

TRANSPORTATION ENHANCEMENT  
 NON-TRUNKLINE  
 FEDERAL-AID  
 CONSTRUCTION BY LOCAL  
 AGENCY

DAB  
 Control Section STE 63459  
 Job Number 58206  
 Project STP 0463(338)  
 Federal Item No. YY 0230  
 CFDA No. 20.205  
 Contract No. 04-5043

THIS CONTRACT is made and entered into this date of \_\_\_\_\_, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF ROCHESTER HILLS, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, hereinafter referred to as the "PROJECT":

Trail development work along abandoned railroad right-of-way within the City Limits for the Clinton River Trail; including bridge construction for the structure over the Clinton River, bridge retrofitting for the structure over Unnamed Creek, and paving four trail crossings (Crooks Road, Hamlin Road, Livernois Road, and Avon Road); and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of transportation enhancement activities; and

WHEREAS, it has been determined that the PROJECT qualifies for such funding by virtue of its direct relationship with the intermodal transportation system; and

WHEREAS, the PROJECT, at the request of the REQUESTING PARTY, is being programmed with the United States Department of Transportation, Federal Highway Administration, hereinafter referred to as the "FHWA", for implementation with the use of Federal Funds under the following Federal program(s) or funding:

TRANSPORTATION ENHANCEMENT ACTIVITIES  
 SURFACE TRANSPORTATION PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT.

The costs incurred by the REQUESTING PARTY for preliminary engineering, right-of-way, construction engineering and inspection, legal, financing, audit, contract advertising, and construction contract administration are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to perform such administration of the PROJECT as is necessary to assist the REQUESTING PARTY to qualify the PROJECT for Federal Aid. Such administration shall include programming the available Federal funds for the PROJECT with the FHWA and performing such review and oversight activities as are necessary to assist the REQUESTING PARTY in meeting applicable Federal and State requirements.

The DEPARTMENT shall authorize the REQUESTING PARTY to proceed with the PROJECT work in the following phases:

PHASE I:	ADVERTISING OF CONSTRUCTION CONTRACT
PHASE II:	AWARD OF CONSTRUCTION CONTRACT

The REQUESTING PARTY shall neither advertise nor award the construction contract for the PROJECT prior to receipt of written authorization from the DEPARTMENT to proceed.

The DEPARTMENT shall make a final acceptance inspection of the PROJECT as necessary to meet Federal Aid requirements. No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

4. The REQUESTING PARTY shall perform or cause to be performed all the PROJECT work. It is understood that portions or all of the PROJECT work will be placed under contract by the REQUESTING PARTY. The performance of the PROJECT work will be subject to the "General Agreement Provisions for Federal Aid Projects", attached hereto as "EXHIBIT I", pages 1 through 5, and made a part hereof, and the following conditions:

A. The REQUESTING PARTY will, at no cost to the DEPARTMENT or the PROJECT, design or cause to be designed the PROJECT and shall accept full responsibility for that design. Any review undertaken by the DEPARTMENT are for its own purposes and are not to nor do they

relieve the REQUESTING PARTY of liability for any claims, causes of action, or judgments arising out of the design of the PROJECT.

- B. The REQUESTING PARTY, prior to receiving authorization from the DEPARTMENT to advertise the construction contract, shall certify to the DEPARTMENT that the plans, specifications, and estimates for the PROJECT have been prepared in compliance with applicable State and Federal standards and regulations.
- C. The REQUESTING PARTY shall secure the DEPARTMENT'S approval of the contracting procedures to be followed by the REQUESTING PARTY in connection with the administration of the construction contract for the PROJECT. It is understood that the construction contract(s) for the PROJECT shall be publicly advertised and awarded on the basis of the lowest responsive bid in accordance with current FHWA and DEPARTMENT procedures.
- D. The REQUESTING PARTY, prior to receipt of authorization from the DEPARTMENT to award the construction contract, shall certify to the DEPARTMENT that the selection of the contractor was made in accordance with the terms of this contract and applicable Federal, State and local statutes, regulations, and ordinances.
- E. The REQUESTING PARTY will comply with all applicable State, Federal and local statutes, ordinances and regulations, including, but not limited to, those specifically relating to construction contract administration and obtain all permits, approvals, and give appropriate notifications that are required for the performance of the PROJECT work.

