AGREEMENT NO. _____

GRANT PASS-THRU AGREEMENT

BETWEEN
THE CITY OF PHOENIX
AND
CITY OF CHANDLER

Subrecipient SAM.gov Identification No.: LCLUQVAP1WU4

Federal Award Identification Number (FAIN) No. AZ-2026-006-00

(49 U.S.C. Community Project Funding Congressionally Directed Spending Federal Transit Administration Funds)

This Grant Pass-Thru Agreement **("Agreement")** is made and entered into this ____ day of _____, 20___ **("Effective Date")**, by and between the City of Phoenix **("PHOENIX")**, a municipal corporation duly organized and existing under the laws of the State of Arizona, and City of Chandler **("SUBRECIPIENT")**, a municipal corporation duly organized and existing under the laws of the State of Arizona. PHOENIX and SUBRECIPIENT are sometimes referred to collectively as **"PARTIES"** and individually as a **"PARTY."**

RECITALS

A. PHOENIX's City Manager is authorized and empowered by the City Charter's provisions to execute contracts.

B. PHOENIX has statutory and charter authority to provide transit services and enter into agreements with other entities within the Phoenix Urban Area for providing transit services. *See* A.R.S. Section 11-951, et seq.; Phoenix City Charter Chapter 2, Section 2, Subsections (c), (i), and (l).

C. As a political subdivision of the State of Arizona, PHOENIX may contract and enter into stipulations of any nature to do acts necessary and convenient for the exercise of its powers. The laws of the State of Arizona authorize municipalities to: (1) engage in any business or enterprise that may be engaged in by persons by virtue of a franchise from the municipal corporation (*see* A.R.S. Section 9-511(A)); (2) appropriate and spend public monies on activities that "will assist in the creation or retention of jobs or will otherwise improve or enhance the economic welfare of [its] inhabitants" (*see* A.R.S. Section 9-500.11); and (3) be vested with all the powers set forth in Title 9 for incorporated towns, in their respective charters, and in other provisions of law (*see* A.R.S. Section 9-499.01).

D. SUBRECIPIENT has statutory authority to exercise all of the powers granted to

municipal corporations and to cities by the Constitution and laws of the State of Arizona, together with all of the implied powers necessary to carry into execution all the expressed powers granted therein and the power to enter into intergovernmental agreements with other governmental entities. *See* A.R.S. Section 11-951, et seq.

E. Transit activities are one of the types of activities authorized pursuant to the aforementioned statutory and Charter authority and such powers do not conflict with any of the provisions of SUBRECIPIENT's authorizations.

F. Section 5307 of chapter 53, title 49, United States Code (formerly the Federal Transit Act of 1964, as amended) makes financial aid available to government entities and public transportation operators engaging in the preservation, improvement, and operation of mass transit systems.

G. PHOENIX successfully applied to the Federal Transit Administration **("FTA")** for a grant of Community Project Funding Congressionally Directed Spending funds, which was awarded on the 20th day of July, 2026, as FAIN No. **AZ-2026-006-00 ("Grant")**.

H. SUBRECIPIENT shall receive funds from said Grant and perform the project(s) **("Project(s)")** described in **Exhibit A,** as attached to this Agreement and incorporated by reference.

I. PHOENIX and SUBRECIPIENT have been authorized by their respective formal authorities to enter into this Agreement.

AGREEMENT

IT IS HEREBY AGREED, by and between the PARTIES, as follows:

1. Agreement Term and Budget/Performance Periods.

   A. The Agreement's term is the time interval from the execution of this Agreement to its conclusion. The Agreement's term:

      - begins on its Effective Date; and
      - ends after all federal and PHOENIX requirements have been met and PHOENIX has closed out the Grant.

      Funding for any uncompleted and unbilled Projects may be reassigned at the discretion of PHOENIX, as needed to close out the Grant. Grant close-out is the process by which all activities approved in a grant award have been completed and/or the federal assistance awarded has been expended for

eligible costs. PHOENIX maintains a "Master Grant Closeout Schedule" that provides the estimated grant close-out date based on the completion dates of each project within the grant. Within 90 days of final reimbursement, PHOENIX will begin the grant close-out process and prepare reports, including a narrative of completed projects and the subrecipient's final reconciled budget, Federal Financial Report **("FFR")**, and Milestone Progress Report **("MPR")**. Each grant is considered closed when PHOENIX has completed and submitted the documents required for close-out and FTA has accepted these documents. A "Grant Closure Notice and Records Retention Requirement Letter" is prepared and distributed to each subrecipient in the grant award.

B. The Agreement's budget period is the time interval from the start date of a funded portion of the award to the end date of that funded portion, during which PHOENIX is authorized to expend the funds awarded. The Agreement's budget period:

- Begins on the 1st day of October, 2025; and
- Ends on the 30th day of September, 2027.

