

Agreement / CAR Number	GRT-19-0007458-T
AG Contract Number	P0012013003419
AFIS Vendor Number & Address Code	IV0000007364 I0002
AFIS GAE Number	GRT190007458
AFIS Program/Phase Eligible From Date Eligibility Expiration Date Project Details	Refer to Exhibit A

GRANT AGREEMENT

BETWEEN

THE ARIZONA DEPARTMENT OF TRANSPORTATION
MULTIMODAL PLANNING DIVISION acting for and on behalf of
THE STATE OF ARIZONA

AND

THE CITY OF CASA GRANDE PUBLIC WORKS DEPARTMENT

This GRANT AGREEMENT, established pursuant to Arizona Revised Statutes (A.R.S.) § 28-7281, is entered into _____, between the ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) MULTIMODAL PLANNING DIVISION (MPD) acting for and on behalf of THE STATE OF ARIZONA herein referred to as the STATE or ADOT, and the CITY OF CASA GRANDE PUBLIC WORKS DEPARTMENT, a Local Government agency herein referred to as the RECIPIENT. The STATE, ADOT, and the RECIPIENT are collectively referred to as the “Parties”, and individually as STATE, ADOT, RECIPIENT, and “Party”.

I. RECITALS

- 1) ADOT 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 has obtained appropriate action by ordinance or resolution or otherwise pursuant to the laws or other rules and regulations applicable to it and its governing bodies and is authorized to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of RECIPIENT.
- 3) Exhibit A: Project Award Description provides the Project Award Description, Eligibility Dates, Funding Participation, and Match Requirements. The STATE and the RECIPIENT desire to secure the Project as described in Exhibit A through the expenditure of State Economic Strength Project Funds and carried out according to this Agreement and under the applicable sections of ARS 28-7282 et seq.
- 4) Exhibit B: Program Description provides the statutory reference and describes rules, regulations, and requirements specific to the program(s) awarded in this Agreement.
- 5) Exhibit C: Responsibility Matrix delineates key requirements specific to roles. The STATE and the RECIPIENT desire defining their respective responsibilities related to the expenditure and reimbursement of up to the amount of funds described in Exhibit A and referred to as the PROJECT within the authority granted by the Program described in Exhibit B.

- 6) Exhibit D: Procurement and Third Party Contract Provisions provides rules specific to RECIPIENT procurement in this Agreement.
- 7) Exhibit E: Discrimination & Title VI Requirements provides mandatory Title VI requirements.
- 8) Exhibit F: Disadvantaged Business Enterprise (DBE) Requirements provides mandatory DBE requirements.
- 9) Exhibit G: Insurance (Risk Management) Requirements provides mandatory insurance requirements.
- 10) Exhibit H: Language Modifications for Tribes, Nations, and Native American Communities provides exceptions, exemptions, and language variations for Agreements with Tribes, Nations, or Native American Indian Communities.
- 11) The RECIPIENT assures that it will comply with applicable provisions of the Americans with Disabilities Act (ADA), (Public Law No. 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act including 28 CFR parts 35-36, and applicable provisions of 49 CFR Parts 27, 37 and 38: Transportation for Individuals with Disabilities; Final Rule. The parties to this Agreement shall comply with Executive Order Number 2009-09 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".
- 12) RECIPIENT qualified local match and fees for the PROJECT to be procured by the STATE is due upon demand and prior to procurement. Match for PROJECT to be procured by RECIPIENT shall be indicated in and deducted from request for reimbursement.
- 13) The APPLICATION for 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.
- 14) The State has the authority to re-distribute Award if the signed Agreement is not received by the program required deadline, or if applicable cash Match (if required) is not received, so that the Agreement may be executed within 90 calendar days from the date that Exhibit A documenting Award is distributed.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

II. SCOPE

- 1) RECIPIENT shall provide specific services or activities related to eligible funding, herein called the PROJECT in accordance with the RECIPIENT'S application(s), incorporated herein as referenced and as described in Exhibit B and the PROJECT description and Award described in Exhibit A.
- 2) PROJECT expense and cost awards will be detailed in Exhibit A. Awards may consist of any combination of expense or cost categories eligible in the associated grant program.