The REQUESTING PARTY agrees to comply with all applicable requirements of Part 91, Soil Erosion and Sedimentation Control of the Natural Resources and Environmental Protection Act, 1994 PA 451 as amended by 1995 PA 60, MCL 324.9101 et. seq., for all PROJECT work performed under this contract, and the REQUESTING PARTY shall require its contractors and subcontractors to comply with the same.

- F. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, special provisions, and the supplemental specifications and plans pertaining to the PROJECT, and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. The REQUESTING PARTY shall neither seek nor receive reimbursement for any extra work.

- G. The REQUESTING PARTY, at no cost to the PROJECT or to the DEPARTMENT, shall appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed and shall perform or cause to be performed the construction engineering and inspection services necessary for the completion of the PROJECT.

Should the REQUESTING PARTY elect to use consultants for construction engineering and inspection, the REQUESTING PARTY shall provide a full-time project manager employed by the REQUESTING PARTY who shall ensure that the plans and specifications are followed.

- H. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements or secure any and all necessary permits with railway companies, utilities, concerned state, federal, and local agencies etc., as may be necessary for the performance of work required for the PROJECT and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. The REQUESTING PARTY shall require the contractor who is awarded the contract for the construction of the PROJECT to provide, as a minimum, insurance in the amounts specified in and in accordance with the DEPARTMENT'S current Standard Specifications for Construction, and to:
- (1) Maintain bodily injury and property damage insurance for the duration of the PROJECT.
  - (2) Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents, and employees, the REQUESTING PARTY and any other party with jurisdiction for the roadway being constructed as the PROJECT, and their employees for the duration of the PROJECT and to provide copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume either ownership of any portion of the PROJECT or jurisdiction of any REQUESTING PARTY highway as a result of being named as an insured on the owner's protective liability insurance policy.
  - (3) Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current Standard Specifications for Construction and to provide copies of notices and reports prepared to those insured.

- J. (1) The REQUESTING PARTY shall, within 10 days of any ceremony to be held in connection with the PROJECT, notify the DEPARTMENT.
- (2) The REQUESTING PARTY shall, when issuing any news release or promotional material regarding the PROJECT, give the DEPARTMENT and FHWA credit for participation in the PROJECT.
- (3) Upon completion of all PROJECT work, the REQUESTING PARTY shall, within 60 days of said completion, prepare and submit a project report in accordance with current DEPARTMENT requirements. Said report & notification shall be submitted to:

Jacqueline G. Shinn, Transportation Enhancement Administrator  
 Office of Economic Development and Enhancement  
 425 West Ottawa, P.O. Box 30050  
 Lansing, Michigan 48909  
 Phone (517) 335-1069

- K. Upon completion of all PROJECT work, the REQUESTING PARTY shall so notify the DEPARTMENT and shall request a final acceptance inspection thereof. In the event that there is disagreement between the parties with respect to final acceptance, the DEPARTMENT'S decision shall be final and binding.

5. The PROJECT COST shall be met in part by contributions from agencies of the Federal Government. Federal Funds shall be applied to the eligible items of PROJECT COST at a participation ratio equal to 67 percent up to an amount not to exceed \$400,000.00. The balance of the PROJECT COST, after deduction of Federal Funds, shall be paid by the REQUESTING PARTY. The PROJECT COST and the cost participation are estimated to be as follows:

<u>ESTIMATED COST</u>	<u>FEDERAL FUNDS*</u>	<u>REQUESTING PARTY FUNDS</u>
\$597,014.93	\$400,000.00	\$197,014.93

\*The Federal Funds which shall be applied to the eligible items of PROJECT COST are limited to the amount provided herein. Any items of PROJECT COST not reimbursed by Federal Funds will be the sole responsibility of the REQUESTING PARTY.

6. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of PROJECT work. Billings for costs incurred by the REQUESTING PARTY under the terms of this contract shall be prepared and submitted to the DEPARTMENT by the REQUESTING PARTY for reimbursement with Federal Funds in

accordance with the procedures of the DEPARTMENT. Progress billings may be submitted bi-monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number \_\_\_\_\_" or Final Billing".