The Project(s) led by SUBRECIPIENT must be completed and reimbursement must be requested by the end of the Agreement's budget period.

C. The Agreement's performance period is the time interval from the start of the initial federal award to the estimated end date of performance, which may include one or more funded portions or budget periods. The Agreement's performance period:

- Begins on the 1st day of October, 2025; and
- Ends on the 30th day of September, 2027.

2. Federal and Local Funding.

A. The total federal funds allocated to SUBRECIPIENT under this Agreement shall not exceed **$1,000,000**, as detailed in **Exhibit A**. No reimbursements shall be made unless all required reports, as described below, have been submitted.

B. SUBRECIPIENT shall provide the required local match for the Project(s), and that local match is currently estimated to be **$250,000**, as detailed in **Exhibit A**. SUBRECIPIENT shall be responsible for the full amount of any costs that exceed the awarded Project(s) amount, such as price increases and applicable taxes.

3. Reimbursement From Grant.

A. PHOENIX will reimburse SUBRECIPIENT for its share of federal funding allocated from the Grant for the purchase of items/services provided in the "Project Description" box of **Exhibit A**. SUBRECIPIENT shall comply with all requirements in 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," which are incorporated by reference. By signing this Agreement, SUBRECIPIENT certifies that its accounting systems meet the requirements of the grant program.

B. To receive reimbursement for any allowable and eligible indirect costs awarded by and charged to the Grant, SUBRECIPIENT shall charge, in accordance with the following selected option:

☐ A cost allocation plan/indirect cost rate approved by the SUBRECIPIENT's cognizant federal agency to be submitted by SUBRECIPIENT to PHOENIX on an annual basis. SUBRECIPIENT's current federally recognized cost share is:

__% for _____; and __% for _____.

☐ A de minimis rate of 10% of modified total direct costs **("MTDC")** in accordance with 2 CFR Part 200.414. Reimbursement shall not exceed the federal funds allocated to SUBRECIPIENT, unless approved in writing by PHOENIX. By signing this Agreement, SUBRECIPIENT certifies that it does not have federally-negotiated indirect cost rate **(FNICR)**.

☒ N/A – not applicable because there are no allowable and eligible indirect costs to reimburse.

C. SUBRECIPIENT acknowledges that its applicable indirect cost rate for this Agreement was provided to PHOENIX in SUBRECIPIENT's Grant Application, which is incorporated by reference into this Agreement.

4. Application for Reimbursement.

A. SUBRECIPIENT shall submit an electronic copy of its application for reimbursement of the federal share to:

City of Phoenix Public Transit Department
Management Services Division, Grants Section
Email: ptdgrants@phoenix.gov

B. The cover letter must identify the PHOENIX contract number and the period for which the application is submitted.

C. For any applicable reimbursements, SUBRECIPIENT shall submit its application with the reimbursement request form shown in **Exhibit B**, which is attached to this Agreement and incorporated by reference.

D. The application for reimbursement must be accompanied by detailed backup documentation for all eligible expenses. At a minimum, the documentation shall include the following:

1. A listing of all invoiced costs with vendors and payment dates;

2. Copies of paid invoices received from vendors for purchases of supplies and services and corresponding proof of payment, such as cancelled checks or bank statements; and

3. Such other documentation as PHOENIX or FTA may require, including any reports mandated by **Exhibit C**, which is attached to this Agreement and incorporated by reference.

5. SUBRECIPIENT Performance.

A. SUBRECIPIENT shall complete the Project(s) for which the Grant's funds have been awarded in a proper and timely manner. SUBRECIPIENT is responsible for complying with all federal, state, and local requirements imposed under the Grant, including the requisites identified in **Exhibit D**, **Exhibit E, and Exhibit F**, which are attached to this Agreement and incorporated by reference.

B. SUBRECIPIENT must comply with all of the terms and conditions set forth in the "FTA Master Grant Agreement" currently in effect and any subsequent revisions, which are publicly available at transit.dot.gov/funding/grantee-resources/sample-fta-agreements/fta-grant-agreements and incorporated into this Agreement by reference. SUBRECIPIENT must also comply with all conditions required for the Grant under the "Annual List of Certifications and Assurances for FTA Grants and Cooperative Agreements" currently in effect and any subsequent revisions, which are publicly available at transit.dot.gov/funding/grantee-resources/certifications-and-assurances/certifications-assurances and incorporated into this Agreement by reference.

C. SUBRECIPIENT must comply with the applicable requirements of third-party contracting for federally-funded contracts under FTA Advisory Circular 4220.1G (Third-Party Contracting Guidance), currently in effect and any subsequent revisions, which is publicly available at transit.dot.gov/sites/fta.dot.gov/files/2025-01/Third-Party-Contracting-Guidance-%28Circular-4220.1G%29.pdf, and PHOENIX's third-party contracting policy "City of Phoenix Procurement Policy for Third-Party

Contracting" currently in effect and any subsequent revisions, available at Phoenix Public Transit Department Subrecipient Resources, which are both incorporated into this Agreement by reference.

