFETEA– LU.

1. The State or State organization Applicant assures that:

a. Each subrecipient is:

(1) Recognized under State law as a private nonprofit organization with the legal capability to contract with the State to carry out the proposed project, or

(2) A public body that has met the statutory requirements to receive Federal funding authorized for 49 U.S.C. 5310,

b. The State or State organization Applicant can conclude from information in a private nonprofit subrecipient's application for 49 U.S.C. 5310 funding that:

(1) The transit service provided or offered to be provided by existing public or private transit operators cannot meet the special needs of elderly individuals and individuals with disabilities, because it is:

(a) Unavailable,

(b) Insufficient, or

(c) Inappropriate,

c. As required by 49 U.S.C. 5310(d)(2)(A) and subsection 3012(b)(2) of SAFETEA–LU, the State certifies that, before it transfers funds to a project funded under 49 U.S.C. 5336, the project has been or will have been coordinated with private nonprofit providers of services under 49 U.S.C. 5310,

d. As required by 49 U.S.C. 5310(d)(2)(C), the Applicant certifies that allocations to subrecipients 49 U.S.C. 5310 funding or subsection 3012(b) funding will be distributed on a fair and equitable basis, and

e. As required by 49 U.S.C. 5310(d)(2)(B) and subsection 3012(b)(2) of SAFETEA–LU, the Applicant certifies that:

(1) The projects it has selected or will select for funding under that program were derived from a public transit human services transportation plan that has been:

(a) Locally developed, and

(b) Coordinated, and

(2) That locally developed, coordinated plan was produced through a process that included:

(a) Representatives of public, private, and nonprofit transportation providers,

(b) Representatives of public, private, and nonprofit human services providers, and

(c) Participation by the public.

2. As permitted by 49 U.S.C. 5310(d), the Federal Transit Administrator has selected certain requirements of 49 U.S.C. 5307 to be appropriate for the Elderly Individuals and Individuals with Disabilities Formula Grant Program authorized by 49 U.S.C. 5310, and the Elderly Individuals and Individuals with Disabilities Pilot Program authorized by subsection 3012(b) of SAFETEA–LU, 49 U.S.C. 5310 note, of which some require certifications. Therefore, as specified under 49 U.S.C. 5307(d)(1), the State or State organization Applicant certifies that:

a. As required by 49 U.S.C. 5307(d)(1)(A), it and each subrecipient has or will have the:

(1) Legal capacity to carry out its proposed projects,

(2) Financial capacity to carry out its proposed projects,

(3) Technical capacity to carry out its proposed projects,

(4) Safety aspects of its proposed projects, and

(5) Security aspects of its proposed projects,

b. As required by 49 U.S.C. 5307(d)(1)(B), it and each subrecipient has or will have satisfactory continuing control over the use of project equipment and facilities,

c. As required by 49 U.S.C. 5307(d)(1)(C), it and each subrecipient will maintain the project equipment and facilities adequately,

d. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement under the Elderly Individuals and Individuals with Disabilities Formula Grant Program authorized by 49 U.S.C. 5310, or the Elderly Individuals and Individuals with Disabilities Pilot Program authorized by subsection 3012(b) of SAFETEA–LU, 49 U.S.C. 5310 note, it and each subrecipient will:

(1) Use competitive procurement (as defined or approved by FTA),

(2) Not use exclusionary or discriminatory specifications in its procurements,

(3) Comply with applicable Buy America laws, and

(4) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and

(5) Comply with the third party procurement requirements of 49 U.S.C. 5325,

e. As required by 49 U.S.C. 5307(d)(1)(G), it and each subrecipient:

(1) Has or will have the amount of funds required for the local share,

(a) As required by 49 U.S.C. 5310(c), and

(b) Subsections 3012(b)(3) and (4) of SAFETEA–LU, if applicable,

(2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and

(3) Will provide the local share funds when needed, and

f. As required by 49 U.S.C. 5307(d)(1)(H), it and each subrecipient will comply with:

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- (1) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (a) Maximize the safe, secure, and efficient mobility of people,
 - (b) Minimize environmental impacts, and
 - (c) Minimize transportation-related fuel consumption and reliance on foreign oil,
- (2) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (a) Design public transportation for elderly individuals and individuals with disabilities, and (b) Provide public transportation for elderly individuals and individuals with disabilities, and
- (3) The requirements of 49 U.S.C. 5303—5306 for:
 - (a) Metropolitan and State Planning, and
 - (b) Private enterprise participation.

GROUP 18. NONURBANIZED AREA FORMULA PROGRAM FOR STATES

Applies to awards for Nonurbanized Area Formula Program funding, 49 U.S.C. 5311(b). Applicant itself is ultimately responsible for compliance with its certifications and assurances even though a subrecipient, lessee, third party contractor, or other participant may participate in that project, unless FTA determines otherwise in writing. Consequently, we strongly encourage Applicant to take the appropriate measures including, but not limited to, obtaining sufficient documentation from each subrecipient, to assure the validity of all certifications and assurances it has made.

Only a State or a State organization acting as the Recipient on behalf of a State (State) may be a direct recipient of this Nonurbanized Area Formula Program funding. Separate certifications and assurances have been established in Group 22 for an Indian tribe that is an Applicant for Tribal Transit Program funding, 49 U.S.C. 5311(c)(1). The following certifications and assurances apply to each State or State organization serving as the Applicant for funding under the Nonurbanized Area Formula Program authorized under 49 U.S.C. 5311.