The REQUESTING PARTY shall not request reimbursement of more than 95 percent of its eligible costs until final acceptance of the PROJECT. The REQUESTING PARTY shall request a final acceptance inspection of the PROJECT in accordance with the provisions of Section 4 of this contract. Final acceptance shall be secured by the REQUESTING PARTY within six (6) months of the completion date set in the REQUESTING PARTY'S construction contract or subsequent extension approved by the DEPARTMENT. Should the REQUESTING PARTY fail to secure final acceptance of the PROJECT by the deadline as specified herein, the REQUESTING PARTY shall repay all Federal funds reimbursed for the PROJECT. Upon final acceptance of the PROJECT by the DEPARTMENT in accordance with the provisions of Section 4 of this contract and DEPARTMENT procedures, the REQUESTING PARTY may request final reimbursement.

7. The REQUESTING PARTY shall maintain accurate records and accounts relative to the cost of the PROJECT. Said accounts shall be retained for a period of three (3) years after final payment by the DEPARTMENT and shall be available for audit by the DEPARTMENT and the FHWA.

The REQUESTING PARTY, upon completion of the PROJECT and payment of all items of PROJECT COST related thereto, shall make a final accounting to the DEPARTMENT.

Reimbursement of any cost pursuant to this contract shall not constitute a final determination by the DEPARTMENT of the allowability of such cost and shall not constitute a waiver by DEPARTMENT of any violation of the terms of this contract committed by the REQUESTING PARTY. Final settlement of costs shall be made upon completion of all PROJECT work and the DEPARTMENT'S acceptance of an audit performed by a certified public accountant in accordance with 49 CFR Part 18.26, and OMB Circular A-133, and/or final audit by the DEPARTMENT. The REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of cost previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Fund in settlement of said claim.

8. It is understood that the REQUESTING PARTY is the owner of the facilities constructed as the PROJECT and that said facilities may require special or unusual operation and/or maintenance. The REQUESTING PARTY certifies, by execution of this contract, that upon completion of construction and at no cost to the PROJECT or the DEPARTMENT, it will

properly maintain or provide for the maintenance and operation of the PROJECT, making ample provisions each year for the performance of such maintenance work as may be required.

On projects for the construction of bikeways, the REQUESTING PARTY will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.

On projects involving the restoration of historic facilities, the REQUESTING PARTY agrees that the project will not be awarded until the owner of such facilities has an Historic Preservation Covenant, which includes an Historic Preservation Easement, or an Historic Preservation Agreement, as appropriate, with the Michigan State Historic Preservation Office in accordance with 1995 PA 60 for the purpose of insuring that the historic property will be preserved. The REQUESTING PARTY also agrees that such facilities shall be maintained and repaired by the REQUESTING PARTY or owner, as applicable, at no cost to the DEPARTMENT or the PROJECT, in such a manner as to preserve the historical integrity of features, materials, appearance, workmanship, and environment.

On projects which include landscaping, the REQUESTING PARTY agrees to perform or cause to be performed, at no cost to the DEPARTMENT, the watering and cultivating necessary to properly establish the plantings for a period of two growing seasons, in general conformance with Section 815.03(L) of the DEPARTMENT'S Standard Specifications for Construction. The REQUESTING PARTY shall maintain all plantings following completion of said period of establishment.

Failure of the REQUESTING PARTY to fulfill its responsibilities as outlined herein may disqualify the REQUESTING PARTY from future Federal-aid participation in Transportation Enhancement projects or in other projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

9. In addition to any protection afforded by a policy of insurance, the REQUESTING PARTY agrees to indemnify and save harmless the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and all officers, agents, and employees thereof:

- A. From any and all claims by persons, firms, or corporations for labor, materials, supplies or services provided to the REQUESTING PARTY in connection with the contract which the REQUESTING PARTY shall perform under the terms of this contract; and

- B. From any and all claims for injuries to, or death of, any and all persons, for loss of or damage to property, environmental damage, degradation, response and cleanup costs, and attorney fees or other related costs, arising out of, under, or by reason of this Agreement, including the design of the PROJECT, except claims resulting from the sole negligence or willful acts or omissions of said indemnitee, its agents, or employees.

The DEPARTMENT shall not be subject to any obligations or liabilities by contractors of the REQUESTING PARTY or their subcontractors or any other person not a party to this contract without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the REQUESTING PARTY shall take no action or conduct which arises either directly or indirectly out of its obligations, responsibilities, and duties under this contract, which results in claims being asserted against or judgments being imposed against the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission.

In the event that the same occurs, for the purpose of this contract, it will be considered as a breach of this contract thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

10. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections, and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY of its ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control, or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT does not relieve the REQUESTING PARTY of its exclusive jurisdiction of any of its highways and responsibility under MCL 691.1402, MSA 3.996(102).

