



**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

Board of Directors

Thursday, September 15, 2022

1:00 PM

AGENDA

1. Call to order
2. Fiscal Year 2023 Budget Public Hearing
3. Approval of Agenda
4. Approval of the July Board Meeting Summary
5. Public Comment
6. Financial Reports for July and August – ACTION
7. Fiscal Year 2023 Budget – ACTION
8. Directors and Officers Liability Insurance Renewal - ACTION
9. Fiscal Year 2023 WSP Task Order Update - ACTION
10. Fiscal Year 2023 HNTB Task Order Update - ACTION
11. Fiscal Year 2022 Triennial Audit and DRAFT Disadvantaged Business Enterprise Program
12. Report from Program Manager
13. New Business
14. Adjourn

The Board may, at its discretion, revise this agenda or take up any other issues as need and time allow.

Request for reasonable accommodations at RTA meetings require advance reservations. Individuals with disabilities requiring assistance should contact RTA Information Services at least 48 hours in advance of the meeting. Contact Virginia Lickliter at 313-402-1020.

Documents and information are available in a variety of formats. Contact the RTA Information Center at info@rtamichigan.org or call 313-402-1020 to discuss your format need. Further information can be found at www.rtamichigan.org



**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

Proposed Meeting Summary

Board of Directors

Thursday, July 21, 2022

1:00 PM

1. Call to order at 1:05PM

Board Members Present:

Paul Hillegonds; Don Morandini; Alma Smith; Helaine Zack; Freman Hendrix;
Jeannette Bradshaw; Ned Staebler

RTA Representatives Present:

Ben Stupka; Virginia Lickliter; Khalil Davis; Shauna Morris

Other Meeting Participants:

Mario Morrow and Associates – Contractor to RTA

2. Approval of Agenda

Moved by Don Morandini and supported by Alma Smith. The July 21, 2022 Agenda was unanimously approved.

3. Approval of the June 16, 2022 Board Meeting Summary

Moved by Alma Smith and supported by Helaine Zack. The June 16, 2022 Meeting Summary was unanimously approved, with administrative corrections.

4. Public Comment

- Robert Pawlowski provided public comment in relation to marketing and public engagement at various art and street fairs throughout the region in support of the RTA and SMART millage.
- Steven Hawring posed a question in relation to the inclusion of Macomb County in planning and future discussions around public transit. In addition, Mr. Hawring asked about the future of D2A2 services. Mr. Stupka advised that Macomb County will be included, as they are part of the SE region, and have representation on the RTA Board. Mr. Stupka further advised that D2A2 has funding for three (3) years of service, with the flexibility to reprogram funding to other priorities.
- Megan Owens advised that TRU will be hosting a series of townhall meetings across the region, beginning August 2022. She further requested that if the Board had suggestions for other organizations that may want to participate in efforts to support the SMART millage renewal, she will welcome introductions.
- Brian Pawlik, SEMCOG, introduced himself to the Board.

5. **SMART Update Presentation**

Dwight Ferrell, SMART General Manager, provided a detailed update on the state of SMART's system as it relates to: Ridership; Priorities; Growth; Vision; Economic Development; and SMART millage renewal. The full presentation can be found [here](#).

6. **Financial Reports for June 2022 - Action**

Ms. Lickliter presented the June 2022 financial reports, as included in the meeting packet. Ms. Lickliter advised that there was an increase in transportation services that included a 6-month invoice for D2A2 services. Moved by Alma Smith and supported by Freman Hendrix. The June 2022 Financial Reports were unanimously approved.

7. **American Rescue Plan Funds– Regional Set Aside Programming Concept**

Mr. Stupka outlined the proposed ARP programming framework for selecting and advancing the joint regional projects funded by the remaining 15% of ARP funding. The RTA will make \$13.4 million available for providers to apply for projects in: service improvements/pilots, zero emission pilots, workforce development, bus top improvements/mobility hubs. The presentation was for informational purposes only. The proposed framework memorandum was included in the meeting packet.

8. **Fiscal Year 2023 Budget Presentation**

Mr. Stupka presented an overview of the RTA's FY2023 Administrative and Project Budget. The Draft presentation was submitted to the Board prior to the July 21, 2022 meeting. Upon Board analysis, the FY2023 Budget will be distributed for public review in August 2022.

9. **Report from Program Manager**

Mr. Stupka provided a summary of the Program Manager's Report, as included in the meeting packet.

10. **New Business**

Ms. Smith and the Board congratulated Robert Cramer for his new role as the General Manager of the Detroit Transportation Center (DTC) and acknowledged his dedicated service to SMART.

11. **Meeting adjourned at 3:03 PM**

Regional Transit Authority of Southeast Michigan
Income Statement
Month ended July 31, 2022

	Jul 2022	Total			
	Actual	Actual	Budget	over Budget	% of Budget
Revenue					
410.00 Grant Revenue		0.00	0.00	0.00	
410.01 Federal Grant Revenue	115,230.60	1,512,027.55	2,701,423.00	-1,189,395.45	55.97%
410.02 State Grant Revenue	34,498.54	858,188.89	2,202,032.00	-1,343,843.11	38.97%
410.03 State Matching Revenue	15,039.07	330,695.77	74,016.00	256,679.77	446.79%
410.09 Other Grant Revenue	3,000.00	45,717.53	0.00	45,717.53	
410.93 Project match revenue		(2,939.94)			
Total 410.00 Grant Revenue	\$ 167,768.21	\$ 2,743,689.80	\$ 4,977,471.00	-\$ 2,233,781.20	55.12%
440.00 Interest Income	10.85	15.01	0.00	15.01	
Total Revenue	\$ 167,779.06	\$ 2,743,704.81	\$ 4,977,471.00	-\$ 2,233,766.19	55.12%
Expenditures					
Total 501.00 LABOR	\$ 10,207.14	\$ 123,106.86	\$ 166,050.00	-\$ 42,943.14	74.14%
Total 502.00 FRINGE BENEFITS	\$ 7,542.89	\$ 68,173.20	\$ 83,025.00	-\$ 14,851.80	82.11%
Total Cost of Labor	\$ 17,750.03	\$ 191,280.06	\$ 249,075.00	-\$ 57,794.94	156.25%
503.00 SERVICES		0.00	0.00	0.00	
503.01 Legal	21,404.50	42,693.50	75,000.00	-32,306.50	56.92%
503.02 Audit		15,400.00	20,000.00	-4,600.00	77.00%
503.04 Communications	6,750.00	67,500.00	81,000.00	-13,500.00	83.33%
503.06 Technical Contracts	42,105.65	607,139.97	1,416,369.00	-809,229.03	42.87%
503.08 Legislative Services	3,000.00	30,000.00	36,000.00	-6,000.00	83.33%
Total 503.09 Transportation Services	\$ 75,195.35	\$ 1,653,328.82	\$ 2,870,080.00	-\$ 1,216,751.18	57.61%
503.11 Project match		(2,939.94)			
503.99 Other Services		0.00	0.00	0.00	
503.990 Public Education Initiatives		40,853.22	75,000.00	-34,146.78	54.47%
503.992 User Satisfaction Survey		0.00	50,000.00	-50,000.00	0.00%
503.999 Other Contract		74,085.00	22,000.00	52,085.00	336.75%
Total 503.99 Other Services	\$ 0.00	\$ 114,938.22	\$ 147,000.00	-\$ 32,061.78	78.19%
Total 503.00 SERVICES	\$ 148,455.50	\$ 2,528,060.57	\$ 4,645,449.00	-\$ 2,117,388.43	54.42%