The Applicant assures that:

1. It has or will have the necessary legal, financial, and managerial capability to:
 - a Apply, receive and disburse 49 U.S.C. 5311(c)(1) funding, and
 - b. Carry out each project, including the:
 - (1) Safety aspects of its proposed projects, and
 - (2) Security aspects of its proposed projects,
2. It has or will have satisfactory continuing control over the use of project equipment and facilities,
3. The project equipment and facilities will be adequately maintained,
4. As required by 49 U.S.C. 5311(b)(2)(C)(i), its program has provided for a fair distribution of Federal funding authorized for 49 U.S.C. 5311 within the State, including Indian reservations within the State,
5. As required by 49 U.S.C. 5311(b)(2)(C)(ii), its program provides or will provide the maximum feasible coordination of public transportation service to receive funding under 49 U.S.C. 5311 with transportation service assisted by other Federal sources,
6. The projects in its Nonurbanized Area Formula Program are included in:
 - a. The Statewide Transportation Improvement Program, and
 - b. To the extent applicable, a metropolitan Transportation Improvement Program,
7. It has or will have the amount of funds required for the local share, as required by 49 U.S.C. 5311(g), and
 - (2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (3) Will provide the local share funds when needed, and
8. As required by 49 U.S.C. 5311(f), each fiscal year:
 - a. It will spend at least fifteen (15) percent of its 49 U.S.C. 5311 funding available that fiscal year to develop and support intercity bus transportation within the State, with eligible activities including:
 - (1) Planning and marketing for intercity bus transportation,
 - (2) Capital grants for intercity bus shelters,
 - (3) Joint-use stops and depots,
 - (4) Operating grants through purchase-of-service agreements, userside subsidies, and demonstration projects, and
 - (5) Coordinating rural connections between small public transportation operations and intercity bus carriers, or
 - b. It will provide to the Federal Transit Administrator a certification of the State's chief executive officer that:
 - (1) After consulting with the affected intercity bus service providers about the intercity bus needs of the State,
 - (2) The State's intercity bus service needs are being met adequately.

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GROUP 19. JOB ACCESS AND REVERSE COMMUTE (JARC) FORMULA GRANT PROGRAM

Applies to awards for Job Access and Reverse Commute (JARC) Formula Grant funding, 49 U.S.C. 5316, Applicant is ultimately responsible for compliance with its certifications and assurances even though a subrecipient, lessee, third party contractor, or other participant may participate in that project, unless FTA determines otherwise in writing. Consequently, we strongly encourage Applicant to take the appropriate measures including, but not limited to, obtaining sufficient documentation from each subrecipient, to assure the validity of all certifications and assurances it has made.

The following certifications and assurances apply to each Applicant for and subrecipient of funding under the Job Access and Reverse Commute (JARC) Formula Grant funding authorized under 49 U.S.C. 5316.

1. The Applicant certifies that:

- a. As required by 49 U.S.C. 5316(d)(4), it will make awards of JARC funding on a competitive basis following:
 - (1) An area wide solicitation in cooperation with the appropriate metropolitan planning organization for applications for funding under 5316(c)(1)(A) (see 49 U.S.C. 5316(d)(1)), and
 - (2) A statewide solicitation for applications for JARC funding under 49 U.S.C. 5316(c)(1)(B) or 49 U.S.C. 5316(c)(1)(C), (see 49 U.S.C. 5316(d)(2)) and
- b. As required by 49 U.S.C. 5316(f)(2), any allocations to subrecipients of funding authorized under 49 U.S.C. 5316 will be distributed on a fair and equitable basis,
- c. As required by 49 U.S.C. 5316(g)(3):
 - (1) The projects it has selected or will select for funding under that program were derived from a public transit human services transportation plan that has been:
 - (a) Locally developed, and
 - (b) Coordinated,
 - (2) That locally developed, coordinated plan was produced through a process that included:
 - (a) Representatives of public, private, and nonprofit transportation providers,
 - (b) Representatives of public, private, and nonprofit human services providers, and
 - (c) Participation by the public, and
- d. As required by 49 U.S.C. 5316(g)(2), before it transfers funds to a project funded under 49 U.S.C. 5336, that project has been or will have been coordinated with private nonprofit providers of services, and
- e. As required by 49 U.S.C. 5316(c)(3), before using funds apportioned for projects serving an area other than that for which funding was apportioned under 49 U.S.C. 5316(c)(1)(B) or (C):
 - (1) The State's chief executive officer, or his or her designee, will have certified that all the JARC program objectives of 49 U.S.C. 5316 are being met in the area from which the funding would be derived,
 - (2) If the State has a statewide program for meeting the JARC program objectives of 49 U.S.C. 5316, the funds can be used for projects anywhere in the State.

2. Under 49 U.S.C. 5316(f)(1), the requirements of 49 U.S.C. 5307 apply to the JARC Program, authorized under 49 U.S.C. 5316. Therefore, as specified under 49 U.S.C. 5307(d)(1), the Applicant certifies that

- a. As required by 49 U.S.C. 5307(d)(1)(A), it and each subrecipient has or will have the:
 - (1) Legal capacity to carry out its proposed projects,
 - (2) Financial capacity to carry out its proposed projects,
 - (3) Technical capacity to carry out its proposed projects,
 - (4) Safety aspects of its proposed projects, and
 - (5) Security aspects of its proposed projects,
- b. As required by 49 U.S.C. 5307(d)(1)(B), it and each subrecipient has or will have satisfactory continuing control over the use of project equipment and facilities,
- c. As required by 49 U.S.C. 5307(d)(1)(C), it and each subrecipient will maintain the project equipment and facilities adequately,
- d. As required by 49 U.S.C. 5307(d)(1)(D), it and each subrecipient will ensure that the following individuals will be charged not more than fifty (50) percent of the peak hour fare for transportation during non-peak hours using or involving project facilities or equipment supported under 49 U.S.C. 5316:
 - (1) Elderly individuals,
 - (2) Individuals with disabilities, or
 - (3) Individuals presenting a Medicare card issued to himself or herself pursuant to title II or title XVIII of the Social Security Act (42 U.S.C. 401 et seq. or 42 U.S.C. 1395 et seq.),
- e. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement under the JARC Program, 49 U.S.C. 5316, it will:
 - (1) Use competitive procurement (as defined or approved by FTA),
 - (2) Not use exclusionary or discriminatory specifications in its procurements,
 - (3) Comply with applicable Buy America laws,
 - (4) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and
 - (5) Comply with the third party procurement requirements of 49 U.S.C. 5325,
- f. As required by 49 U.S.C. 5307(d)(1)(F), it and each subrecipient has complied with or will comply with 49 U.S.C. 5307(c) because it:

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- (1) Has informed or will inform the public of the amount of its JARC Program funds available under 49 U.S.C. 5316, and the projects it proposes to undertake,
 - (2) Has developed or will develop, in consultation with interested parties including private transportation providers, the projects proposed to be funded,
 - (3) Has published or will publish a list of its projects in a way that affected citizens, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on the proposed projects and its performance,
 - (4) Has provided or will provide an opportunity for a public hearing to obtain the views of citizens on the proposed projects,
 - (5) Has assured or will assure that the proposed projects provide for coordination of transportation services assisted under 49 U.S.C. 5336 with federally assisted transportation services supported by a Federal government source other than U.S. DOT,
 - (6) Has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of projects, and
 - (7) Has made or will make the final list of projects available to the public,
- g. As required by 49 U.S.C. 5307(d)(1)(G), it and each subrecipient:
- (1) Has or will have the amount of funds required for the local share,
 - (2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (3) Will provide the local share funds when needed,
- h. As required by 49 U.S.C. 5307(d)(1)(H), it and each subrecipient will comply with:
- (1) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (a) Maximize the safe, secure, and efficient mobility of people,
 - (b) Minimize environmental impacts, and
 - (c) Minimize transportation-related fuel consumption and reliance on foreign oil,
 - (2) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (a) Design public transportation for elderly individuals and individuals with disabilities, and
 - (b) Provide public transportation for elderly individuals and individuals with disabilities, and
 - (3) The requirements of 49 U.S.C. 5303–5306 for:
 - (a) Metropolitan and State Planning, and
 - (b) Private enterprise participation, and
- i. As required by 49 U.S.C. 5307(d)(1)(I), it and each subrecipient has a locally developed process to solicit and consider public comment before:
- (1) Raising a fare, or
 - (2) Implementing a major reduction of public transportation.

GROUP 20. NEW FREEDOM PROGRAM

Applies to awards for New Freedom Program funding, 49 U.S.C. 5317. Applicant is ultimately responsible for compliance with its certifications and assurances even though a subrecipient, lessee, third party contractor, or other participant may participate in that project, unless FTA determines otherwise in writing. Consequently, we strongly encourage Applicant to take the appropriate measures including, but not limited to, obtaining sufficient documentation from each subrecipient, to assure the validity of all certifications and assurances it has made.

1. The Applicant certifies that:

- a. As required by 49 U.S.C. 5317(d)(4), it will make awards of New Freedom funding on a competitive basis following:
 - (1) An area wide solicitation in cooperation with the appropriate metropolitan planning organization for applications for funding under 5317(c)(1)(A) (see 49 U.S.C. 5317(d)(1)), and
 - (2) A statewide solicitation for applications for JARC funding under 49 U.S.C. 5317(c)(1)(B) or 49 U.S.C. 5317(c)(1)(C), (see 49 U.S.C. 5317(d)(2)),
- b. As required by 49 U.S.C. 5317(e)(2), any allocations to subrecipients of funding authorized under 49 U.S.C. 5317 will be distributed on a fair and equitable basis,
- c. As required by 49 U.S.C. 5317(f)(3):
 - (1) The projects it has selected or will select for funding under that program were derived from a public transit human services transportation plan that has been:
 - (a) Locally developed, and
 - (b) Coordinated,
 - (2) That locally developed, coordinated plan was produced through a process that included:
 - (a) Representatives of public, private, and nonprofit transportation providers,
 - (b) Representatives of human services public, private, and nonprofit providers, and
 - (c) Participation by the public, and
- d. As required by 49 U.S.C. 5316(f)(2), before it transfers funds to a project funded under 49 U.S.C. 5336, that project has been or will have been coordinated with private nonprofit providers of services.

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2. As permitted by 49 U.S.C. 5317(e)(1), the Federal Transit Administrator has selected certain requirements of 49 U.S.C. 5310 and 49 U.S.C. 5307 to be appropriate for the New Freedom Program, of which some require certifications. Therefore, as specified under 49 U.S.C. 5307(d)(1), the Applicant certifies that:

- a. As required by 49 U.S.C. 5307(d)(1)(A), it and each subrecipient has or will have the:
 - (1) Legal capacity to carry out its proposed projects,
 - (2) Financial capacity to carry out its proposed projects,
 - (3) Technical capacity to carry out its proposed projects,
 - (4) Safety aspects of its proposed projects, and
 - (5) Security aspects of its proposed projects,
- b. As required by 49 U.S.C. 5307(d)(1)(B), it and each subrecipient has or will have satisfactory continuing control over the use of project equipment and facilities,
- c. As required by 49 U.S.C. 5307(d)(1)(C), it and each subrecipient will maintain the project equipment and facilities adequately,
- d. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement under the New Freedom Program authorized by 49 U.S.C. 5317, it and each subrecipient will:
 - (1) Use competitive procurement (as defined or approved by FTA),
 - (2) Not use exclusionary or discriminatory specifications in its procurements,
 - (3) Comply with applicable Buy America laws, and
 - (4) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and
 - (5) Comply with the third party procurement requirements of 49 U.S.C. 5325,
- e. As required by 49 U.S.C. 5307(d)(1)(G), it and each subrecipient:
 - (1) Has or will have the amount of funds required for the local share,
 - (2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (3) Will provide the local share funds when needed, and
- f. As required by 49 U.S.C. 5307(d)(1)(H), it will comply with:
 - (1) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (a) Maximize the safe, secure, and efficient mobility of people,
 - (b) Minimize environmental impacts, and
 - (c) Minimize transportation-related fuel consumption and reliance on foreign oil,
 - (2) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (a) Design public transportation for elderly individuals and individuals with disabilities, and
 - (b) Provide public transportation for elderly individuals and individuals with disabilities, and
 - (3) The requirements of 49 U.S.C. 5303—5306 for:
 - (a) Metropolitan and State Planning, and
 - (b) Private enterprise participation.