D. SUBRECIPIENT's failure to comply with all applicable requirements may result in the withholding of funds to SUBRECIPIENT under the Grant.

6. Insurance.

SUBRECIPIENT shall have adequate insurance to cover the Project(s) in the event of damage or complete loss.

7. Indemnification.

Each PARTY (as **"Indemnitor"**) agrees to indemnify, defend, and hold harmless the other PARTY (as **"Indemnitee"**) from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as **"Claims"**) arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

8. Notice.

A. Any notice, consent, or other communication **("Notice")** required or permitted under this Agreement shall be in writing and either delivered in person, sent by email, deposited in the United States mail (postage prepaid, registered or certified mail, and return receipt requested), or deposited with any commercial air courier or express service addressed as follows:

If intended for SUBRECIPIENT:

Jason Crampton, Transportation Planning Manager
City of Chander, Transportation Policy Division
P.O. Box 4008
Mail Stop 412
Chandler, AZ 85244-4008
480-782-3402
Jason.crampton@chandleraz.gov

If intended for PHOENIX:

Jesús E Sapien, Public Transit Director
City of Phoenix Public Transit Department
302 N. 1st Avenue, Suite 900

Phoenix, Arizona 85003
Telephone: (602) 495-0418
Email: jesus.sapien@phoenix.gov

with electronic copy to:

City of Phoenix Public Transit Department
Management Services Division, Grants Section
Email: ptdgrants@phoenix.gov

B. Notice shall be deemed received: (a) at the time it is personally served; (b) on the **day** it is sent by email; (c) on the **2nd business day** after its deposit with any commercial air courier or express service; or (d) on the **10th calendar day** after its deposit in the United States mail (postage prepaid, registered or certified mail, and return receipt requested). Any time period stated in a Notice shall be computed from the time the Notice is deemed received. Either PARTY may change its mailing address, email address, or the person to receive Notice by providing the other PARTY with a Notice of that change.

C. Notice sent by email shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate Notice is *not* intended to change the effective date of the original Notice sent by email.

9. Summary of Exhibits.

As noted above, the following exhibits are attached to this Agreement and incorporated by reference:

Exhibit A Federal Grant Pass-Thru Agreement Detail Summary

Exhibit B Federal Grant Reimbursement Form

Exhibit C Required Reports

Exhibit D Required Federal Provisions

Exhibit E Partial List of Applicable Laws

Exhibit F Required Local Provisions

The PARTIES executed this Agreement on the day and year first above written.

CITY OF PHOENIX

Ed Zuercher, City Manager

By_____
Jesús E. Sapien
Public Transit Director

ATTEST:

_____
City Clerk - PHOENIX

APPROVED AS TO FORM:

Julie M. Kriegh, City Attorney

_____
Carolina Potts
Assistant Chief Counsel

APPROVED BY PHOENIX CITY COUNCIL BY FORMAL ACTION ON SEPTEMBER 9, 2026

CITY OF CHANDLER

By _____

Printed Name: _____

Title: _____

APPROVED AS TO FORM:

_____
Attorney for CITY OF CHANDLER

APPROVED BY _____ BY FORMAL ACTION

ON _____.

INTERGOVERNMENTAL AGREEMENT DETERMINATION

In accordance with the requirements of A.R.S. § 11-952(D), each of the undersigned attorneys acknowledge: (1) that they have reviewed the above Agreement on behalf of their respective clients; and (2) that, as to their respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

Attorney for PHOENIX	Attorney for CITY OF CHANDLER

EXHIBIT A

Federal Grant Pass-Thru Agreement Detail Summary

FAIN NUMBER: AZ-2026-006-00					
CFDA NUMBER: 20.534					
GRANT RECIPIENT: CITY OF PHOENIX					
GRANT SUBRECIPIENT'S NAME: CITY OF CHANDLER					
GRANT SUBRECIPIENT'S ADDRESS: P.O. Box 4008 Mail Stop 412 Chandler, AZ 85244-4008					
GRANT SUBRECIPIENT'S SAM.GOV I.D. NUMBER: LCLUQVAP1WU4					
TOTAL ELIGIBLE PROJECT COST for federal grant purposes (TEPC):					$1,250,000
• Federal Share of TEPC:					$1,000,000
• Local Share/Match of TEPC:					$250,000
PROJECT(S) DESCRIPTION:					
ALI Code:	**Project(s) Description:**	**R&D? (yes/no)**	**Local:**	**Federal:**	**Total:**
11.72.12	Capital Cost of Contracting - Chandler Flex	No	$250,000	$1,000,000	$1,250,000
PROJECT(S) DESCRIPTION:					
ALI Code:	**Project(s) Description:**	**R&D? (yes/no)**	**Local:**	**Federal:**	**Total:**
11.72.12	Capital Cost of Contracting - Chandler Flex	No	$250,000	$1,000,000	$1,250,000

EXHIBIT B

Federal Grant Reimbursement Form

FTA Grant Expenditure Reimbursement Request Application

The information provided will be used by the City of Phoenix Public Transit Department **("PTD")** to monitor SUBRECIPIENT expenditures for FTA-funded projects and disburse FTA funds for eligible costs. No further FTA funds may be disbursed unless this report is completed and submitted as required.