Regional Transit Authority of Southeast Michigan
Income Statement
 Month ended July 31, 2022

	Jul 2022	Total			
	Actual	Actual	Budget	over Budget	% of Budget
504.00 MATERIAL AND SUPPLIES		0.00	0.00	0.00	
504.02 PC & Computers		0.00	7,500.00	-7,500.00	0.00%
504.03 Printing		0.00	25,000.00	-25,000.00	0.00%
504.04 Office Supplies		293.44	2,500.00	-2,206.56	11.74%
Total 504.00 MATERIAL AND SUPPLIES	\$ 0.00	\$ 293.44	\$ 35,000.00	-\$ 34,706.56	0.84%
505.00 UTILITIES		0.00	0.00	0.00	
505.01 Telephone		3,078.64	7,500.00	-4,421.36	41.05%
505.02 Online Services	536.68	5,289.93	0.00	5,289.93	
Total 505.00 UTILITIES	\$ 536.68	\$ 8,368.57	\$ 7,500.00	\$ 868.57	111.58%
506.00 INSURANCE		0.00	0.00	0.00	
506.01 D&O Liability Insurance		12,774.00	14,264.00	-1,490.00	89.55%
506.03 Other Insurance	554.00	554.00	683.00	-129.00	81.11%
Total 506.00 INSURANCE	\$ 554.00	\$ 13,328.00	\$ 14,947.00	-\$ 1,619.00	89.17%
507.00 TRAVEL		0.00	0.00	0.00	
507.01 Travel Expenses		0.00	5,000.00	-5,000.00	0.00%
Total 507.00 TRAVEL	\$ 0.00	\$ 0.00	\$ 5,000.00	-\$ 5,000.00	0.00%
509.00 MISCELLANEOUS EXPENSES		0.00	0.00	0.00	
509.01 Subscriptions/Memberships		0.00	5,000.00	-5,000.00	0.00%
509.02 Meeting /Retreats	300.00	852.16	10,000.00	-9,147.84	8.52%
509.03 Board Reimbursement		0.00	3,000.00	-3,000.00	0.00%
509.09 Bank Fees	73.00	640.00	0.00	640.00	
509.99 Other Miscellaneous Expenses	99.00	867.00	2,500.00	-1,633.00	34.68%
Total 509.00 MISCELLANEOUS EXPENSES	\$ 472.00	\$ 2,359.16	\$ 20,500.00	-\$ 18,140.84	11.51%
Total Expenditures	\$ 167,768.21	\$ 2,743,689.80	\$ 4,977,471.00	-\$ 2,233,781.20	55.12%
Net Revenue over Expenditures	\$ 10.85	\$ 15.01	\$ 0.00	\$ 15.01	

Regional Transit Authority of Southeast Michigan
Income Statement Comparison
October 2021 - July 2022

	Total		
	Oct 2021 - Jul 2022	Oct 2020 - Jul 2021 (PY)	% Change
Revenue			
410.00 Grant Revenue			
410.01 Federal Grant Revenue	1,512,027.55	789,836.89	91.44%
410.02 State Grant Revenue	858,188.89	450,112.17	90.66%
410.03 State Matching Revenue	330,695.77	51,756.56	538.94%
410.09 Other Grant Revenue	45,717.53	38,617.05	18.39%
410.93 Project match revenue	-2,939.94	1,910.80	-253.86%
Total 410.00 Grant Revenue	\$ 2,743,689.80	\$ 1,332,233.47	105.95%
440.00 Interest Income	15.01	13.23	13.45%
Total Revenue	\$ 2,743,704.81	\$ 1,332,246.70	105.95%
Expenditures			
Total 501.00 LABOR	\$ 123,106.86	\$ 89,351.29	37.78%
Total 502.00 FRINGE BENEFITS	\$ 68,173.20	\$ 75,019.41	-9.13%
Total Cost of Labor	\$ 191,280.06	\$ 164,370.70	
503.00 SERVICES			
503.01 Legal	42,693.50	32,421.00	31.68%
503.02 Audit	15,400.00	15,399.50	0.00%
503.04 Communications	67,500.00	67,500.00	0.00%
503.06 Technical Contracts	607,139.97	716,161.66	-15.22%
503.08 Legislative Services	30,000.00	30,000.00	0.00%
Total 503.09 Transportation Services	\$ 1,653,328.82	\$ 201,007.39	722.52%
503.11 Project match	-2,939.94	1,910.80	-253.86%
503.99 Other Services	0.00		
503.990 Public Education Initiatives	40,853.22		
503.999 Other Contract	74,085.00	120,327.84	-38.43%
Total 503.99 Other Services	\$ 114,938.22	\$ 120,327.84	-4.48%
Total 503.00 SERVICES	\$ 2,528,060.57	\$ 1,184,728.19	113.39%

Regional Transit Authority of Southeast Michigan
Income Statement Comparison
October 2021 - July 2022

	Total		
	Oct 2021 - Jul 2022	Oct 2020 - Jul 2021 (PY)	% Change
504.00 MATERIAL AND SUPPLIES			
504.01 Postage		0.89	-100.00%
504.02 PC & Computers		1,023.75	-100.00%
504.04 Office Supplies	293.44	748.36	-60.79%
Total 504.00 MATERIAL AND SUPPLIES	\$ 293.44	\$ 1,773.00	-83.45%
505.00 UTILITIES			
505.01 Telephone	3,078.64	3,891.20	-20.88%
505.02 Online Services	5,289.93	4,629.56	14.26%
Total 505.00 UTILITIES	\$ 8,368.57	\$ 8,520.76	-1.79%
506.00 INSURANCE			
506.01 D&O Liability Insurance	12,774.00	13,698.00	-6.75%
506.03 Other Insurance	554.00	648.00	-14.51%
Total 506.00 INSURANCE	\$ 13,328.00	\$ 14,346.00	-7.10%
507.00 TRAVEL			
507.01 Travel Expenses		1,073.50	-100.00%
507.03 Conferences		25.00	-100.00%
Total 507.00 TRAVEL	\$ 0.00	\$ 1,098.50	-100.00%
509.00 MISCELLANEOUS EXPENSES			
509.01 Subscriptions/Memberships		6,116.00	-100.00%
509.02 Meeting /Retreats	852.16	300.00	184.05%
509.09 Bank Fees	640.00	566.00	13.07%
509.99 Other Miscellaneous Expenses	867.00	1,902.60	-54.43%
Total 509.00 MISCELLANEOUS EXPENSES	\$ 2,359.16	\$ 8,884.60	-73.45%
Total Expenditures	\$ 2,743,689.80	\$ 1,383,721.75	98.28%
Net Revenue over Expenditures	\$ 15.01	-\$ 51,475.05	100.03%

Regional Transit Authority of Southeast Michigan
Balance Sheet
As of July 31, 2022