GROUP 21. PAUL S. SARBANES TRANSIT IN PARKS PROGRAM

Applies to awards for Paul S. Sarbanes Transit in Parks Program (Parks Program) funding, 49 U.S.C. 5320.

The following certifications apply to each Applicant for funding under the Paul S. Sarbanes Transit in Parks Program (Parks Program) authorized under 49 U.S.C. 5320:

1. As required by 49 U.S.C. 5320(e)(D), the Applicant assures that it will consult with the appropriate Federal land management agency during the planning process.

2. As permitted by 49 U.S.C. 5320(i), the Federal Transit Administrator has selected certain requirements of 49 U.S.C. 5307 to be appropriate for the Parks Program, of which some require certifications. Therefore as specified under 49 U.S.C. 5307(d)(1), the Applicant certifies that:

- a. As required by 49 U.S.C. 5307(d)(1)(A), it has or will have the:
 - (1) Legal capacity to carry out its proposed projects,
 - (2) Financial capacity to carry out its proposed projects,
 - (3) Technical capacity to carry out its proposed projects,
 - (4) Safety aspects of its proposed projects, and
 - (5) Security aspects of its proposed projects,
- b. As required by 49 U.S.C. 5307(d)(1)(B), it has or will have satisfactory continuing control over the use of project equipment and facilities,
- c. As required by 49 U.S.C. 5307(d)(1)(C), it will maintain the project equipment and facilities adequately,
- d. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement under the Parks Program, 49 U.S.C. 5320, it will:
 - (1) Use competitive procurement (as defined or approved by FTA),
 - (2) Not use exclusionary or discriminatory specifications in its procurements,
 - (3) Comply with applicable Buy America laws, and
 - (4) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and
 - (5) Comply with the third party procurement requirements of 49 U.S.C. 5325,

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- e. As required by 49 U.S.C. 5307(d)(1)(F) and 49 U.S.C. 5320(e)(2)(C), it has complied with or will comply with the requirements of 49 U.S.C. 5307(c). Specifically, it:
- (1) Has made available, or will make available, to the public information on the amounts available for the Parks Program, 49 U.S.C. 5320, and the projects it proposes to undertake,
 - (2) Has developed or will develop, in consultation with interested parties including private transportation providers, projects to be financed,
 - (3) Has published or will publish a list of proposed projects in a way that affected citizens, private transportation providers, and local elected officials have the opportunity to examine the proposed projects and submit comments on the proposed projects and the performance of the Applicant,
 - (4) Has provided or will provide an opportunity for a public hearing to obtain the views of citizens on the proposed projects,
 - (5) Has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of projects, and
 - (6) Has made or will make the final list of projects available to the public,
- f. As required by 49 U.S.C. 5307(d)(1)(G), it:
- (1) Has or will have the amount of funds required for the local share,
 - (2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (3) Will provide the local share funds when needed,
- g. As required by 49 U.S.C. 5307(d)(1)(H), it will comply with:
- (1) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (a) Maximize the safe, secure, and efficient mobility of people,
 - (b) Minimize environmental impacts, and
 - (c) Minimize transportation-related fuel consumption and reliance on foreign oil,
 - (2) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (a) Design public transportation for elderly individuals and individuals with disabilities, and
 - (b) Provide public transportation for elderly individuals with disabilities, and
 - (3) The requirements of 49 U.S.C. 5303–5306 for:
 - (a) Metropolitan and State Planning, and
 - (b) Private enterprise participation, and
- h. As required by 49 U.S.C. 5307(d)(1)(I), it has a locally developed process to solicit and consider public comment before:
- (1) Raising a fare, or
 - (2) Implementing a major reduction of public transportation.

GROUP 22. TRIBAL TRANSIT PROGRAM

Applies to awards for Tribal Transit Program funds, 49 U.S.C. 5311(c)(1).

As permitted by 49 U.S.C. 5311(c)(1) the Federal Transit Administrator has established terms and conditions for direct grants funded under FTA's Tribal Transit Program authorized under 49 U.S.C. 5311(c)(1) for Indian tribal governments. To ensure compliance with those requirements, the Indian tribal government serving as the Applicant certifies and assures that:

1. It has or will have the necessary legal, financial, and managerial capability to:
 - a. Apply, receive and disburse 49 U.S.C. 5311(c)(1) funding, and
 - b. Carry out each project, including the:
 - (1) Safety aspects of its proposed projects, and
 - (2) Security aspects of its proposed projects,
2. It has or will have satisfactory continuing control over the use of project equipment and facilities,
3. The project equipment and facilities will be adequately maintained,
4. Its project will achieve maximum feasible coordination with transportation service assisted by other Federal sources,
5. It will:
 - a. Have a procurement system that complies with U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," 49 C.F.R. part 18, specifically 49 CFR 18.36, or
 - b. Inform FTA promptly that its procurement system does not comply with those U.S. DOT regulations, and
6. It will comply with the certifications, assurances, and agreements in:
 - a. Group 08 (Bus Testing),
 - b. Group 09 (Charter Bus Agreement),
 - c. Group 10 (School Transportation Agreement),
 - d. Group 11 (Demand Responsive Service),
 - e. Group 12 (Alcohol Misuse and Prohibited Drug Use), and
 - f. Group 14 (National Intelligent Transportation Systems Architecture and Standards).