SUBRECIPIENT ORGANIZATION NAME AND ADDRESS	**GRANT AGREEMENT NUMBER**		**REQUEST NO.**
	REPORTING PERIOD (Dates)		
	FROM:		**TO**:

	TOTAL	**LOCAL MATCH**	**FTA SHARE**
TOTAL ELIGIBLE PROJECT COSTS	$ -	$ -	$ -
TOTAL PREVIOUS PAYMENTS	$ -	$ -	$ -
CURRENT REIMBURSEMENT REQUESTED	$ -	$ -	**$ -**
REMAINING FUNDING	$ -	$ -	$ -

REQUIRED SIGNATURES

This document must be signed by the SUBRECIPIENT's Transit Manager and Chief Financial Officer or their designated representative(s).

CERTIFICATION

We certify the financial expenditures submitted for reimbursement with this report, including supporting documentation, are eligible and allowable expenditures, have been incurred compliant with all applicable Federal laws and regulations, have not been previously requested, and have met all matching requirements. In addition, we understand that any discovery of a violation of a federal law or regulation, or any failure to follow applicable Federal directives, may result in withdrawal of federal participation.

SIGNATURE OF TRANSIT MANAGER OR DESIGNEE	DATE
TYPED OR PRINTED NAME AND TITLE	TELEPHONE
SIGNATURE OF CHIEF FINANCIAL OFFICER OR DESIGNEE	DATE
TYPED OR PRINTED NAME AND TITLE	TELEPHONE

Instructions

1. Keep a copy of all documents submitted.
2. All project records, including financial records, must be maintained for **three years** beyond the later of vehicle/asset disposal or final close-out of the Grant with FTA.

For PTD use only

Date request received:	Approved for funds availability (signature/date)

EXHIBIT C

Required Reports

SUBRECIPIENT agrees to submit reports and statements or plans as now or hereafter required by PHOENIX or the FTA. Quarterly reports are due on or before the 15th of the month following the end of the quarter, i.e., October 15, January 15, April 15 and July 15; and annual reports are due ninety days (except NTD Report, which shall be due 120 days) after the end of the fiscal year (July 1 - June 30). Drug and Alcohol Reports are due January 31 for the previous calendar year.

REPORT	FREQUENCY	DESCRIPTION
DBE Reports	As required by PHOENIX	DBE participation, utilization, annual goal setting, progress, and information reports
Grant Status Report	Quarterly	Status of each project by grant number
NTD Report – Close Out Letter	Annually	Copy for information only
Fixed Assets Status Report	Annually	Inventory of all FTA-funded assets
Single Audit Report	Annually	Copy of federally required audit
Title VI Annual Report	Annually	Subrecipient to provide all Title VI complaints and related information annually
Lobbying Activities	As required pursuant to 31 U.S.C. 1352	Subrecipient to disclose any lobbying activities quarterly and submit Disclosure of Lobbying Activities LLL form pursuant to 31 U.S.C. 1352
Drug and Alcohol Reports	Annually	FTA drug and alcohol testing
Contract Change Orders Above **$100,000**	Quarterly	Subrecipient to provide list of any federally-funded contract change orders for any amount **$100,000** or greater
Claims/Settlements	Quarterly	Subrecipient to provide list of any federally-funded projects with Claims/Settlements pending or closed within the quarter

Vehicle Record Inventory Form	Reimbursements with vehicles	Provide a vehicle record inventory form for each vehicle purchased with FTA funds
Capital Asset Purchase Form	Reimbursements with capital asset	Provide a capital asset purchase form for each capital asset purchased with FTA funds
Staff Time Documentation	Reimbursements with staff time	All reimbursements for staff time must include verification of all hours billed, including copies of all applicable timecards or other time reporting documentation
5310 FTA Grants		
Grant Performance Information	Annually or as required by FTA	Evaluation of Grant Accomplishments

The reports and required submissions listed above may be increased, revised, reorganized, deleted or changed as required by FTA guidelines**. All reports must be current before any FTA funds will be disbursed by PHOENIX.**

EXHIBIT D

Required Federal Provisions

1. SUBRECIPIENT shall permit the authorized representatives of PHOENIX, the United Stated Department of Transportation **("USDOT")**, and the Controller General of the United States to inspect and audit all data, books, records, and reports relating to this Agreement and SUBRECIPIENT's performance hereunder. PHOENIX's audit shall be at SUBRECIPIENT's sole cost and expense. All required records shall be maintained for a minimum of **three years** after the Grant has been formally closed, excluding assets, vehicles, or equipment. For assets, vehicles, or equipment that received federal funding in this Grant, all records must be kept for **three years** after the disposal date of the asset, which may extend well past the grant closure date. The obligations of SUBRECIPIENT under this provision survive the termination or expiration of this Agreement.