	Total
ASSETS	
Current Assets	
Bank Accounts	
101.00 Cash and Cash Items	
101.01 Cash in Bank - Huntington	8,406.72
101.012 Deposits in Transit	0.00
Total 101.01 Cash in Bank - Huntington	\$ 8,406.72
101.02 Huntington Bank Money Market - RTA Leave Fund	6,639.84
Total 101.00 Cash and Cash Items	\$ 15,046.56
1072 Bill.com Money Out Clearing	0.00
Total Bank Accounts	\$ 15,046.56
Accounts Receivable	
102.00 Receivables	
102.01 Accounts Receivable	1,895,888.06
Total 102.00 Receivables	\$ 1,895,888.06
Total Accounts Receivable	\$ 1,895,888.06
Other Current Assets	
103.00 MATERIAL AND SUPPLIES INVENTORY	
103.01 Prepaid Postage	27.03
103.02 Prepaid Insurance	0.00
103.03 Pre-paid Fringe Benefits	0.00
Total 103.00 MATERIAL AND SUPPLIES INVENTORY	\$ 27.03
Total Other Current Assets	\$ 27.03
Total Current Assets	\$ 1,910,961.65
Fixed Assets	
112.00 TANGIBLE PROPERTY OTHER THAN FO	
112.011 Hardware/Software	2,230.95
112.02 Tangible Property - Accum. Dep	-2,230.94
Total 112.00 TANGIBLE PROPERTY OTHER THAN FO	\$ 0.01
Total Fixed Assets	\$ 0.01
TOTAL ASSETS	\$ 1,910,961.66

Regional Transit Authority of Southeast Michigan
Balance Sheet
As of July 31, 2022

	<u>Total</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Current Liabilities	
Accounts Payable	
201.01 Accounts Payable	1,487,945.63
Total Accounts Payable	<u>\$ 1,487,945.63</u>
Other Current Liabilities	
Total 212.00 Payroll Liabilities	<u>\$ 14,799.69</u>
213.00 Deferred Revenue	
213.02 Deferred Revenue - State Grants	400,000.00
213.09 Deferred Revenue - Other Grants	5,293.27
Total 213.00 Deferred Revenue	<u>\$ 405,293.27</u>
Total Other Current Liabilities	<u>\$ 420,403.81</u>
Total Current Liabilities	<u>\$ 1,908,349.44</u>
Total Liabilities	<u>\$ 1,908,349.44</u>
Equity	
303.00 Unrestricted Fund Balance	2,597.21
Net Revenue over Expenditures	15.01
Total Fund Balance	<u>\$ 2,612.22</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,910,961.66</u>

Regional Transit Authority of Southeast Michigan
Income Statement
Month ended August 31, 2022

	Aug 2022	Total			
	Actual	Actual	Budget	over Budget	% of Budget
Revenue					
410.00 Grant Revenue		0.00	0.00	0.00	
410.01 Federal Grant Revenue	60,127.19	1,572,154.74	2,701,423.00	-1,129,268.26	58.20%
410.02 State Grant Revenue	25,279.93	883,468.82	2,202,032.00	-1,318,563.18	40.12%
410.03 State Matching Revenue		330,695.77	74,016.00	256,679.77	446.79%
410.09 Other Grant Revenue	3,000.00	48,717.53	0.00	48,717.53	
410.93 Project match revenue		(2,939.94)			
Total 410.00 Grant Revenue	\$ 88,407.12	\$ 2,832,096.92	\$ 4,977,471.00	-\$ 2,145,374.08	56.90%
440.00 Interest Income	4.54	19.55	0.00	19.55	
Total Revenue	\$ 88,411.66	\$ 2,832,116.47	\$ 4,977,471.00	-\$ 2,145,354.53	56.90%
Expenditures					
501.00 LABOR		0.00	0.00	0.00	
501.01 Full Time Staff	16,835.37	101,620.23	166,050.00	-64,429.77	61.20%
Total 501.00 LABOR	\$ 16,835.37	\$ 139,942.23	\$ 166,050.00	-\$ 26,107.77	84.28%
502.00 FRINGE BENEFITS		0.00	83,025.00	-83,025.00	0.00%
502.01 FICA	1,370.53	6,793.53	0.00	6,793.53	
502.03 Medical Plan		0.00	0.00	0.00	
502.031 Medical Insurance	-163.68	20,011.34	0.00	20,011.34	
502.032 Dental Insurance		1,918.18	0.00	1,918.18	
502.033 Vision Insurance		226.85	0.00	226.85	
Total 502.03 Medical Plan	-\$ 163.68	\$ 22,156.37	\$ 0.00	\$ 22,156.37	
502.07 Unemployment Insurance	50.00	324.05	0.00	324.05	
502.09 Life Insurance		235.65	0.00	235.65	
502.11 Personal Leave	2,093.78	6,574.16	0.00	6,574.16	
502.12 Short-Term Disability		1,240.15	0.00	1,240.15	
502.13 Long-Term Disability		1,696.51	0.00	1,696.51	
502.99 Other Fringe Benefits		5,099.77	0.00	5,099.77	
502.994 ASO	435.94	2,531.18	0.00	2,531.18	
502.999 Fringe Benefit Allocation		13,316.07	0.00	13,316.07	
Total 502.99 Other Fringe Benefits	\$ 435.94	\$ 20,947.02	\$ 0.00	\$ 20,947.02	
Total 502.00 FRINGE BENEFITS	\$ 3,786.57	\$ 71,959.77	\$ 83,025.00	-\$ 11,065.23	86.67%
Total Cost of Labor	\$ 20,621.94	\$ 211,902.00	\$ 249,075.00	-\$ 37,173.00	170.95%
503.00 SERVICES		0.00	0.00	0.00	
503.01 Legal	2,848.00	45,541.50	75,000.00	-29,458.50	60.72%
503.02 Audit		15,400.00	20,000.00	-4,600.00	77.00%
503.04 Communications	6,750.00	74,250.00	81,000.00	-6,750.00	91.67%
503.06 Technical Contracts	39,505.25	646,645.22	1,416,369.00	-769,723.78	45.66%
503.08 Legislative Services	3,000.00	33,000.00	36,000.00	-3,000.00	91.67%
503.09 Transportation Services		0.00	0.00	0.00	
503.29 Transportation Services - Operations		739,822.74	2,870,080.00	-2,130,257.26	25.78%
Total 503.09 Transportation Services	\$ 0.00	\$ 1,653,328.82	\$ 2,870,080.00	-\$ 1,216,751.18	57.61%
503.11 Project match		(2,939.94)			
503.99 Other Services		0.00	0.00	0.00	
503.990 Public Education Initiatives		40,853.22	75,000.00	-34,146.78	54.47%
503.992 User Satisfaction Survey		0.00	50,000.00	-50,000.00	0.00%
503.999 Other Contract		74,085.00	22,000.00	52,085.00	336.75%
Total 503.99 Other Services	\$ 0.00	\$ 114,938.22	\$ 147,000.00	-\$ 32,061.78	78.19%
Total 503.00 SERVICES	\$ 52,103.25	\$ 2,580,163.82	\$ 4,645,449.00	-\$ 2,065,285.18	55.54%

Regional Transit Authority of Southeast Michigan
Income Statement
Month ended August 31, 2022