When providing approvals, reviews, inspections, and recommendations under this contract, the DEPARTMENT is performing a governmental function, as that term is defined in MCL 691.1401; MSA 3.996(101), which is incidental to the completion of the PROJECT.



11. The DEPARTMENT, by executing this contract and rendering services pursuant to this contract, has not and does not assume either: (1) jurisdiction of any REQUESTING PARTY highway for purposes of MCL 691.1402; MSA 3.996(102), or (2) ownership and control of any public building for purposes of MCL 691.1406; MSA 3.996(106). Exclusive jurisdiction of such highway for the purposes of MCL 691.1402; MSA 3.996(102) rests with the REQUESTING PARTY.

12. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

13. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.

14. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.

15. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolution approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

CITY OF ROCHESTER HILLS

MICHIGAN DEPARTMENT  
OF TRANSPORTATION

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Department Director MDOT

By \_\_\_\_\_  
Title:

3/10/04  
*[Signature]*  
MICHIGAN DEPARTMENT OF TRANSPORTATION

REVIEWED  
3-10-04  
[Stamp]

## EXHIBIT I

### GENERAL AGREEMENT PROVISIONS FOR FEDERAL AID PROJECTS

1. General Provisions:
  - A. The REQUESTING PARTY will comply with all FHWA requirements concerning special requirements of law, program requirements and other administrative requirements.
  - B. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
  - C. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.
2. Federal Clean Air Act of 1970: The political subdivisions which are a party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
  - A. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
  - B. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
  - C. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
3. Other Regulatory Requirements:
  - A. The REQUESTING PARTY hereby assures and certifies that it will comply with the regulations, policies, guidelines and requirements of 49 CFR Part 18 (U.S. DOT Implementation of the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments or "Common Rule") as they relate to the application, acceptance and use of Federal Funds for this federally-assisted project.

- B. The REQUESTING PARTY shall be responsible for the accurate and detailed accounting of the costs and expenses incurred in the performance of any part of the PROJECT work it agrees to undertake as provided within this contract. Said accounts shall be maintained in accordance with generally accepted government accounting principles and 49 CFR Part 18. Said accounts shall be made available for review and audit by the DEPARTMENT and, as required, by the FHWA and appropriate U.S. governmental agencies and shall be retained on file for a period of not less than three years from the date of the final payment for work conducted under this contract.
- C. The REQUESTING PARTY shall comply with the Single Audit Act of 1984, P.L. 98-502, and OMB Circular A-133. All such audits are subject to the review and approval of the DEPARTMENT, the FHWA, and the Office of the Inspector General.

(1) Agencies expending a total of \$300,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.

The agency shall submit two copies of:

- The Reporting Package
- The Data Collection Form
- The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

(2) Agencies expending less than \$300,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant numbers(s). This information must also be submitted to the address below.

(3) Address: Michigan Department of Transportation  
Bureau of Highways Technical Services  
425 W. Ottawa, P.O. Box 30050  
Lansing, MI 48909

(4) Agencies must also comply with applicable State laws and regulations relative to audit requirements.

(5) Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

(6) All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

4. Retention and Custodial Requirements for Records:

A. Financial records, supporting documents, statistical records and all other records pertinent to this instrument shall be retained for a period of 3 years, with the following exception:

(1) If any litigation, claim or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation claims, or audit findings involving the records have been resolved.

(2) Records for nonexpendable property, if any, required with Federal Funds shall be retained for 3 years after its final disposition.

(3) When records are transferred to or maintained by FHWA, the 3-year retention requirement is not applicable to the recipient.

B. The retention period starts from the date of the submission of the final expenditure report.

C. The Secretary of Transportation and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any pertinent books, documents, papers and records of the recipient, and its contractors and subcontractors, to make audits, examinations, excerpts and transcripts.

5. Equal Employment Opportunity:

A. The REQUESTING PARTY agrees to incorporate in all contracts having a value of over \$10,000, the provisions requiring compliance with Executive Order 11246, as amended, and implementing regulations of the United States Department of Labor at 41 CFR 60, the provisions of which, other than the standard EEO clause and applicable goals for employment of minorities and women, may be incorporated by reference.