2. Both PARTIES warrant that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee; and, further, that no member or delegate to Congress or City Council, or any employee of PHOENIX or SUBRECIPIENT, has any interest, financial or otherwise, in this Agreement.

3. SUBRECIPIENT shall fully comply with the Disadvantaged Business Enterprise **("DBE")** regulations of USDOT, 49 CFR Part 26. SUBRECIPIENT shall abide by all stipulations, regulations, and procedures set forth in PHOENIX's FTA-approved DBE Program Plan. The Transit Civil Rights Officer of PHOENIX's Public Transit Department and representative(s) of PHOENIX's Equal Opportunity Department will meet annually with SUBRECIPIENT to cooperatively determine DBE participation for all FTA-assisted projects.

4. The PARTIES acknowledge that federal funds are being used for the work, services, and operations provided under this Agreement. In that regard, PHOENIX, as the designated grant recipient, is obligated to accept and comply with all of the terms and conditions set forth in the Federal Transit Administration **("FTA")** Master Grant Agreement. In order for SUBRECIPIENT to receive funding under this Agreement with PHOENIX, SUBRECIPIENT is required to similarly accept and comply with all such terms and conditions, and SUBRECIPIENT does hereby specifically agree to be bound thereby. A copy of the Master Grant Agreement and any subsequent revisions are publicly available at transit.dot.gov/funding/grantee-resources/sample-fta-agreements/fta-grant-agreements and incorporated into this Agreement by reference. SUBRECIPIENT is solely responsible for complying with all the terms and conditions of the Master Grant Agreement and any subsequent revisions.

5. In performing the services for which federal funding is provided under this Agreement, SUBRECIPIENT agrees to comply with all laws, rules, regulations, standards, orders, and directives applicable to: (a) this Agreement; (b) the services provided pursuant to this Agreement; and (c) PHOENIX, as the designated recipient of FTA funding. These laws, rules, regulations, standards, orders, and directives include federal, state, and local laws and those items set forth here in **Exhibit D** and below in **Exhibit E**.

6. SUBRECIPIENT shall fully comply with Equal Employment Opportunity **("EEO")** regulations of the USDOT Urban Mass Transportation Administration **("UMTA")** and FTA Circular 4704.1A. SUBRECIPIENT must implement all of the EEO Program elements and submit an EEO Program every four years *if* SUBRECIPIENT employs **100 or more** transit-related employees *and* requests or receives in the previous fiscal year: capital or operating assistance in excess of **$1 million**; or planning assistance in excess of **$250,000**. SUBRECIPIENT must prepare and maintain an abbreviated EEO Program *if* SUBRECIPIENT employs **50-99** transit related employees *and* requests or receives in the previous fiscal year: capital or operating assistance in excess of **$1 million**; or planning assistance in excess of **$250,000**.

7. Section 319 of Public Law 101-121 and 49 CFR Part 20 prohibit recipients of federal contracts from using appropriated funds for lobbying U.S. Federal Agencies or the United States Congress in connection with a specific covered federal action and requires all persons to disclose lobbying if they request or receive a covered federal action. By signing this agreement, SUBRECIPIENT certifies that:

   A. SUBRECIPIENT shall require that the language of this section be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that SUBRECIPIENT shall certify and disclose accordingly.

   B. No federally appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the: (i) award of any federal contract; (ii) grant of any federal loan; (iii) provision of any federal grant; (iv) entrance into any cooperative agreement; and (v) extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

C. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

D. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than **$10,000** and not more than **$100,000** for each such failure.

8. SUBRECIPIENT understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 **("IRCA")** and agrees to comply with the IRCA in the performance of this Agreement.

9. If a current or prospective legal matter that may affect the Federal Government emerges, the SUBRECIPIENT must promptly notify PHOENIX, which must then promptly notify the FTA Chief Counsel and FTA Regional Counsel for Region 9. The SUBRECIPIENT must include a similar notification requirement in its Third-Party Agreements and must require each Third-Party Participant to include an equivalent provision in its subagreements at every tier, for any agreement that is a "covered transaction" according to 2 C.F.R. §§ 180.220 and 1200.220.

A. The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.

B. Matters that may affect the Federal Government include, but are not limited to, the Federal Government's interests in the Award, the accompanying Underlying Agreement, and any Amendments thereto, or the Federal Government's administration or enforcement of federal laws, regulations, and requirements.