	<u>Aug 2022</u>	<u>Total</u>			
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>over Budget</u>	<u>% of Budget</u>
504.00 MATERIAL AND SUPPLIES		0.00	0.00	0.00	
504.02 PC & Computers	10,504.12	10,504.12	7,500.00	3,004.12	140.05%
504.03 Printing		0.00	25,000.00	-25,000.00	0.00%
504.04 Office Supplies	215.16	508.60	2,500.00	-1,991.40	20.34%
Total 504.00 MATERIAL AND SUPPLIES	\$ 10,719.28	\$ 11,012.72	\$ 35,000.00	-\$ 23,987.28	31.46%
505.00 UTILITIES		0.00	0.00	0.00	
505.01 Telephone	587.23	3,665.87	7,500.00	-3,834.13	48.88%
505.02 Online Services	364.25	5,654.18	0.00	5,654.18	
Total 505.00 UTILITIES	\$ 951.48	\$ 9,320.05	\$ 7,500.00	\$ 1,820.05	124.27%
506.00 INSURANCE		0.00	0.00	0.00	
506.01 D&O Liability Insurance		12,774.00	14,264.00	-1,490.00	89.55%
506.03 Other Insurance		554.00	683.00	-129.00	81.11%
Total 506.00 INSURANCE	\$ 0.00	\$ 13,328.00	\$ 14,947.00	-\$ 1,619.00	89.17%
507.00 TRAVEL		0.00	0.00	0.00	
507.01 Travel Expenses	1,955.17	1,955.17	5,000.00	-3,044.83	39.10%
Total 507.00 TRAVEL	\$ 1,955.17	\$ 1,955.17	\$ 5,000.00	-\$ 3,044.83	39.10%
509.00 MISCELLANEOUS EXPENSES		0.00	0.00	0.00	
509.01 Subscriptions/Memberships	900.00	900.00	5,000.00	-4,100.00	18.00%
509.02 Meeting /Retreats		852.16	10,000.00	-9,147.84	8.52%
509.03 Board Reimbursement		0.00	3,000.00	-3,000.00	0.00%
509.09 Bank Fees	73.00	713.00	0.00	713.00	
509.99 Other Miscellaneous Expenses	1,083.00	1,950.00	2,500.00	-550.00	78.00%
Total 509.00 MISCELLANEOUS EXPENSES	\$ 2,056.00	\$ 4,415.16	\$ 20,500.00	-\$ 16,084.84	21.54%
Total Expenditures	\$ 88,407.12	\$ 2,832,096.92	\$ 4,977,471.00	-\$ 2,145,374.08	56.90%
Net Revenue over Expenditures	\$ 4.54	\$ 19.55	\$ 0.00	\$ 19.55	

Regional Transit Authority of Southeast Michigan
Income Statement Comparison
October 2021 - August 2022

	Total		
	Oct 2021 - Aug 2022	Oct 2020 - Aug 2021 (PY)	% Change
Revenue			
410.00 Grant Revenue			
410.01 Federal Grant Revenue	1,572,154.74	866,781.03	81.38%
410.02 State Grant Revenue	883,468.82	477,399.20	85.06%
410.03 State Matching Revenue	330,695.77	51,756.56	538.94%
410.09 Other Grant Revenue	48,717.53	41,617.05	17.06%
410.93 Project match revenue	-2,939.94	1,910.80	-253.86%
Total 410.00 Grant Revenue	\$ 2,832,096.92	\$ 1,439,464.64	96.75%
440.00 Interest Income	19.55	13.93	40.34%
Total Revenue	\$ 2,832,116.47	\$ 1,439,478.57	96.75%
Expenditures			
Total 501.00 LABOR	\$ 139,942.23	\$ 97,346.26	43.76%
Total 502.00 FRINGE BENEFITS	\$ 71,959.77	\$ 80,616.46	-10.74%
Total Cost of Labor	\$ 211,902.00	\$ 177,962.72	
503.00 SERVICES			
503.01 Legal	45,541.50	37,324.50	22.02%
503.02 Audit	15,400.00	15,399.50	0.00%
503.04 Communications	74,250.00	74,250.00	0.00%
503.06 Technical Contracts	646,645.22	770,235.05	-16.05%
503.08 Legislative Services	33,000.00	33,000.00	0.00%
Total 503.09 Transportation Services	\$ 1,653,328.82	\$ 201,007.39	722.52%
503.11 Project match	-2,939.94	1,910.80	-253.86%
503.99 Other Services	-6,616.67		
503.990 Public Education Initiatives	47,469.89	23,842.00	99.10%
503.999 Other Contract	74,085.00	120,327.84	-38.43%
Total 503.99 Other Services	\$ 114,938.22	\$ 144,169.84	-20.28%
Total 503.00 SERVICES	\$ 2,580,163.82	\$ 1,277,297.08	102.00%

Regional Transit Authority of Southeast Michigan
Income Statement Comparison
October 2021 - August 2022

	Total		
	Oct 2021 - Aug 2022	Oct 2020 - Aug 2021 (PY)	% Change
504.00 MATERIAL AND SUPPLIES			
504.01 Postage		0.89	-100.00%
504.02 PC & Computers	10,504.12	1,023.75	926.04%
504.04 Office Supplies	508.60	797.78	-36.25%
Total 504.00 MATERIAL AND SUPPLIES	\$ 11,012.72	\$ 1,822.42	504.29%
505.00 UTILITIES			
505.01 Telephone	3,665.87	4,329.91	-15.34%
505.02 Online Services	5,654.18	5,044.69	12.08%
Total 505.00 UTILITIES	\$ 9,320.05	\$ 9,374.60	-0.58%
506.00 INSURANCE			
506.01 D&O Liability Insurance	12,774.00	13,698.00	-6.75%
506.03 Other Insurance	554.00	648.00	-14.51%
Total 506.00 INSURANCE	\$ 13,328.00	\$ 14,346.00	-7.10%
507.00 TRAVEL			
507.01 Travel Expenses	1,218.92	1,073.50	13.55%
507.02 Mileage	326.25		
507.03 Conferences	410.00	25.00	1540.00%
Total 507.00 TRAVEL	\$ 1,955.17	\$ 1,098.50	77.99%
509.00 MISCELLANEOUS EXPENSES			
509.01 Subscriptions/Memberships	900.00	6,116.00	-85.28%
509.02 Meeting /Retreats	852.16	300.00	184.05%
509.09 Bank Fees	713.00	629.00	13.35%
509.99 Other Miscellaneous Expenses	1,950.00	2,006.60	-2.82%
Total 509.00 MISCELLANEOUS EXPENSES	\$ 4,415.16	\$ 9,051.60	-51.22%
Total Expenditures	\$ 2,832,096.92	\$ 1,490,952.92	89.95%
Net Revenue over Expenditures	\$ 19.55	-\$ 51,474.35	100.04%

Regional Transit Authority of Southeast Michigan
Balance Sheet
As of August 31, 2022