B. The REQUESTING PARTY agrees to ensure that its contractors and subcontractors, regardless of tier, awarding contractors and/or issuing purchase orders for material, supplies, or equipment over \$10,000 in value will incorporate the required EEO provisions in such contracts and purchase orders.

- C. The REQUESTING PARTY further agrees that its own employment policies and practices will be without discrimination based on race, color, religion, sex, national origin, handicap, or age; and that it has an affirmative action plan consistent with the Uniform Guidelines on Employee Selection Procedures, 29 CFR 1607, and the Affirmative Action Guidelines, 29 CFR 1608.
6. Copeland Act: All contracts in excess of \$2,000 for construction or repair awarded by the REQUESTING PARTY and its contractors or subcontractors shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). This Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, or give up any part of the compensation to which he is otherwise entitled. The REQUESTING PARTY shall report all suspected or reported violations to the DEPARTMENT.
7. Davis-Bacon Act: When required by the Federal program legislation, all construction contracts awarded by the REQUESTING PARTY and its contractors or subcontractors of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The REQUESTING PARTY shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The REQUESTING PARTY shall report all suspected or reported violations to the DEPARTMENT.
8. Contract Work Hours and Safety Standards Act: Where applicable, all contracts awarded by the REQUESTING PARTY in excess of \$2,500 that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workday of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act, if applicable to construction work, provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or

contracts for transportation or transmission of intelligence.

9. Access to Records: All negotiated contracts (except those of \$25,000 or less) awarded by the REQUESTING PARTY shall include a provision to the effect that the recipient, FHWA, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.
10. Civil Rights Act: The REQUESTING PARTY shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the recipient received Federal financial assistance and shall immediately take any measures necessary to effectuate this Agreement. It shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) prohibiting employment discrimination where:
  - A. The primary purpose of and instrument is to provide employment, or
  - B. Discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.
11. Nondiscrimination: The REQUESTING PARTY 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), related nondiscrimination statutes, and applicable regulatory requirements to the end that no person in the United States shall, on the ground of race, color, national origin, sex, handicap, or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the REQUESTING PARTY receives Federal financial assistance. The specific requirements of the United States Department of Transportation standard Civil Rights assurances with regard to the States' highway safety programs (required by 49 CFR 21.7 and on file with the U.S. DOT) are incorporated in this grant agreement.
12. Rehabilitation Act: The REQUESTING PARTY shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 794, P.L. 93-112), and all requirements imposed by or pursuant to the regulations of the Department of Health, Education and Welfare (45 CFR, Parts 80, 81 and 84), promulgated under the foregoing statute. It agrees that, in accordance with the foregoing requirements, no otherwise qualified handicapped person, by reason of handicap, shall be excluded from participation in, be denied the benefit of, or be subject to discrimination under any program or activity receiving Federal financial assistance, and that it shall take any measures necessary to effectuate this Agreement.

**APPENDIX A**  
**PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS**

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Act No. 453, Public Acts of 1976, the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or as a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. Further, in accordance with Act No. 220, Public Acts of 1976 as amended by Act No. 478, Public Acts of 1980 the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants shall be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to insure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status or a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or his collective bargaining representative will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this appendix.
6. The contractor will comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission which may be in effect prior to the taking of bids for any individual state project.
7. The contractor will furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission, said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor as well as the contractor himself, and said contractor will permit access to his books, records, and accounts by the Michigan Civil Rights Commission and/or its agent, for purposes of investigation to ascertain compliance with this contract and relevant with rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this agreement, the Civil Rights Commission may, as part of its order based upon such findings, certify said findings to the Administrative Board of the State of Michigan, which Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, and including the governing boards of institutions of higher education, until the contractor complies with said order of the Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Civil Rights Commission to participate in such proceedings.
9. The contractor will include, or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by the rules, regulations or orders of the Michigan Civil Rights Commission, and will provide in every subcontract or purchase order that said provisions will be binding upon each subcontractor or seller.

March, 1998



APPENDIX B

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 shall comply with the Regulations relative to nondiscrimination in Federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 27, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or natural origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
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 shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor 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 the Michigan Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Michigan Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Michigan Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
  - (a) Withholding of payments to the contractor under the contract until the contractor complies, and/or
  - (b) Cancellation, termination, or suspension of the contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor shall include the provisions of paragraphs 1 through 6 of every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Michigan Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Michigan Department of Transportation to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

## APPENDIX C

### TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES

#### Assurance that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.