C. The SUBRECIPIENT must promptly notify PHOENIX, which must then promptly notify the U.S. DOT Inspector General in addition to the FTA Chief Counsel or Regional Counsel for Region 9, if the SUBRECIPIENT has knowledge of potential fraud, waste, or abuse occurring on a Project receiving assistance from FTA. The notification provision applies if a person has or may have submitted a false claim under the False Claims Act, 31 U.S.C. § 3729, et seq., or has or may have committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bid rigging, misappropriation or embezzlement, bribery, gratuity, or similar misconduct involving federal assistance. This responsibility occurs whether the Project is subject to this Agreement or another agreement between the Recipient and FTA, or an agreement involving a principal, officer, employee, agent, or Third-Party Participant of the SUBRECIPIENT. It also applies to subcontractors at any tier. Knowledge, as used in this paragraph, includes, but is not limited to, knowledge of a criminal or civil investigation by a federal, state, or local law enforcement or other investigative agency, a criminal indictment or civil complaint, or probable cause that could support a criminal indictment, or any other credible information in the possession of the SUBRECIPIENT. In this paragraph, "promptly" means to refer information without delay and without change. This notification provision applies to all divisions of the SUBRECIPIENT.

10. PHOENIX and SUBRECIPIENT are prohibited from obligating or expending loan or grant funds to: procure or obtain, extend or renew a contract to procure or obtain, or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is:

A. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

B. Video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities) for the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes.

C. Telecommunications or video surveillance services provided by such entities or using such equipment.

D. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

EXHIBIT E

Partial List of Applicable Laws

A. Federal Codes. SUBRECIPIENT shall comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to U.S.C. 2000d-7 **("Title VI")** and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964" **("Nondiscrimination Regulations")** and other pertinent directives, including but not limited to:

- Department of Justice's Title VI Regulations (28 C.F.R. § 42.101 et seq.);
- Department of Justice's Title VI Coordination Regulations (28 C.F.R. § 42.401 et seq.);
- Department of Justice's Guidelines for the Enforcement of Title VI (28 C.F.R. § 50.3);
- Rulemaking actions to incorporate the Civil Rights Restoration Act's definitions of "program or activity" and "program" into regulations implementing Title VI, Section 504, and the Age Discrimination Act;
- Twenty-two agencies' Notice of Proposed Rulemaking, published December 6, 2000 (65 FR 76460);
- Twenty-two agencies' Final Rule, published August 26, 2003 (68 FR 51332);
- Department of Education's Notice of Proposed Rulemaking (also includes amendments to Title IX regulations), published May 5, 2000 (65 FR 26464);
- Department of Education's Final Rule (also includes amendments to Title IX regulations), published November 13, 2000 (65 FR 68049); and
- Department of Health and Human Services' Notice of Proposed Rulemaking (also includes amendments to Title IX regulations), published October 26, 2000 (65 FR 64194)

SUBRECIPIENT shall comply with these requirements so that no person in the United States shall, on the grounds of race, color, sex or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which SUBRECIPIENT receives federal financial assistance, directly or indirectly, from the Department of Transportation, including the Federal Transit Administration. SUBRECIPIENT hereby gives assurance that it will promptly take any measures necessary to effectuate this Agreement. This assurance is required by Subsection 21.7(a)(1) of the Nondiscrimination Regulations. More specifically and without limiting the above general assurance, SUBRECIPIENT hereby gives the following specific assurances with respect to the Project(s):

1. SUBRECIPIENT shall insert the following notification in all solicitations for bids for work or material subject to the Nondiscrimination Regulations and made in connection with a project under 49 U.S.C. chapter 53 and, in adapted form, in all proposals for negotiated agreements:

> CONTRACTOR, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-7 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation," issued pursuant to such Act, hereby notifies all bidders and proposers that it will affirmatively ensure that in regard to any contract or procurement entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full opportunity to submit bids and proposals in response to this invitation and will not be discriminated against on the grounds of race, color, sex, or national origin in consideration for an award.

2. If SUBRECIPIENT carries out a program of training under Section 5312of Title 49, United States Code chapter 53, the assurance shall obligate SUBRECIPIENT to make selection of the trainee or fellow without regard to race, color, sex, or national origin.

3. Where SUBRECIPIENT receives federal financial assistance to carry out a program under Title 49, United States Code chapter 53, the assurance shall obligate SUBRECIPIENT to assign transit operators and to furnish transit operators without regard to race, color, sex, or national origin.

4. Where SUBRECIPIENT carries out a program under Title 49, United States Code chapter 53, routing, scheduling, quality of service, frequency of service, age and quality of vehicles assigned to routes, quality of stations serving different routes, and location of routes may not be determined on the basis of race, color, sex, or national origin.