	Total
ASSETS	
Current Assets	
Bank Accounts	
101.00 Cash and Cash Items	
101.01 Cash in Bank - Huntington	17,116.18
101.012 Deposits in Transit	0.00
Total 101.01 Cash in Bank - Huntington	\$ 17,116.18
101.02 Huntington Bank Money Market - RTA Leave Fund	6,630.40
Total 101.00 Cash and Cash Items	\$ 23,746.58
1072 Bill.com Money Out Clearing	0.00
Total Bank Accounts	\$ 23,746.58
Accounts Receivable	
102.00 Receivables	
102.01 Accounts Receivable	1,797,354.20
Total 102.00 Receivables	\$ 1,797,354.20
Total Accounts Receivable	\$ 1,797,354.20
Other Current Assets	
103.00 MATERIAL AND SUPPLIES INVENTORY	
103.01 Prepaid Postage	27.03
103.02 Prepaid Insurance	0.00
103.03 Pre-paid Fringe Benefits	0.00
Total 103.00 MATERIAL AND SUPPLIES INVENTORY	\$ 27.03
Total Other Current Assets	\$ 27.03
Total Current Assets	\$ 1,821,127.81
Fixed Assets	
112.00 TANGIBLE PROPERTY OTHER THAN FO	
112.011 Hardware/Software	2,230.95
112.02 Tangible Property - Accum. Dep	-2,230.94
Total 112.00 TANGIBLE PROPERTY OTHER THAN FO	\$ 0.01
Total Fixed Assets	\$ 0.01
TOTAL ASSETS	\$ 1,821,127.82

Regional Transit Authority of Southeast Michigan
Balance Sheet
As of August 31, 2022

	<u>Total</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Current Liabilities	
Accounts Payable	
201.01 Accounts Payable	1,401,107.25
Total Accounts Payable	<u>\$ 1,401,107.25</u>
Other Current Liabilities	
Total 212.00 Payroll Liabilities	<u>\$ 14,799.69</u>
213.00 Deferred Revenue	
213.02 Deferred Revenue - State Grants	400,000.00
213.09 Deferred Revenue - Other Grants	2,293.27
Total 213.00 Deferred Revenue	<u>\$ 402,293.27</u>
Total Other Current Liabilities	<u>\$ 417,403.81</u>
Total Current Liabilities	<u>\$ 1,818,511.06</u>
Total Liabilities	<u>\$ 1,818,511.06</u>
Equity	
303.00 Unrestricted Fund Balance	2,597.21
Net Revenue over Expenditures	19.55
Total Fund Balance	<u>\$ 2,616.76</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,821,127.82</u>

Business Plan and Budget FY2023-2027

September 15, 2022



RTA

**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

Table of Contents

Message from the RTA Board	3
RTA Board of Directors	3
Introduction	4
Regional Transit Authority of Southeast Michigan	4
Purpose and Need	4
Five-Year Business Plan Development	4
RTA Strategic Direction	5
Vision	5
Mission	5
Guiding Principles	5
RTA Business Functions	6
Regional Master Transit Plan	6
Advancing Equity	7
Developing a Technical Assistance Program	7
Reporting and Measuring Progress	7
RTA Work Plan	8
Overview	8
Work Plan	8
Focus: Agency Operations	12
Administrative Budget	13
Project Budget	15

MESSAGE FROM THE RTA BOARD

The needs and opportunities for coordinated regional investments in Southeast Michigan's transit system have perhaps never been greater. The ongoing Covid-19 pandemic has disrupted our lives while underlining transit's critical role in getting essential workers where they need to go and ensuring a sustainable, equitable recovery that betters our region's economy and quality of life. Through the American Rescue Plan Act and the Bipartisan Infrastructure Law, Congress has made a generational investment in our transportation system. The moment requires that we quickly set in motion the strategies laid out in the latest update to the regional master transit plan (RMTP) to apply the opportunities before us to the needs of today and tomorrow.

The RTA Business Plan for fiscal years 2023-27 charts the agency's course to fund, plan, coordinate, and accelerate regional transit over the next five years in concert with the region's transit providers and stakeholders. The plan describes how we will build up RTA to meet our statutory responsibilities, provide technical assistance and leadership to win federal grants, and set Southeast Michigan on a path to sustainable transit funding. In addition, the plan lays out how RTA will use one-time American Rescue Plan funding to leverage long-term investments and jump-start new services for the region's riders.

RTA Board of Directors

Paul Hillegonds Chair

Freman Hendrix City of Detroit

Jon Moore Macomb County

Donald Morandini Macomb County

Jeannette Bradshaw Oakland County

Helaine Zack Oakland County

Ned Staebler Washtenaw County

Alma Wheeler Smith Washtenaw County

June Lee Wayne County

Erica Robertson Wayne County

INTRODUCTION

Regional Transit Authority of Southeast Michigan

The Regional Transit Authority of Southeast Michigan (RTA) was established by Public Act 387 of 2012. RTA is responsible for developing a regional master transit plan, coordinating regional transit projects and programs, and distributing federal and state transit formula funds in the four-county region that includes Macomb, Oakland, Washtenaw, and Wayne Counties. Its 10-member board is appointed by the county executives of Wayne, Oakland and Macomb Counties, the chair of the Washtenaw County Board of Commissioners, the Mayor of Detroit, and the Governor of Michigan.

RTA works in partnership with public transit agencies to fulfill its role. Under state legislation, RTA is authorized to levy a regional property tax millage and a motor vehicle registration tax to secure local funding for improving transit services. These taxes must be approved by voters in Southeast Michigan.

Purpose and Need

The RTA Business Plan articulates a fiscally sustainable work plan covering the next five years based on clear, agency-specific business functions and guiding principles that communicate the RTA's vision, mission, and responsibilities. The plan describes how RTA will implement the Regional Master Transit Plan (RMTP) over the short term and build towards long-term goals in concert with the region's transit providers. The Business Plan reiterates and expands on RTA's strategic direction, presents an actionable five-year work plan, and enumerates a financial plan to pay for it all. To deliver the work plan, the Business Plan presents a staffing plan and updated agency organizational chart.

The Business Plan as a whole and the work plan specifically respond to ongoing and emerging needs to:

- Meet RTA's statutory responsibilities.
- Solidify an effective, sustainable agency with a clear role in the region.
- Grow internal staff to enhance RTA's capacity to communicate, coordinate, fund, and accelerate regional transit.
- Implement regional priorities within existing funding programs and take advantage of new sources of discretionary and formula funding.
- Accelerate new mobility concepts through strategic plans and pilot projects.
- Prepare the agency for the successful implementation of a future ballot initiative at the board's discretion.

Five-Year Business Plan Development

RTA staff developed the Business Plan following the completion of the RMTP update. This update was the result of a year-long collaborative planning process that included extensive engagement with transit providers and other stakeholders, a regional general opinion survey, and a comprehensive public engagement process.

In addition, the business plan is informed by a peer review of several regional transit authorities across the country and targeted interviews with stakeholders in Southeast Michigan. The FY2023-27 RTA Business Plan is unique because it responds to the pressing need to grow agency staff to implement the most recent RMTP and position the region for federal funding. RTA will regularly update the Business Plan through the annual budget cycle in consultation with the annual RMTP development process.

RTA STRATEGIC DIRECTION

The RTA Business Plan rests on the strategic direction that the RTA Board of Directors has set over the past 10 years, updated to meet the current and anticipated needs of the region.

Vision

The RTA Vision sets the ideal future state for our region.

RTA envisions a region with sufficient and stable funding to support improved public transit options that will advance equity by increasing accessibility; satisfy the integrated mobility needs of Southeast Michigan communities; and promote livable, healthy, and sustainable growth.

Mission

The RTA mission describes how the agency will deliver the Vision given its values and capabilities.

Our mission is to manage and secure transportation resources that significantly enhance mobility options, to improve quality of life for the residents and to increase economic viability for the region.

Guiding Principles

Guiding Principles are the foundation on which RTA assesses all internal business decisions to advance the Vision. Each Guiding Principle is driven by prompts to judge whether a decision or initiative best meets the needs of the region and supports transit providers.