- 3) PROJECT Award is limited to the quantity, description, and/or pricing of the items identified in Exhibit A. Any needed or desired variation from quantity, description, or pricing must be requested in writing and approved by the Program Manager prior to procurement or incurring expenses. Approvals will result in a modified Exhibit A being issued. For PROJECT Award items being procured by ADOT, actual pricing that exceeds the estimate on Exhibit A and requiring additional MATCH will be confirmed with the RECIPIENT prior to purchase.
- 4) RECIPIENT eligible PROJECT expenditures or incurrence of costs may not occur prior to the “Expenses Eligible from Date” and must occur prior to the “Eligibility Expiration Date” established in Exhibit A. All support documentation must be dated within that established data range to be considered eligible.
- 5) Authorized PROJECT-appropriate expenses and costs associated with the PROJECT Award, supported by receipts and other suitable and appropriate documentation, and incurred within the Exhibit A established data range are eligible for reimbursement upon execution of this Agreement. Final reimbursement requests must be received no later than 30 calendar days after the calendar quarter within which the Eligibility Expiration Date occurs to be eligible for reimbursement unless an extension has been granted by the Program Manager. Extensions must be documented on a Modified Exhibit A.

III. RESPONSIBILITIES

1) ADOT or its assignees will:

- a. Review PROJECTS for compliance with statutory requirements, oversight requirements, and program guidance.
- b. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.
- c. Assure funding is available to reimburse invoices submitted no later than 30 calendar days beyond the Eligibility Expiration Date of the Project unless the project is moved to an inactive status because no invoicing has been received for two consecutive calendar quarters.
- d. Review invoices, when appropriate to the Grant Award, from RECIPIENT and reimburse RECIPIENT within 30 calendar days after receipt and approval of invoices, in a total amount not to exceed the lesser of the approved invoiced costs or the Grant Award.
- e. Communicate with RECIPIENT as necessary to facilitate program compliance and procedural efficiency.

2) RECIPIENT will:

- a. Administer the grant from award to closeout.
- b. Take necessary steps to ensure compliance with program or Agreement stipulated deadlines.
- c. Develop and have in place prior to use of award internal policies and systems that ensure effective management of awards and compliance with grant requirements.

- d. Implement strong internal controls for accounting and compliance with grant terms and conditions and ensure that RECIPIENT financial management system and any other system used for documentation or compliance is appropriate to implement the Project.
- e. Establish a budget of the costs required to perform the Project and a method for monitoring actual costs against the budget.
- f. Ensure that matching funds qualify under Program requirements and submit payment of Grant required MATCH or other fees as indicated in Exhibit A upon demand by the STATE.
- g. Comply with all terms of the Grant Program in accordance with the RECIPIENT application(s) and statutes in effect at the time of application or subsequently revised and incorporated herein by reference.
- h. Perform all tasks designated on the Responsibility Matrix. Copy the Arizona Corporation Commission (ACC) Project Manager on all progress or status reports from the matrix.
- i. 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.
- j. 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.
- k. In the event of an accident involving any equipment funded under this Agreement, the RECIPIENT shall, within 48 hours, notify the ADOT Program Manager and the MPD Finance & Administration Manager (see Exhibit B) electronically via email. 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 an amount equal to the remaining STATE 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.
- l. Communicate with STATE as necessary to facilitate program compliance and procedural efficiency.
- m. Provide all required reports required by Program requirements or as requested by ADOT in a timely manner and as required by the STATE.
- n. Ensure users of PROJECT equipment and/or services meet applicable regulations and statutes.
- o. Review documentation supporting PROJECT expenditures for eligibility and ensure program match requirements are met.

- p. Comply with Performance Measure requirements when and as established or as designated by the STATE for its compliance.
- q. Comply with Cross-Cutting requirements for asset management plans and reporting of asset inventory and condition information when and as established by the STATE.
- r. Demonstrate that funds are expended for eligible and allocable activities; track receipts, disbursements, assets, liabilities, and balances; and track and report program income.
- s. Report to the STATE as required by the program but at a minimum so that payments may be completed quarterly on the Billing Summary and Reimbursement form provided by ADOT, for categorized reimbursable Project costs/expenses awarded as detailed in Exhibit A, as authorized and allowable under the grant requirements, and supported as required with vendor invoices, original receipts, or other suitable and appropriate documentation.