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GROUP 23. TIFIA PROJECTS

Applies to awards for Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance authorized under 23 U.S.C. chapter 6.

The following certifications apply to each Applicant for funding under the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program authorized under 23 U.S.C. chapter 6:

1. Federal transit law, specifically 49 U.S.C. 5323(o) requires an Applicant for TIFIA credit assistance funded under 23 U.S.C. chapter 6 and its project to comply with 49 U.S.C. 5307. As required by 49 U.S.C. 5307(d)(1), the Applicant certifies that:

- a. As required by 49 U.S.C. 5307(d)(1)(A), it has or will have the:
 - (1) Legal capacity to carry out its proposed projects,
 - (2) Financial capacity to carry out its proposed projects,
 - (3) Technical capacity to carry out its projects,
 - (4) Safety aspects of its proposed projects, and
 - (5) Security aspects of its proposed projects,
- b. As required by 49 U.S.C. 5307(d)(1)(B), it has or will have satisfactory continuing control over the use of project equipment and facilities,
- c. As required by 49 U.S.C. 5307(d)(1)(C), it will maintain the project equipment and facilities adequately,
- d. As required by 49 U.S.C. 5307(d)(1)(D), it will ensure that the following individuals will be charged not more than fifty (50) percent of the peak hour fare for transportation during non-peak hours using or involving project facilities or equipment supported under 23 U.S.C. chapter 6:
 - (1) Elderly individuals,
 - (2) Individuals with disabilities, or
 - (3) Individuals presenting a Medicare card issued to himself or herself pursuant to title II or title XVIII of the Social Security Act (42 U.S.C. 401 et seq. or 42 U.S.C. 1395 et seq.),
- e. As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement supported with TIFIA funding under 23 U.S.C. chapter 6, it will:
 - (1) Use competitive procurement (as defined or approved by FTA),
 - (2) Not use exclusionary or discriminatory specifications in its procurements,
 - (3) Comply with applicable Buy America laws, and
 - (4) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and
 - (5) Comply with the third party procurement requirements of 49 U.S.C. 5325,
- f. As required by 49 U.S.C. 5307(d)(1)(F), it has complied or will comply with 49 U.S.C. 5307(c) because it:
 - (1) Has informed or will inform the public of the amounts of its TIFIA credit assistance available under 23 U.S.C. chapter 6, and the projects it proposes to undertake,
 - (2) Has developed or will develop, in consultation with interested parties including private transportation providers, the projects it proposes to fund,
 - (3) Has published or will publish a list of its projects in a way that affected citizens, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on the proposed projects and its performance,
 - (4) Has provided or will provide an opportunity for a public hearing to obtain the views of citizens on the proposed projects,
 - (5) Has assured or will assure that the proposed projects provide for coordination of transportation services assisted under 49 U.S.C. 5336 with federally assisted transportation services supported by a Federal government source other than U.S. DOT,
 - (6) Has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of projects, and
 - (7) Has made or will make the final list of projects available to the public,
- g. As required by 49 U.S.C. 5307(d)(1)(G), it:
 - (1) Has or will have the amount of funds required for the local share,
 - (2) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (3) Will provide the local share funds when needed,
- h. As required by 49 U.S.C. 5307(d)(1)(H), the Applicant will comply with:
 - (1) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - (a) Maximize the safe, secure, and efficient mobility of people,
 - (b) Minimize environmental impacts, and
 - (c) Minimize transportation-related fuel consumption and reliance on foreign oil,
 - (2) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - (a) Design public transportation for elderly individuals and individuals with disabilities, and
 - (b) Provide public transportation for elderly individuals and individuals with disabilities, and
 - (3) The requirements of 49 U.S.C. 5303–5306
 - (a) Metropolitan and State Planning, and
 - (b) Private enterprise participation,

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- i. As required by 49 U.S.C. 5307(d)(1)(I), it has a locally developed process to solicit and consider public comment before:
 - (1) Raising a fare, or
 - (2) Implementing a major reduction of public transportation,
- j. As required by 49 U.S.C. 5307(d)(1)(J), if it serves an urbanized area with a population of at least 200,000:
 - (1) Each fiscal year it will spend at least one (1) percent of its funding attributed to 49 U.S.C. 5307 for public transportation security projects, or
 - (2) That fiscal year, it will certify that such expenses for transportation security projects are not necessary,
 - (3) Public transportation security projects include:
 - (a) Increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages),
 - (b) Increased camera surveillance of an area in or adjacent to that system,
 - (c) Emergency telephone line or lines to contact law enforcement or security personnel in an area in or adjacent to that system, and
 - (d) Any other project intended to increase the security and safety of an existing or planned public transportation, and
- k. As required by 49 U.S.C. 5307(d)(1)(K), if it serves an urbanized area with a population of at least 200,000:
 - (1) Each fiscal year, it or all the Recipients of 49 U.S.C. 5307 funding in its urbanized area will spend at least one (1) percent of that funding for transit enhancements, as defined at 49 U.S.C. 5302(a),
 - (2) It will include in its quarterly report for the fourth quarter of the preceding Federal fiscal year a list of the projects during that Federal fiscal year using those 49 U.S.C. 5307 funds, and
 - (3) The report of its transit enhancement projects is or will be incorporated by reference and made part of its certifications and assurances.

2. Federal transit law at 49 U.S.C. 5323(o) requires an Applicant for TIFIA credit assistance funded under 23 U.S.C. chapter 6 and its project to comply with 49 U.S.C. 5309. As required by 49 U.S.C. 5309(g)(2)(B)(iii), 5309(g)(3)(B)(iii), and 5309(i)(2)(C), the Applicant certifies that it will not seek reimbursement for interest and other financing costs incurred in connection with the Project unless:

- a. It is eligible to receive Federal funding for those expenses, and
- b. Its records demonstrate that it has used reasonable diligence in seeking the most favorable financing terms underlying those costs, to the extent FTA may require.