Regional	Does the decision advance the Mission and Vision of the agency and the Goals in the RMTP, and is it within the Core Business Functions of the RTA?
Coordinated	Does the decision advance the priorities of regional transit providers as defined in their planning documents? Does the decision build or deepen partnerships?
Equitable	Does the decision advance equity by improving service for riders in regionally defined equity communities or for marginalized populations? Does the decision advance equity within the RTA as an organization?
Innovative	Does the decision introduce or accelerate the implementation of a new or innovative concept, technology, or service type for the region that might benefit riders?
Sustainable	Is the decision sustainable within existing funding sources, or does it lay the groundwork for future funding?

RTA STRATEGIC DIRECTION

RTA Business Functions

RTA's Business Functions define the types of activities that position the agency to deliver the Vision as informed by its statutory responsibilities and powers under PA 387 of 2012. In general, staffing and administrative decisions, initiatives, and projects and programs undertaken by RTA fall under one or more of the four Business Functions.

Fund

- Designated recipient for federal and state funds
- Empowered to review federal and state applications for alignment with regional goals
- Empowered to introduce a ballot initiative to generate regional funding for transit

Plan

- Required to produce a regional master transit plan and to update it annually
- Empowered to advance transit projects on specific corridors
- Engaged in planning efforts to improve transit and equitable mobility (e.g., OnHand Plan, Mobility on Demand study, Seamless Fare Integration studies, Workforce Mobility Equity study, corridor studies)

Coordinate

- Convenes Provider's Advisory and Citizen's Advisory Committees
- Empowered to issue Coordination Directive and withhold funding if regional goals are not followed
- Manages/funds integrated systems (e.g., MyRide2)

Accelerate

- Pilots new service types (e.g., Reflex, D2A2, QuickConnect)
- Seeks funding opportunities to expand and enhance transit
- Builds regional partnerships to strengthen the coalition for transformative, sustainable funding

RTA Master Transit Plan

The RTA Board adopted the most recent RMTP in December 2021. The plan sets a strategic agenda driven by public input to guide future transit planning and projects in Southeast Michigan and build on recent achievements and innovations. The RMTP is an aspirational but achievable vision for Southeast Michigan's transit system as well as a first step toward increasing transit equity.

The RTA Business Plan presents how the agency will manage financial and staff resources to advance all five of the RMTP goals:

EXPAND Expand transit to new places	ENHANCE Enhance existing services	INNOVATE Develop innovative and adaptable solutions	FINANCE Secure long-term dedicated transit revenue	PARTNER Build sustainable partnerships
-----------------------------------------------	---------------------------------------------	---------------------------------------------------------------	--------------------------------------------------------------	--------------------------------------------------

To determine the FY2023-2027 Work Plan, RTA evaluated the 21 strategies and 61 actions in the RMTP, identifying initiatives that can be advanced in the short- to mid-term, and scoring them based on applicability to RTA Guiding Principles. By prioritizing initiatives in this manner, RTA can make impactful, strategic investments that align with the RMTP goals. RTA will conduct an administrative update of the RMTP in FY2023. This will include a review and update of all the identified Strategies and Actions.

RTA STRATEGIC DIRECTION

Advancing Equity

RTA took its first steps to intentionally operationalize equity within the agency through the 2021 Regional Transit Briefing Book. Realizing our vision for a more just and equitable region requires concerted effort on all fronts, from connecting systemically disadvantaged people to opportunity through new transit services, to improving existing services. Our commitment to equity must cut across both the RMTP goals and strategies and all agency operations. The RTA is committed to advancing equity by institutionalizing equity within the agency, investing strategically to address inequities, and conducting inclusive outreach and engagement.

Developing a Technical Assistance Program

In the RMTP under its Enhance goal, RTA identifies technical assistance as a way to assist community transit providers with planning, capital improvements, and grant services. As a first step in developing a technical assistance program, RTA is studying similar programs in peer regions and cities. This allows RTA to better understand program structure, project eligibility, how programs are funded, and how transportation and planning agencies evaluate potential projects. A technical assistance program has the potential to both expand transportation services and strengthen partnerships within the region.

Reporting and Measuring Progress

RTA is committed to accountability in its work plan and to improving transit in Southeast Michigan. Therefore, RTA is establishing the following output-based performance measures to track progress on the various projects and initiatives that the RTA has undertaken in the advancement of its work plan. The measure will be established under each one of the RMTP Goals. For the first year, we will answer the following questions to establish a baseline for measurement:

EXPAND

- How many new projects were undertaken that expand transit to new places, or make new connections?
- How many more jobs and houses were connected because of these new services?

ENHANCE

- How many new projects were undertaken that enhance transit and paratransit services?
- What is the progress of ongoing projects?

INNOVATE

- How many new innovation projects were undertaken?
- What is the progress of ongoing projects?

PARTNER

- How many new partnerships were established?
- What is the progress of initiatives undertaken with those partnerships?

FINANCE

- How much additional funding was secured?
- What was the impact of the funding programmed to the transit providers?

RTA will also begin the development of outcome-based performance metrics that will include interviews, focus groups, and surveys that determine public and stakeholder feedback on the impact of RTA initiatives. This will include the discussion of how the project further the RTA's Vision for regional transit.

RTA WORK PLAN

Overview

The work plan has a five-year horizon, which enables RTA to set achievable short-term actions with a view towards the implementation of more complex initiatives in subsequent years. RTA will update the work plan on an annual basis to align with updates to the RMTP, provider priorities, new opportunities, and emerging needs. The work plan covers operational necessities including staffing, board meetings, financial operations, policy and procedure development, effective communications, and sustainable funding in addition to strategic regional projects that align with the RMTP.

Work Plan

The work plan strives to maintain current RTA activities and projects while building agency capacity to take on new efforts in line with the RTA's responsibilities and authorities. In particular, the work plan concentrates on implementing the RMTP in the short-term and strengthening the agency's ability to successfully run a future regional ballot initiative and secure new federal funding from the Bipartisan Infrastructure Law.

To create the work plan, RTA considered the resources necessary to operate the agency and support its core Business Functions in addition to strategic initiatives that advance the RMTP goals and the regional Vision. RTA identified the strategic initiatives in the work plan by organizing existing projects and RMTP short- and mid-term actions into logical initiatives. Those initiatives were then balanced against the RTA Guiding Principles to determine which to move into implementation.

The work plan is categorized under Administrative and Project Budgets. Items within the Administrative Budget represent RTA core activities that need to be carried out by staff. Many of these tasks involve operations required by state and federal law that should be covered by a sustainable administrative budget. Items within the Project Budget represent priority initiatives covered by outside funding sources that are executed by contractors under staff oversight. Project Budget revenues tend to be covered by one-time funding sources like discretionary grant awards. Given the strategic role of RTA, there are several initiatives that fall into both categories (referred to as hybrid). Hybrid initiatives require further development by staff before they can be launched in partnership with a contractor or provider. The work plan is presented in [Table 1](#).