The final invoice for each State Fiscal Year for all work completed through June 30 each year shall be submitted no later than July 15 each year. In the event this deadline cannot be met, the RECIPIENT shall communicate with the MPD Finance Manager to establish a deadline for submission. Invoices received after the deadline for submission may be deemed non-reimbursable.

In the event that no expenditures occurred during a calendar quarter, submit a progress report to the ADOT Project Manager and explain the delay in the Project or reason for no billable charges. Projects with no billable activities for two consecutive quarters may be placed in an inactive status without this evidence.

To be eligible for reimbursement, costs must meet the following general criteria:

- Be a direct cost. Indirect costs are eligible for reimbursement only with an indirect cost plan approved by the RECIPIENTs federal cognizant agency and accepted by ADOT as indicated on Exhibit A.
 - Be necessary and reasonable for proper and efficient performance and administration of the Project;
 - Be an eligible expense under program regulations and requirements;
 - Be treated consistently. A cost may not be assigned to the grant as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a grant as an indirect cost;
 - Be determined in accordance with generally accepted accounting principles (GAAP);
 - Be excluded as a cost or not used to meet cost sharing or matching requirements of any other award in either the current or a prior billing period;
 - Be the net of all applicable credits; and
 - Be adequately documented to include a system generated financial summary, or Excel spreadsheet accompanied by appropriate backup documentation (i.e. invoices, payroll, etc.), disclosing an expense amount that matches the invoice amount.
- t. Submit program required reports of procurement activities according to the section labeled: **PROCUREMENT AND THIRD PARTY CONTRACT PROVISIONS** and submit reports of contract activities via email in a spreadsheet template provided by the ADOT Program Manager.

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 RECIPIENT 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 plus 36 months after Project completion.

This Agreement may be cancelled at any time prior to the commencement of performance under this Agreement, upon thirty (30) calendar days written notice to the other party.

- 3) **Amendments:** This Agreement may be amended upon mutual agreement of the Parties at any time when in the best interest of STATE, or RECIPIENT. Modifications to Exhibit A describing the details of the approved PROJECT may be modified without adopting a formal amendment to this Agreement; acceptance of the modification shall be indicated by signature on the modified Exhibit A by an authorized signatory from the RECIPIENT.
- 4) **Match:** Any needed or desired variation from quantity, description, or pricing must be requested in writing and approved by the Program Manager prior to procurement. Approvals will result in a modified Exhibit A being issued with updated approved not-to-exceed award, pricing, and MATCH indicated. Without advance approval, RECIPIENT is responsible for all of the increased price or quantity procured.

In the event that this Agreement is terminated after matching and/or fee funds have been issued to and deposited by the STATE, there is no guarantee of timeframe for refund of match funds, and refund shall not occur prior to the reassignment of the PROJECT award to another eligible agency and payment by that agency of any required matching funds. Remitted fees may be non-refundable, depending on the purpose of the fees except when this Agreement is terminated by ADOT or the STATE at no fault of the RECIPIENT.

In circumstances where the RECIPIENT cannot accept delivery of the Project Equipment or where surrender of equipment is required, refund of capital match will be based on current fair-market value at the time of surrender less the cost of any repairs or modifications required to affect reassignment to another recipient or program.

- 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) **Statutory Compliance:** All parties shall comply with all applicable federal, state, and local requirements including all applicable provision of A.R.S. 28-7281 through 28-7286 et seq. and other applicable regulations where and when relevant.
- 7) **Conflict of Interest:** This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511. The cancellation shall be effective when notified by the Department.
- 8) **Recordkeeping:** All RECIPIENTS and/or their CONTRACTORS and the parties shall retain all data, books, and other records relating to this Agreement for a period of five (5) 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.
- 9) **Audit:** The administration of resources awarded by ADOT to the RECIPIENT may be subject to audits and/or monitoring by ADOT including but not be limited to: on-site visits by ADOT staff or designees, and limited scope audits. 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.

The RECIPIENT shall follow up and take corrective action on audit findings. Preparation of summary schedule of prior year audit findings, including corrective action(s), a timetable for resolution with anticipated completion date(s), person responsible for corrective action, and contact information, and current status of the audit findings are required to be submitted to ADOT. Current year audit findings require corrective action(s), a timetable for resolution with anticipated completion date(s), person responsible for corrective action, and contract information and status of findings will also be reported to ADOT.