5. This assurance obligates SUBRECIPIENT for the period during which federal financial assistance is extended to the Project(s).

6. SUBRECIPIENT shall provide for such methods of administration for the program as are found by PHOENIX to give reasonable guarantee that it, its contractors, subcontractors, transferees, successors-in-interest and other participants under such program will comply with all requirements imposed pursuant to 49 U.S.C. chapter 53, the Nondiscrimination Regulations, and this assurance.

7. SUBRECIPIENT agrees that PHOENIX has a right to seek judicial enforcement regarding any matter arising under 49 U.S.C. chapter 53, the Nondiscrimination Regulations, and this assurance.

B. Compliance with FTA Regulations. During the performance of this Agreement, SUBRECIPIENT, for itself, its assignees and successors-in-interest agrees as follows:

1. SUBRECIPIENT shall comply with the Nondiscrimination Regulations, as they may be amended from time to time, which are incorporated by reference and made a part of this Agreement.

2. With regard to the work performed by it during the Agreement, SUBRECIPIENT shall not discriminate on the grounds of race, color, sex, or national origin in the selection and retention of subcontractors, including procurement and leases of equipment.

3. In all solicitations, either by competitive bidding or negotiation, made by SUBRECIPIENT for work to be performed under a subcontract—including procurement of materials or leases of equipment—each potential subcontractor or supplier shall be notified by SUBRECIPIENT of the subcontractor's obligations under this Agreement and the Nondiscrimination Regulations.

4. SUBRECIPIENT shall provide all information and reports required by the Nondiscrimination 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 PHOENIX or FTA to be pertinent to ascertain compliance with such Nondiscrimination Regulations, orders, and instructions. Where any information required of SUBRECIPIENT is in the exclusive possession of another who fails or refuses to furnish this information, SUBRECIPIENT shall so certify to PHOENIX or FTA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. If SUBRECIPIENT's fails to comply with the nondiscrimination provisions of this Agreement, then PHOENIX shall impose such contract sanctions as it or FTA may determine to be appropriate, including: (a) withholding of payments to SUBRECIPIENT under the grant award until SUBRECIPIENT complies; and (b) cancellation, termination, or suspension of this Agreement, in whole or in part.

6. SUBRECIPIENT shall include the FTA provisions included above in paragraphs 1 through 5 of **Exhibit E,** section B, in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Nondiscrimination Regulations or governing directives issued. SUBRECIPIENT shall take such action with respect to any subcontract or procurement as PHOENIX or FTA may direct as a means of enforcing such provisions, including sanctions for noncompliance. If SUBRECIPIENT becomes involved in, or is threatened by litigation with a subcontractor or supplier as a result of such direction, then SUBRECIPIENT may request that PHOENIX enter into such litigation to protect the interests of PHOENIX, and SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

7. SUBRECIPIENT hereby adopts the Title VI investigation and tracking procedure developed by PHOENIX. SUBRECIPIENT agrees that PHOENIX personnel shall conduct Title VI investigations. The determinations made by PHOENIX of Title VI complaints shall be binding upon SUBRECIPIENT. SUBRECIPIENT shall maintain a list of any active Title VI investigations conducted by any governmental entity, including PHOENIX, and shall maintain a Title VI complaint log of closed investigations for **three years**. SUBRECIPIENT shall provide information to the public concerning its Title VI obligations and apprise the public of protections offered by Title VI. The obligations of SUBRECIPIENT under this provision survive the termination or expiration of this Agreement.

8. SUBRECIPIENT avows that, where applicable, it is and will provide fair and equitable labor protective arrangements, as reflected in Section 5333(b) of Title 49 U.S. Code, as amended (formerly Section 13(c) of the Federal Transit Act of 1964, 49 U.S.C. 1609). SUBRECIPIENT shall fully cooperate with PHOENIX in meeting the legal requirements of the labor protective provisions of Section 5333(b) and the Labor Agreements and side letters currently in force and certified by the United States Department of Labor. Changes, including changes in service and any other changes that may adversely affect transit employees, shall be made only after due consideration of the impact of such changes on Section 5333(b) protections granted to employees.