RTA WORK PLAN

Table 1: FY2023-27 Work Plan

Initiative	Budget Type	2023	2024	2025	2026	2027
Agency Operations	Administrative	Ongoing				
Public Engagement	Administrative	Ongoing				
Future Ballot Initiative Support	Administrative	Ongoing				
Update Regional Master Plan	Administrative	Admin Update	Full Update	Admin Update	Admin Update	Full Update
Advance CHSTP Program	Administrative	5310 Call for Projects	CHSTP Update*	5310 Call for Projects		5310 Call for Projects
Expenditure Plan Framework**	Administrative	Expenditure Plan Framework	Expenditure Plan			
Regional Capital Plan	Administrative	Regional Capital Plan	Regional Capital Plan	Regional Capital Plan	Regional Capital Plan	Regional Capital Plan
CHSTP Pilot	Project	Strategy Development	CHSTP Pilot	CHSTP Pilot		
Regional Mobility Management	Project	MyRide2 Operations	MyRide2 Operations	MyRide2* Operations	MyRide2* Operations	MyRide2* Operations
Access to Transit Program	Hybrid	Access to Transit Call for Projects	Access to Transit Projects	Access to Transit Projects	TBD Access to Transit Program	TBD Access to Transit Program
D2A2 Service	Project	Funded Operations	Funded Operations	Partially Funded Operations	TBD Operations	TBD Operations

RTA WORK PLAN

Table 1: FY2023-27 Work Plan

Initiative	Budget Type	2023	2024	2025	2026	2027
Techninical Assitance Program	Hybrid	Strategy Development	TBD Technical Assitance	TBD Technical Assitance	TBD Technical Assitance	TBD Technical Assitance
Regional Tech Strategic Plan	Project	Regional Tech Strategic Plan	TBD Regional Tech Project	TBD Regional Tech Project	TBD Regional Tech Project	TBD Regional Tech Project
Regional Corridor Strategic Investment	Hybrid	Strategy Development	TBD Major Corridor Project	TBD Major Corridor Project	TBD Major Corridor Project	TBD Major Corridor Project
Workforce Framework	Hybrid	Strategy Development	TBD Workforce Program	TBD Workforce Program	TBD Workforce Program	TBD Workforce Program
Regional Fare Modernization	Hybrid	Strategy Development	TBD Fare Technology Project	TBD Fare Technology Project	TBD Fare Technology Project	TBD Fare Technology Project
Strategic Service Pilots	Hybrid	Strategy Development	TBD Service Pilot	TBD Service Pilot	TBD Service Pilot	TBD Service Pilot
Zero-Emission Transition Plan***	Project		TBD Service Pilot	TBD Service Pilot	TBD Service Pilot	TBD Service Pilot

Note: cells in gray require additional funding

*Anticipated funding for CHSTP Update and MyRide2 is in planned Project Budget.

**The Expenditure Plan is the document that will create the basis of a potential ballot initiative. Funding for a formal ballot initiative will need to be provided through an outside funding source.

***It is the RTA's current understanding that AAATA, DDOT, and SMART are advancing these plans on their own.

RTA WORK PLAN

2023 Priorities

RTA staff categorized the following tasks as essential to the success of the work plan over the next five years. RTA will be especially focused on staffing, funding, and advancing core services in FY2023.

Agency Operations

- Explore hiring a General Manager.
- Plan for a small office space and additional expenses (e.g., office furniture, computer, phones, etc.) for expanded operations.

Funding

- Program over \$11 million in federal funding for investment in services that benefit the elderly and people with disabilities.
- Develop and launch the region's first Access to Transit grant program with over \$2 million in funding available for upgrading bus stops and access to bus stops.
- Adopt a Project budget tapping into the ARPA set asides that coordinates the needs and priorities of RTA and providers and sustains existing commitments (e.g., D2A2, Regional Mobility Management program).
- Identify sources of additional funding for long-term operations and new projects, which could come from continued MDOT appropriations, philanthropic support, and administrative fees on formula funding programs.

Core Service Advancements

- Develop a technical assistance program to assist community transit providers in the region with planning, capital improvements, and grant applications.
- Implement a Regional Capital Plan.
- Complete an administrative update of the RMTP.
- Expand public engagement and communications activities.
- Embed equity into the RTA through a dedicated CAC committee.
- Pursue discretionary funding to support and expand the RTA Work Plan.

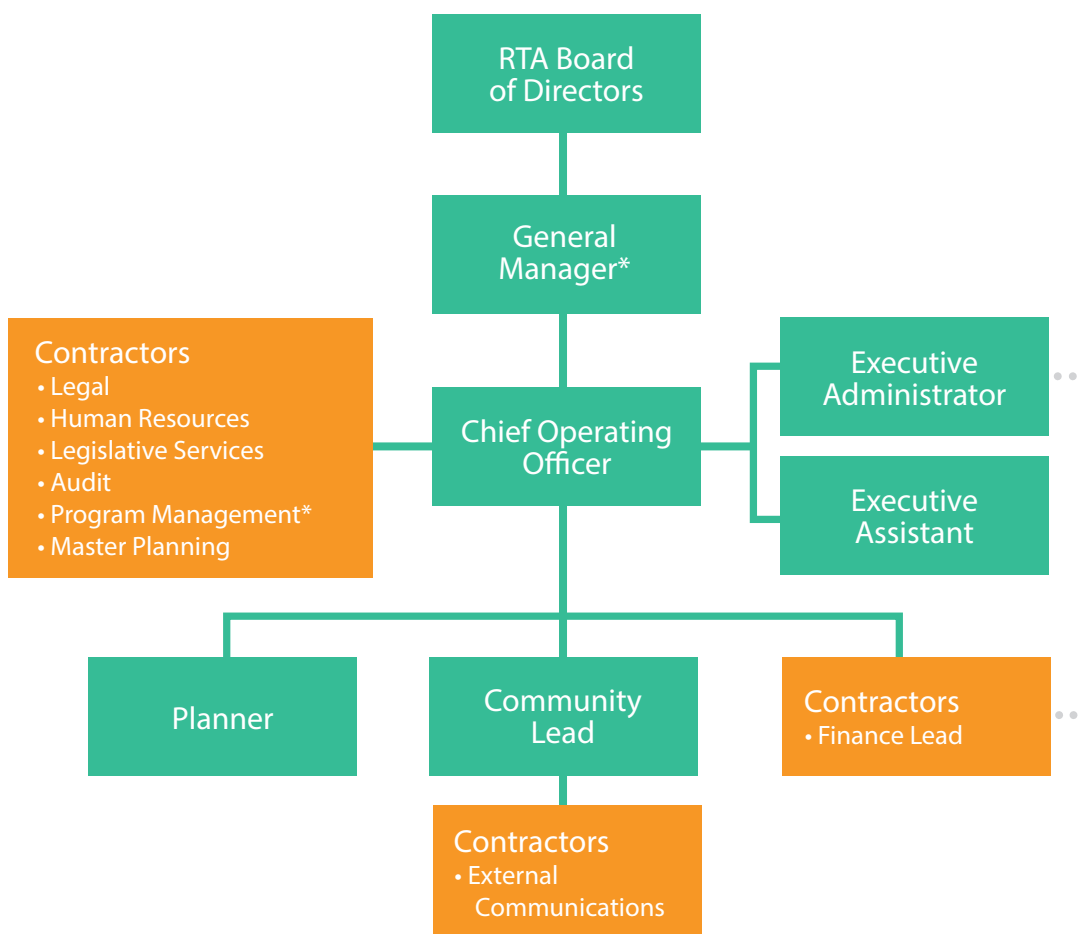
RTA WORK PLAN

Focus: Agency Operations

As described in the 2023 priorities, RTA will expand staff and confirm Administrative and Project budget frameworks for the next five years. RTA was successful in hiring three key positions in 2022: Chief Operating Officer, Community Relations Manager, and Planner. We now have a solid staff that will more effectively allow us to carry out the work plan.