If the RECIPIENT fails to take corrective action, ADOT will make a determination to:

- a. make financial adjustments to the allocated Federal funding as determined appropriate, up to and including repayment by the RECIPIENT of disallowed costs, or
- b. take other action as determined appropriate.

If the RECIPIENT has not completed corrective action, a timetable for follow-up should be provided with an explanation and specific reasons for non-completion.

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 shall be submitted to SingleAudit@azdot.gov.

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 SingleAudit@azdot.gov.

- 10) **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 Statute 12-1518.
- 11) **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 Contract.
- 12) **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.
- 13) **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 RECIPIENT or STATE without penalty or recourse.
- 14) **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 the Agreement Article titled: *Arbitration*.
- 15) **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.

16) **Title VI of the Civil Rights Act of 1964.** ADOT and its RECIPIENTS 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, or national origin 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 and shall comply with Title VI of the Civil Rights Act of 1964, as amended, 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). Refer to Exhibit E for requirements in contracting and procurement.

17) **Israel Boycott Not Permitted.** Legislation has been enacted to prohibit the State from contracting with companies currently engaged in a boycott of Israel. To ensure compliance with A.R.S. §35-393.01, the RECIPIENT warrants that it is not engaged in a boycott of Israel as defined in A.R.S. 35-393 et seq.

Note: In *Jordahl v. Brnovich et al.*, Case No. 3:17-cv-08263 (D. Ariz.), the U.S. District Court entered a preliminary injunction that enjoins the State from enforcing A.R.S. § 35-393.01(A) (the "Anti-Israel Boycott Provision"). That statute states that: "[a] public entity may not enter into a contract with a company to acquire or dispose of services, supplies, information technology or construction unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of Israel." Unless and until the District Court's injunction in *Jordahl* is stayed or lifted, the Anti-Israel Boycott Provision (A.R.S. § 35-393.01(A)) is unenforceable and the State will take no action to enforce it.

V. SECURITY AGREEMENT

- 1) In consideration of the funded PROJECT equipment identified in Exhibit A including any equipment added, and conveying title thereto, the RECIPIENT hereby grants ADOT a security interest in the PROJECT equipment in the amount indicated in Exhibit A as the "STATE 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 Articles VI.1.a or VI.1.c, 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 Agreement Articles titled: *Termination for Convenience* and/or *Termination for Default*. 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 current Program Guidebook and Application for the grant year, the equipment may be surrendered to ADOT subject to stipulated terms and ADOT 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) 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.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

**THE CITY OF CASA GRANDE PUBLIC WORKS
DEPARTMENT**

STATE OF ARIZONA

Arizona Department of Transportation

By

Craig McFarland, Mayor

By

Gregory Byres, Division Director
Multimodal Planning Division

Date Signed

Date Signed

APPROVAL OF THE CITY OF CASA GRANDE PUBLIC WORKS DEPARTMENT

I have reviewed this Grant Agreement BETWEEN the STATE OF ARIZONA, by and through its ARIZONA DEPARTMENT OF TRANSPORTATION, MULTIMODAL PLANNING DIVISION and the CITY OF CASA GRANDE PUBLIC WORKS DEPARTMENT and declare this Agreement to be in proper form and within the powers and authority granted to the CITY OF CASA GRANDE PUBLIC WORKS DEPARTMENT 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 _____

Brett Wallace, City Attorney

Attorney for the CITY OF CASA GRANDE PUBLIC WORKS DEPARTMENT

Note: This page is mandatory for any public agency. If you are not a public agency, at your option, you may write *"Acknowledged and Waived"* above an authorized signatory's signature. It is recommended that you have an attorney review the document even if not mandatory.