GROUP 24. DEPOSITS OF FEDERAL FINANCIAL FUNDING TO STATE INFRASTRUCTURE BANKS

Applies to awards for 49 U.S.C. chapter 53 funding on behalf of a State Applicant that intends to deposit the funding in a State Infrastructure Bank (SIB). Unless we determine otherwise in writing, the State Applicant itself is ultimately responsible for compliance with its certifications and assurances even though the SIB and a subrecipient may participate in a project financed with our funds deposited in the SIB. Consequently, we encourage the Applicant to take appropriate measures to obtaining sufficient documents from the SIB and each subrecipient, to assure the validity of all certifications and assurances the State Applicant has made.

The following certifications apply to each Applicant for funding under the State Infrastructure Bank Program authorized under 23 U.S.C. 610. The State organization, serving as the Applicant for funding for its State Infrastructure Bank (SIB) Program, assures the agreement of both its SIB and each recipient of SIB funding (subrecipient) that each public transportation project financed with SIB funds will be administered in accordance with:

1. The applicable Federal laws establishing the various SIB programs since 1995:
 - a. Section 1602 of SAFETEA–LU, now codified in 23 U.S.C. 610, or
 - b. Section 1511 of TEA–21, 23 U.S.C. 181 note, or
 - c. Section 350 of the National Highway System Designation Act of 1995, as amended, 23 U.S.C. 181,
2. The Cooperative Agreement establishing the State's SIB program between:
 - a. The State Applicant and Federal parties (FHWA, FRA, and FTA), or
 - b. The State Applicant and Federal parties (FHWA and FTA),
3. The Grant Agreement with the State Applicant that provides FTA funding for the SIB, except that any provision of the FTA Master Agreement incorporated by reference into that Grant Agreement will not apply if it conflicts with any provision of:
 - a. Section 1602 of SAFETEA–LU, now codified in 23 U.S.C. 610,
 - b. Section 1511 of TEA–21, 23 U.S.C. 181 note, or section 350 of the National Highway System Designation Act of 1995, as amended, 23 U.S.C. 181 note, or
 - c. Federal guidance pertaining to the SIB Program,
 - d. The Cooperative Agreement establishing the State's SIB Program, or
 - e. The FTA Grant Agreement,
4. As required by 49 U.S.C. 5323(o), Federal transit laws, specifically 49 U.S.C. 5307 and 49 U.S.C. 5309, apply to any project under 49 U.S.C. chapter 53 that receives SIB support or financing under 23 U.S.C. 610 (or any support from 23 U.S.C. 601–608.). Therefore:
 - a. To comply with 49 U.S.C. 5307, specifically 49 U.S.C. 5307(d)(1), the Applicant certifies that:
 - (1) As required by 49 U.S.C. 5307(d)(1)(A), it has or will have the:

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Formula Grants for Non-Urbanized Areas: 49 USC 5311– CFDA 20.509

- (a) Legal capacity to carry out its proposed projects,
 - (b) Financial capacity to carry out its proposed projects,
 - (c) Technical capacity to carry out its proposed projects,
 - (d) Safety aspects of its proposed projects, and
 - (e) Security aspects of its proposed projects,
- (2) As required by 49 U.S.C. 5307(d)(1)(B), it has or will have satisfactory continuing control over the use of project equipment and facilities,
- (3) As required by 49 U.S.C. 5307(d)(1)(C), it will maintain the project equipment and facilities adequately,
- (4) As required by 49 U.S.C. 5307(d)(1)(D), it will ensure that the following individuals will be charged not more than fifty (50) percent of the peak hour fare for transportation during non-peak hours using or involving project facilities or equipment supported under 23 U.S.C. chapter 6:
- (a) Elderly individuals,
 - (b) Individuals with disabilities, or
 - (c) Individuals presenting a Medicare card issued to himself or herself pursuant to title II or title XVIII of the Social Security Act (42 U.S.C. 401 et seq. or 42 U.S.C. 1395 et seq.),
- (5) As required by 49 U.S.C. 5307(d)(1)(E), when carrying out a procurement supported by the SIB program, 23 U.S.C. 610, it will:
- (a) Use competitive procurement (as defined or approved by FTA),
 - (b) Not use exclusionary or discriminatory specifications in its procurements,
 - (c) Comply with applicable Buy America laws, and
 - (d) Comply with the general provisions for FTA programs of 49 U.S.C. 5323, and
 - (e) Comply with the third party procurement requirements of 49 U.S.C. 5325,
- (6) As required by 49 U.S.C. 5307(d)(1)(F), it has complied with or will comply 49 U.S.C. 5307(c) because it:
- (a) Has informed or will inform the public of the amounts of its SIB funding under 23 U.S.C. 610, and the projects it proposes to undertake,
 - (b) Has developed or will develop, in consultation with interested parties including private transportation providers, the projects proposed to be funded,
 - (c) Has published or will publish a list of its projects in a way that affected citizens, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on the proposed projects and its performance,
 - (d) Has provided or will provide an opportunity for a public hearing to obtain the views of citizens on the proposed projects,
 - (e) Has assured or will assure that the proposed projects provide for coordination of transportation services assisted under 49 U.S.C. 5336 with federally assisted transportation services supported by a Federal government source other than U.S. DOT,
 - (f) Has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of projects, and
 - (g) Has made or will make the final list of projects available to the public,
- (7) As required by 49 U.S.C. 5307(d)(1)(G), it:
- (a) Has or will have the amount of funds required for the local share,
 - (b) Will provide the local share funds from approved non-Federal sources except as permitted by Federal law, and
 - (c) Will provide the local share funds when needed,
- (8) As required by 49 U.S.C. 5307(d)(1)(H), the Applicant will comply with:
- (a) The requirements of 49 U.S.C. 5301(a) for public transportation systems that:
 - 1 Maximize the safe, secure, and efficient mobility of people,
 - 2 Minimize environmental impacts, and
 - 3 Minimize transportation-related fuel consumption and reliance on foreign oil,
 - (b) The requirements of 49 U.S.C. 5301(d) for special efforts to:
 - 1 Design public transportation for elderly individuals and individuals with disabilities, and
 - 2 Provide public transportation for elderly individuals and individuals with disabilities, and
 - (c) The requirements of 49 U.S.C. 5303–5306 for:
 - 1 Metropolitan and State Planning, and
 - 2 Private enterprise participation,
- (9) As required by 49 U.S.C. 5307(d)(1)(I), it has a locally developed process to solicit and consider public comment before:
- (a) Raising a fare, or
 - (b) Implementing a major reduction of public transportation,
- (10) As required by 49 U.S.C. 5307(d)(1)(J), if it will be using 49 U.S.C. 5307 funds and it serves an urbanized area with a population of at least 200,000:
- (a) Each fiscal year, it will spend at least one (1) percent of its 49 U.S.C. 5307 funding for public transportation security projects, or
 - (b) That fiscal year, it will certify that such expenses for transportation security projects are not necessary,
 - (c) Public transportation security projects include:

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- 1 Increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages),
- 2 Increased camera surveillance of an area in or adjacent to that system,
- 3 Emergency telephone line or lines to contact law enforcement or security personnel in an area in or adjacent to that system, and
- 4 Any other project intended to increase the security and safety of an existing or planned public transportation project, and

(11) As required by 49 U.S.C. 5307(d)(1)(K), if it will be using 49 U.S.C. 5307 funds and it serves an urbanized area with a population of at least 200,000:

- (a) Each fiscal year, it or all the Recipients of 49 U.S.C. 5307 funding in its urbanized area will spend at least one (1) percent of that funding for transit enhancements, as defined in 49 U.S.C. 5302(a),
- (b) It will include in its quarterly report for the fourth quarter of the preceding Federal fiscal year a list of the projects during that Federal fiscal year using those 49 U.S.C. 5307 funds, and
- (c) The report of its transit enhancement projects is or will be incorporated by reference and made part of its certifications and assurances.

b. To comply with 49 U.S.C. 5309, specifically 49 U.S.C. 5309(g)(2)(B)(iii), 5309(g)(3)(B)(iii), and 5309(i)(2)(C), the Applicant certifies that it will not seek reimbursement for interest and other financing costs incurred in connection with the Project unless:

- (1) It is eligible to receive Federal funding for those expenses, and
- (2) Its records demonstrate that it has used reasonable diligence in seeking the most favorable financing terms underlying those costs, to the extent FTA may require.

3. Federal guidance that may be issued and amendments thereto, unless FTA has provided written approval of an alternative procedure or course of action.

City of Cottonwood, Arizona City Council Agenda Communication



 Print

Meeting Date:	December 4, 2012
Subject:	A Resolution Supporting the Completion of Highway 260 between Cottonwood and Camp Verde.
Department:	City Manager
From:	Doug Bartosh, Office of the City Manager

REQUESTED ACTION

The City Council is requested to approve Resolution 2674 which encourages the Arizona Department of Transportation (ADOT) to complete Highway 260 between Cottonwood and Camp Verde.

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is: I move to approve Resolution 2674 encouraging ADOT to complete Highway 260 between Cottonwood and Camp Verde.

BACKGROUND

For several years, the various jurisdictions have been supportive of widening and improving Highway 260 between Cottonwood and Camp Verde. ADOT was an active partner in such discussions and was prepared and funded to complete the work on Highway 260. Unfortunately, the various jurisdictions and private land owners were not able to agree on the design of the improvements and as a result, ADOT dropped the larger project in favor of making lesser improvements in some areas of Highway 260.

During the past few months, Camp Verde has re-initiated discussions regarding the improvements to Highway 260 recognizing the benefits of the highway improvements to their town and the rest of the Verde Valley. They have contracted with a consulting firm to assist them in lobbying for the Highway 260 improvements with ADOT and helping the Verde Valley jurisdictions and private property owners reach consensus on the design.

Previously, the Verde Valley jurisdictions lobbied the ADOT Board to place the Highway 260 improvements back on their five year capital improvement list which they did for 2016. However, there is a minimal amount of funding identified at this point so in order to ensure the movement and funding of this project, Verde Valley jurisdictions will need to reach consensus and be prepared to lobby for additional funding both with ADOT and the legislature to move this project forward.

This Resolution represents the first step in relaying the message to the ADOT Board that the Verde Valley jurisdictions are committed to this project and to reaching consensus on the design of the improvements.

JUSTIFICATION/BENEFITS/ISSUES

The City Council and our citizens clearly recognize the benefit of improving Highway 260 all the way to Camp Verde and I-17. These improvements will increase safety and improve economic development by creating an effective transportation corridor for our community members and visitors.

The ADOT Board stopped the Highway 260 projects previously because the various jurisdictions could not agree on the design of the highway improvements. This resolution will help to demonstrate our commitment to reaching consensus and to demonstrate our support for the project. The other jurisdiction within the Verde Valley are also moving to approve such a Resolution so they can be jointly presented to the ADOT Board.

COST/FUNDING SOURCE

At this point, there is no funding required by the City of Cottonwood.

ATTACHMENTS:

Name:

Description:

Type:

 [RES2674.doc](#)

Resolution Number 2674

Cover Memo

RESOLUTION NUMBER 2674

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, SUPPORTING THE WIDENING OF STATE ROUTE 260 BETWEEN COTTONWOOD AND CAMP VERDE.