9. SUBRECIPIENT shall comply with the following statutes and regulations, as applicable:

   - 18 U.S.C. 1001
   - Section 5301 of 49 U.S.C. chapter 53
   - Section 5309(i) of 49 U.S.C. chapter 53

- Section 5310 of 49 U.S.C. chapter 53, which provides—among other thing—for the planning and design of mass transportation facilities to meet the special needs of senior persons and persons with disabilities
- Section 5323(d) and (f) of 49 U.S.C. chapter 53
- Section 5326 of 49 U.S.C. chapter 53
- Section 5329 of 49 U.S.C. chapter 53
- Section 5332 of 49 U.S.C. chapter 53, which prohibits—among other things—discrimination on the basis of race, color, creed, national origin, sex, or age
- Section 5333 of 49 U.S.C. chapter 53, which requires compliance with applicable labor requirements
- Section 5337 of 49 U.S.C. chapter 53
- Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, which prohibits—among other things—discrimination on the basis of race, color or national origin by recipients of federal financial assistance
- Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e, which prohibits—among other things—discrimination in employment
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, which prohibits—among other things—discrimination on the basis of disability
- 49 CFR Part 600 et seq. regulations promulgated by FTA
- 49 CFR Parts 21, 23, 25, 26 and 27 regulations promulgated by the Department of Transportation governing Title VI, minority business enterprise (DBE/women's business enterprise), relocation and land acquisition, and nondiscrimination based on disability, respectively
- 46 CFR Part 381 regulations promulgated by the Maritime Administration governing cargo preference requirements
- 36 CFR Part 800 regulations promulgated by the Advisory Council on Historic Preservation
- 31 CFR part 205 regulations promulgated by the Department of the Treasury governing letter of credit
- 40 CFR Part 15 regulations promulgated by the Environmental Protection Agency pertaining to administration of clean air and water pollution requirements
- 29 CFR Parts 5 and 215 regulations promulgated by the Department of Labor pertaining to construction labor and transit employee protections
- The Build America, Buy America **("BABA")** and Buy America requirements of Pub. L. 117-58, div. G, tit. IX, Sections 70911-70927, 49 U.S.C. 5323(j), and 49 CFR Part 661 pertaining to the purchase of iron, steel, manufactured goods, and rolling stock

EXHIBIT F

Required Local Provisions

1. Assignability; Successors and Assigns. This Agreement and any rights or obligations hereunder shall not be transferred or assigned, in whole or in part, by SUBRECIPIENT without the prior written consent of PHOENIX. Any attempt to assign without such prior written consent shall be void.

2. Employment and Organization Disclaimer. This Agreement is not intended to and will not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, or formal business association or organization of any kind as existing between the PARTIES, and the rights and the obligations of the PARTIES shall be only those expressly set forth herein. Neither PARTY (nor any employee of either PARTY) is the agent of the other PARTY or otherwise authorized to act on behalf of the other PARTY for any purpose.

3. Entire Agreement; Modification (No Oral Modification). This Agreement and any Exhibits, Attachments, or Schedules attached hereto constitute the full and complete understanding and agreement of the PARTIES. This Agreement supersedes and replaces any and all previous representations, understandings, and agreements, written or oral, relating to its subject matter. There shall be no oral alteration or modification of this Agreement. This Agreement and its terms may not be modified or changed except in writing signed by both PARTIES.

4. Invalidity of Any Provisions. This Agreement shall remain in full force and effect even if one or more of its terms or provisions have been held to be invalid or unenforceable. Such a holding shall result in the offending term or provision being ineffective to the extent of its invalidity or unenforceability without invalidating the remaining terms and provisions hereof. This Agreement shall thereafter be construed as though the invalid or unenforceable term or provision were not contained herein.

5. Applicable Law and Litigation. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona. Any and all litigation between the PARTIES arising from this Agreement shall be litigated solely in the appropriate state court located in Maricopa County, Arizona.

6. Inspection and Audit. The provisions of A.R.S. Section 35-214 shall apply to this Agreement. PHOENIX shall perform the inspection and audit function specified therein.

7. Compliance with Laws and Permits. SUBRECIPIENT shall comply with all applicable laws, ordinances, regulations, and codes of federal, state and local governments. Further, SUBRECIPIENT shall be solely responsible for obtaining all approvals and permits necessary to perform the work called for under this Agreement.

8. Non-waiver. If PHOENIX fails or delays in exercising or enforcing any right, power, privilege, or remedy under this Agreement, such failure or delay shall not be deemed a waiver, release, or modification of the requirements—or any other terms or provisions—of this Agreement.

9. Contract Cancellation. The PARTIES acknowledge that this Agreement is subject to cancellation by PHOENIX, or cancellation by SUBRECIPIENT if it is a government entity, pursuant to the provisions of A.R.S. Section 38-511.

10. Legal Worker Requirements. PHOENIX is prohibited by A.R.S. Section 41-4401 from awarding a contract (agreement) to any SUBECIPIENT who fails, or whose contractors fail, to comply with A.R.S. Section 23-214(A). Therefore, SUBRECIPIENT agrees that:

    A. SUBRECIPIENT and each contractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. Section 23-214(A).

    B. A breach of warranty under paragraph A will be deemed a material breach of the Agreement that is subject to penalties up to and including termination of the Agreement.

    C. PHOENIX retains the legal right to inspect the papers of SUBRECIPIENT or any contractor employee who works on the Agreement to ensure that the SUBRECIPIENT or any contractor is complying with the warranty under paragraph A.