Page to be replaced with UPLOADED document

AG Determination Letter

Exhibit A
PROJECT AWARD DESCRIPTION

Award Description	Local Cash Match¹ on Eligible Costs	Grant Award of ESP-Eligible Project Costs	Total Eligible Costs (Match + ESP-Eligible Costs)	ESP-Ineligible Project Costs²	Total Estimated Project Cost (Match + ESP-Eligible + ESP-Ineligible Costs)
ESP, GCG0301C Peters Rd and Thornton Rd Traffic Signal	\$630,880	\$500,000	\$1,130,880	\$0.00	\$1,130,880
Eligible From Date	Agreement Execution Date		Eligibility Expiration Date ³		18 months from Agreement Execution Date
The project will construct the traffic signal at Peters Rd and Thornton Rd and any necessary utility relocation. The project will help traffic control leading to the Lucid Motors manufacturing facility at the location.					
¹ You may not use Federal funds as Match for this grant. Cash match must be at least 10% of the Eligible Project Costs. The amount of eligible costs incurred beyond the ESP Grant is the responsibility of the RECIPIENTSUBRECIPIENT and may exceed 10%. ² These are costs that were not awarded for reimbursement from this ESP Grant but will be incurred as part of the total Project costs. ³ See Section II Scope, item (5) for final invoice deadlines.					

Eligible Project Costs include but are not limited to:

- Public highway construction and/or reconstruction
- Turn Lanes
- Acceleration/deceleration lanes
- Utility placement within the public right of way that is component of the overall public highway construction project.
- Curb and gutter and/or other drainage construction associated with the overall public highway construction project

Costs ineligible for reimbursement or use as a match include but are not limited to:

- Application preparation
- Routine maintenance and rehabilitation
- Landscaping
- Beautification
- Construction of areas not designated for vehicular traffic such as sidewalks, etc.
- Work done on private property
- Signage for private companies
- Contingency fees
- Property purchase or easements
- Roadway and highway design and engineering
- Work done prior to the effective date of the ESP agreement
- Grant administration

EXHIBIT B
PROGRAM DESCRIPTION
Economic Strength Projects Grant Program
State of Arizona Highway User Revenue Fund 100%

The ESP is a competitive grant program designed to enhance the economic strength and competitiveness of Arizona rural communities by providing funding for highway projects that foster job growth. The ESP will reimburse specified costs of qualifying rural road and/or highway projects that are projected to accomplish one or more of the following: (i) retain a significant number of jobs, (ii) significantly increase the number of new jobs, (iii) foster significant private capital investment and (iv) otherwise make a significant contribution to the regional economy, particularly in base industries.

Administration of the ESP is shared between the Arizona Commerce Authority (ACA) and the Arizona Department of Transportation (ADOT). After initial screening by the ACA of eligible Projects and a recommended priority ranking of eligible Projects by the ACA's Rural Business Development Advisory Council (RBDAC), ADOT is charged with the final selection of approved Projects and with the contractual and financial administration of the Program. Further, see RFP Sections 3.1 and 4.1 and A.R.S. §§ 41-1505(E) and 28-7286(A).

Available Funding

Funding for the Program is allocated to ADOT through the Highway User Revenue Fund.

The total amount available for grants pursuant to the ESP is \$1,000,000. The ACA and ADOT reserve the right to award less than \$1,000,000 in ESP grants depending on, among other considerations, the number and quality of Project proposals ("Proposals") received. Unallocated Program funds may be available for use in future Economic Strength Grant Project funding rounds. A single ESP grant award cannot exceed \$500,000. There is no prescribed minimum ESP grant award. The ACA and ADOT may choose to make one or more ESP grant awards.

Eligible Applicants

Applicants eligible for the ESP are as follows:

- Arizona incorporated cities and towns with populations of less than 150,000 (based on U.S. Census Bureau 2010 population data) not contiguous with or situated within a Metro Area
- Arizona counties with populations of less than 750,000 (based on U.S. Census Bureau 2010 population data)
- Federally recognized Indian tribes situated in Arizona.

STATE Contact Information				
	Agreement Contact	Reimbursement Contact	ADOT Project Manager	ACC Project Manager
Name	Sally J. Palmer	Angela Ringor	Ungyo (Lynn) Sugiyama	Keith Watkins
Title	Contracts Program Manager	Senior Accountant	Transportation Planner 4	Sr. VP of Economic and Rural Development
Email	SPalmer@azdot.gov	ARingor@azdot.gov	LUngyoSugiyama@azdot.gov	keithw@azcommerce.com
Phone	602-712-6732	602-712-8316	602-712-6883	602-845-1278
Invoice Submissions	MPDInvoice@azdot.gov			
Mailing Address	Arizona Department of Transportation			
	Multimodal Planning Division			
	Mail Drop 310B			
	206 S. 17th Avenue			
	Phoenix, AZ 85007			