WHEREAS, State Route 260 is a vital corridor of commerce for Verde Valley communities that have experienced significant population and commerce growth in the last decade; and

WHEREAS, the existing sections of two lanes on State Route 260 between Cottonwood and Camp Verde from Thousand Trails to the I-17 present an ever increasing public safety risk to the thousands of private and commercial motorists that use this highway, cause congestion, and slow potential commerce; and

WHEREAS, the widening of State Route 260 would significantly benefit all residents, visitors, businesses, and communities within the Verde Valley; and

WHEREAS, the necessity for the widening of State Route 260 into a four-lane divided highway west of the I-17 between Camp Verde and Cottonwood has been studied, publicly scoped, debated and is well established; and

WHEREAS, Verde Valley community leaders agree that the design, construction, access, intersections, amenities that take into consideration such issues as aesthetics, accommodation of bicycles, and transit services of State Route 260 should be designed and constructed based on objective transportation and access management practices established by the ADOT professional design/construction team.

NOW, THEREFORE, BE IT RESOLVED, by all Verde Valley Community leaders working with residents and businesses to strongly urge and advocate for the widening of State Route 260 into a four-lane divided highway between Camp Verde and Cottonwood. We also hereby commit to assign a design/engineering/planning professional to work with a team from ADOT and other Verde Valley communities herein to develop a recommended design for SR 260.

RESOLUTION NUMBER 2674

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PASSED AND ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE
MAYOR OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, THIS
4TH DAY OF DECEMBER 2012.

Diane Joens, Mayor

ATTEST:

Marianne Jiménez, City Clerk

APPROVED AS TO FORM:

Steve Horton, Esq., City Attorney

**City of Cottonwood, Arizona
City Council Agenda Communication**



 Print

Meeting Date:	December 4, 2012
Subject:	Consideration of Closing City Offices Monday, December 24, 2012 as Part of a City Holiday
Department:	City Manager
From:	Doug Bartosh, City Manager

REQUESTED ACTION

City Council consideration of approving the closure of City offices on Monday, December 24, 2012 as part of the City Holiday

SUGGESTED MOTION

If the Council desires to approve this item the suggested motion is:

I move to approve closure of the City offices on Monday, December 24, 2012, as part of the City Holiday with public safety and other essential services remaining staffed as appropriate.

BACKGROUND

The City Christmas holiday is December 25th which falls on Tuesday this year. A large number of staff would like to take the day before to spend with their families. Staff anticipates very little business that day as people will be completing their last minute shopping and spending time with family. Consequently, we have staff on duty with very little need and the cost of utilities to keep city buildings open.

JUSTIFICATION/BENEFITS/ISSUES

In 2003, the Council approved closing city offices on December 26, 2003, which fell on a Friday. In addition, Council approved closing city offices on December 27, 2007 as well as on Friday, December 26, 2008 in order to allow employees more time to spend with their families after the Christmas holiday.

The City Manager is confident that our employees strive to complete the work required and beyond and that regardless of this extra day off, they will accomplish whatever work is required to ensure city services are always provided at the highest level and that we meet the Council's goals.

COST/FUNDING SOURCE

Any additional costs will be absorbed into the individual department budgets.

ATTACHMENTS:

Name:	Description:	Type:
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No Attachments Available

CLAIMS REPORT OF DECEMBER 4, 2012

FUND TOTAL	VENDOR NAME	DESCRIPTION	TOTAL \$0.00
CLAIMS EXCEPTIONS REPORT OF DECEMBER 4, 2012			
FUND	VENDOR NAME	DESCRIPTION	TOTAL
All	City of Cottonwood	Payroll 11/09/12	\$431,682.85
All	City of Cottonwood	Payroll 11/23/12	\$442,476.15
All	APS	Utilities	\$72,417.76
Utilities Hurf	Blucor Contracting	PO 19119 Mingus Ave, PO 19148 change orders 1-2-3, PO 19179 change order 4&5, Po 19189 change order 6	\$178,257.06
Utilities	Envirogen Technologies	PO 19153 Arsenic Maintenance	\$34,712.16
Utilities	Ferguson Waterworks Inc	PO 19192 and supplies	\$16,084.18
Utilities	Heavy Equipment Machinery, Inc	PO 19201 Equipment Repair	\$6,047.75
Gen	Public Sector Personnel Consultants	Comp Study	\$6,200.00
Gen	Reese & Sons Tires	Vehicle Maintenance	\$5,912.73
Gen	The Van Wyck Law Firm	Prosecuting Atty	\$7,000.00
All	United Fuel	Fuel	\$17,065.65
All	AZ State Treasurer	October Court Fines 2012	\$17,817.17
Utilities	HD Supply Waterworks	PO 19203 - handheld maint, PO 19205 Parts, PVC, Fire Hydrant, 3rd & Pima	\$19,323.88
Utilities	US Postmaster	Postage Utilities	\$5,350.00
All	APS	Utilities	\$17,162.90
Gen	Accurate Building Maintenance LLC	Custodial PO 19210	\$18,911.00
All	Az Public Employers Health Pool	November 2012 Premiums	\$147,399.44
Gen	Cottonwood Chamber of Commerce	Bed Tax and Painted Barrel	\$8,540.37
All	Cottonwood Municipal Utilities	Water Utilities	\$5,957.00
All	Larry Green Chevy	Vehicle Maintenance	\$18,268.83
Gen	Larry Green Chevy	Sales Tax October	\$14,043.66
Utilities	Legend Tech Services	Lab Testing July to October	\$8,046.54
Gen	Public Sector Personnel Consultants	Reissue lost check for Comp Study	\$6,000.00
All	United Fuel	Fuel	\$14,528.91
TOTAL			\$1,519,205.99