RECIPIENT Contact Information					
	Contract Legal Signatory <i>Authorized to Execute (Sign) Agreement</i>	Attorney Contact <i>Sign Determination (Agreement in proper form and within the powers and authority granted)</i>	Agreement Contact <i>Receives Executed Agreement for Official Agency Records</i>	Accounting Contact <i>Receives Executed Agreement for Funding and Billing Records; Point of Contact for Questions on Billing</i>	Project Manager <i>Reviews Agreement Content and Starts signature process; Responsible for Managing Project and Tracking Progress</i>
Name	Craig McFarland	Brett Wallace	Gloria Leija	Celina Morris	Duane S. Eitel
Title	Mayor	City Attorney	City Clerk Director	Financial Director	City Traffic/Transportation Engineer
Email	craig.mcfarland@casagrandeaz.gov	cityattorney@casagrandeaz.gov	cityclerk@casagrandeaz.gov	finance@casagrandeaz.gov	deitel@casagrandeaz.gov
Phone	520-421-8600	520-421-8600	520-421-8608	520-421-8601	520-421-8625 ext. 3300
Mailing Address	3181 N Lear Avenue				
	Casa Grande, AZ 85122-7925				
Remittance Address	City Hall, Building B, Finance Department				
	510 E. Florence Blvd., Casa Grande, AZ 85122				

EXHIBIT C
RESPONSIBILITY MATRIX

Actions (not all-inclusive list)	RECIPIENT Responsibility	STATE / ADOT Responsibility
Agreement Reviews / Approval	Submit to attorney for review prior to presentation to the governing body; Governing body must take appropriate action to approve the IGA and provide evidence of said action	Draft and send to Awarded Recipient
Match Approval	Where required, obtain official approval/vote and submit to ADOT Contract Program Manager within 90 calendar days of notice of award, identifying original source (federal agency, local revenue, not-for-profit, for-profit.)	Review/Approve as eligible; Maintain Documentation
Execute Agreement	Sign Agreement and return within 60 calendar days of receipt	Execute Agreement within 90 calendar days from award of grant.
Procurement	Procure according to rules established in the Agreement.	Determine applicable procurement laws, rules, and regulations
Expenditures	Expenditures are only eligible upon the execution date of the Agreement and must be incurred within 18 months	Review/Approve as eligible and within permissible timeframe
Reimbursement Requests	Submit the first reimbursement request no later than 8 months after the effective date of the Agreement. Submit Reimbursement/Billing Summary form and adequate support documentation to MPDInvoice@azdot.gov	PM - Review and Approve/Reject within 7 calendar days; Grant Accountant - process payments within 14 calendar days from receipt
Match	Allocate at least 10% match to qualifying project costs on every reimbursement request, identifying fund source	Review/Approve as eligible. Grant funds from other State-funded programs, including the ACA's Rural Economic Development Grant ("REDG"), are ineligible as matching funds
Progress Reports	Submit within 20 calendar days after the close of each calendar quarter	Determine content and provide the forms. Track project outcomes relative to goals
Annual Outcome Report	Provide an annual outcome report for a period of 36 months	Track project outcomes relative to goals
Compliance	Comply with all applicable terms and conditions as stipulated in the Agreement and in the application guide.	Oversight & Contract Administration

EXHIBIT D
PROCUREMENT AND THIRD PARTY CONTRACT PROVISIONS

In the event the RECIPIENT is authorized to procure Project construction services, RECIPIENT is responsible for following all procurement requirements established in the Agreement, by the Program, and applicable Arizona Revised Statutes. Include applicable contract provisions in every third-party contract and purchase order.

In the event that zero federal monies will be used as match and this project is not within the bounds of an existing federally funded project:

1. If the recipient is a local public agency or political subdivision of this state and has adopted the State Procurement Code pursuant to ARS 41-2501, the recipient shall follow the State Procurement Code. In the event the State Procurement Code has not been adopted, the recipient must reconcile the differences between local procurement rules and the State Procurement Code and receive authorization to proceed under local rules.
2. If the recipient has completed procurement self-certification processes through ADOT, the recipient shall follow the certified procurement rules.

In the event this project is within the bounds of an existing federally funded project, procurement of the portion of the project funded by these ESP dollars must be procured as required under the federally-funded project's requirements except that:

1. If the recipient is a local public agency or political subdivision of this state and has adopted the State Procurement Code pursuant to ARS 41-2501, the recipient shall follow the State Procurement Code except and unless a federal rule applicable pursuant to the rules of the funding agency is more restrictive, then it shall apply.
2. All other recipients shall follow 2 CFR 200.317 through 200.326 as applicable, Appendix II to Part 200, other CFR references provided in 2 CFR part 200 et seq. Contract provisions are available from <http://www.ecfr.gov>.
3. The regulations required by the federal funding agency shall be adhered to explicitly. The recipient must locate the federal funding agency required procurement requirements and contract provisions. For example: FHWA procurement requirements can be linked to at: <http://www.fhwa.dot.gov/construction/> and contract provisions are located at: <http://www.fhwa.dot.gov/construction/contracts/provisions.cfm>

EXHIBIT E
DISCRIMINATION & TITLE VI REQUIREMENTS
(REV 032018)

Title VI/Non-Discrimination Assurances: This Agreement is subject to the provisions of Title VI of the Civil Rights Act and the RECIPIENT is herein notified of such. Additionally, the RECIPIENT shall include the following information in each of its agreements/contracts associated with the WP.

*The **Arizona Department of Transportation**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252.42 U.S.C. §§ 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair 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."*

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, *Federal Highway Administration*, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performance by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the *Federal Highway Administration* to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the *Federal Highway Administration*, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the *Federal Highway Administration* ,may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with request to any subcontract or procurement as the Recipient or the *Federal Highway Administration* may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1687 *et seq.*).

EXHIBIT F
DISADVANTAGED BUSINESS ENTERISE (DBE) REQUIREMENTS
(REV 04022018)

Exhibit F does not apply to this Grant Agreement because there is no ADOT provided federal funding.

EXHIBIT G
INSURANCE (RISK MANAGEMENT) REQUIREMENTS
For Projects that Include Construction
(Effective 02/22/2018)

INSURANCE REVIEW: The RECIPIENT shall submit all required insurance certificates to ADOT Risk Management via email to MPD1@azdot.gov; cc: the ADOT Project Manager.

Subject Line to Read:

- *Review of Insurance for {insert "MPD ESP" and the Contract Number and the name of RECIPIENT}*

Body of Email:

- *"Please review the attached insurance certificate for compliance with MPD Economic Strength Program requirements."*
- *"Requested Turn Around: 1 Week"*

Attach:

- *Insurance Certificate(s)*

Subcontractors:

RECIPIENT certificate(s) shall include all contractors and subcontractors as insured's under its policies or RECIPIENT shall furnish to the State of Arizona separate certificates and endorsements for each contractor and subcontractor. All coverage for contractors and subcontractors shall be subject to the minimum requirements identified herein.

Risk Management will reply back to the RECIPIENT with needed modification(s) and assist where possible to bring the RECIPIENT into compliance. Once the insurance is accepted, Risk Management will send an acceptance response to the RECIPIENT.

Proper permits must be obtained to conduct business or work on ADOT's right of way when applicable.

For any Project where a Vendor will be hired to perform Construction, the following minimum insurance shall be required as part of that procurement:

Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$2,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$50,000
- Each Occurrence \$1,000,000

Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Agreement.

- Combined Single Limit (CSL) \$1,000,000

Workers' Compensation and Employers' Liability

- Workers' Compensation Statutory

- Employers' Liability
 - Each Accident \$1,000,000
 - Disease – Each Employee \$1,000,000
 - Disease – Policy Limit \$1,000,000

1. Policies shall be endorsed, as required by this written agreement, to include the State of Arizona and the Arizona Department of Transportation as additional insureds with respect to liability arising out of all activities performed by, or on behalf of the RECIPIENT. (Workers Compensation is exempt from this requirement)

2. Policies shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona and the Arizona Department of Transportation for losses arising from work performed by or on behalf of the RECIPIENT.

Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

1. The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
2. Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission.

Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A-VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

Verification of Coverage

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

1. All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
2. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
3. All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

Subcontractors

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

Approval and Modifications

ADOT, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

Exceptions

In the event the Contractor or subcontractor(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 Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

EXHIBIT H
LANGUAGE MODIFICATIONS
for Tribes, Nations, and Native American Communities

Exhibit H does not apply to this Grant Agreement.