An organizational chart is shown in Figure 1.

Figure 1: Proposed RTA Organizational Chart



*General Manager position is currently vacant. Role is being fulfilled through Program Management contract.

RTA WORK PLAN

Budget Forecasts and Financial Plan

RTA has forecast Administrative and Project Budgets for FY2023-27 based on secured and anticipated revenues, ongoing projects, operational needs, and initiatives introduced in the RMTP and prioritized in the work plan. RTA will set aside \$500,000 in FY2023 to support a potential Expenditure Plan to support a future ballot initiative.

Administrative Budget

Administrative Expenses

RTA administrative expenses are broken into three categories: 1) Staff, 2) Administrative Contracts, and 3) Expenses. Below are some items that staff is considering in each category:

Staff

- Retain existing five staff positions.
- Budget for General Manager for the fourth quarter.

Administrative Contracts

- Retain ongoing core administrative contracts (legal, audit, media, HR).
- Maintain Program Management and Master Planning Services contract amounts through contract duration (September 2023); transition to an on-call planning contract that will allow staff to use services for larger initiatives like the administrative and full RMTP updates in FY 2024.

Expenses

- Budget potential rent/utilities for an RTA office space.
- Budget for additional equipment costs to support additional staff.

Potential Additional Administrative Revenues

RTA staff is targeting the following sources to support the Administrative Budget:

- Annual MDOT appropriations of \$400,000 for administrative expenses.
- Administrative set aside from upcoming 5310 Call for Projects and upcoming update of the Coordinated Human Services Transportation Plan.
- Philanthropic funds to support a continuation and expansion of the government relations contracts and other strategic studies as needs.
- Administrative set aside from annual Local Bus Operating program.
- Planning funding from annual 5307 program.

The proposed Administrative Budget is laid out in Table 2.

RTA WORK PLAN

Table 2: Administrative Budget FY2023-27

Administrative Budget					
	Budget	Projected			
Administrative Revenues	FY2023	FY2024	FY2025	FY2026	FY2027
<i>Previous Year Rollover</i>	7,449,005	5,352,397	3,424,341	1,443,231	-595,102
MDOT Appropriation (FY2023)	400,000				
Total Revenue	7,849,005	5,352,397	3,424,341	1,443,231	-595,102
Administrative Expenditures					
Staff	834,905	1,081,467	1,113,911	1,147,328	1,181,748
Staff Expenses	834,905	1,081,467	1,113,911	1,147,328	1,181,748
Directors and Officers Liability Insurance	14,000	14,420	14,853	15,298	15,757
Legal Services	75,000	77,250	79,568	81,955	84,413
Audit Services	15,500	15,965	16,444	16,937	17,445
External Communications	81,000	50,000	51,500	53,045	54,636
Program Management Services	320,000	0	0	0	0
Master Planning Services	150,000	0	0	0	0
On-Call Planning Services	0	175,000	180,250	185,658	191,227
Financial Services	155,000	159,650	164,440	169,373	174,454
Public Engagement Initiatives	100,000	103,000	106,090	109,273	112,551
Survey Services	50,000	51,500	53,045	54,636	56,275
Other Contract	75,000	77,250	79,568	81,955	84,413
Administrative Contracts	1,035,500	724,035	745,756	768,129	791,173
Marketing/Printed Materials	25,000	25,000	25,000	25,000	25,000
Rent/Utilities	45,000	46,350	47,741	49,173	50,648
Other Insurance	703	703	703	703	703
Computer Hardware/Software	7,500	7,500	7,500	7,500	7,500
Phone Equipment and Service Fees	10,000	10,000	10,000	10,000	10,000
Office Supplies	2,500	2,500	2,500	2,500	2,500
Furniture	10,000	5,000	2,500	2,500	2,500
Meetings/Retreats	10,000	10,000	10,000	10,000	10,000
Travel/Professional Development	5,000	5,000	5,000	5,000	5,000
Subscriptions/Memberships	5,000	5,000	5,000	5,000	5,000
Board Reimbursements	3,000	3,000	3,000	3,000	3,000
Miscellaneous	2,500	2,500	2,500	2,500	2,500
Administrative Expenses	126,203	122,553	121,444	122,876	124,351
Regional Expenditure Plan Set Aside	500,000	0	0	0	0
Total Expenses	2,496,608	1,928,055	1,981,111	2,038,333	2,097,272
Remaining	5,352,397	3,424,341	1,443,231	-595,102	-2,692,374

RTA WORK PLAN

Project Budget

Project Expenses

RTA has the following funded initiatives that it is anticipating completing or substantially advancing in FY 2023:

CHSTP Pilot (\$452,000) This budget line is intended to fund a pilot project or software investment that advances a priority strategy from the CHSTP (aka the OnHand Plan).

Regional Mobility Management (~\$400,000 annually) This budget line is intended to cover the continuation of the Regional Mobility Management Program through September 2023. This program currently provides funding for the regional MyRide2 One Click/One Call service provided by the Area Agency on Aging 1-B. RTA will need to continue to provide 5310 funding support this project in future years.

Coordinated Human Services Transportation Plan Update (\$250,000) This budget line is intended to cover the mandatory updates of the CHSTP (aka The OnHand Study) to maintain compliance with federal 5310 guidelines. RTA will need to continue to provide 5310 funding to support this project in future years.

Regional Transit Technology Strategic Plan (\$125,000) The purpose of this plan is to document all providers' current technology stacks, the current marketplace of technology solutions, and how we can create long-term investments that support the needs of transit riders.

Zero-Emission Bus Fleet Transition Strategy (\$125,000) The Bipartisan Infrastructure Law requires applicants to FTA's Low or No Emission Program to submit a zero-emission fleet transition plan to be eligible for funding. This project would develop a regional transition plan that would help providers set collaborative emissions reduction goals, ensure they are prepared to operate and maintain new buses, and become eligible to pursue federal funding for them.

Access to Transit/Mobility Hub Projects (\$2,000,000) As a direct result of the Bus Stop Strategic Plan, the RTA would look for opportunities to invest in stop upgrades to provide a safer and more pleasant experience for transit riders.

D2A2 Pilot (\$6,093,438) This budget line covers the advancement and implementation of the D2A2 Express Bus service. The annual cost is approximately \$2,200,000. RTA will need to consider options for continuing to fund this service once the pilot funding is exhausted in December 2024.

Regional ARPA (\$25,000,000)

ARPA funding set aside by RTA is to be used to advance regional initiatives in coordination with transit providers. More information about these initiatives is on page 16.

The proposed Project Budget is laid out in [Table 3](#).

RTA WORK PLAN

ARP Initiatives

In August 2021, the RTA Board approved a programming strategy for \$161.9 million in American Rescue Plan (ARP) funds. That included setting aside \$25 million in funding to advance regional initiatives. The RTA will work with the transit providers to determine the most efficient way to program this funding to advance the following initiatives:

- **Regional Corridor Strategic Investment:** Following a staff-led strategic overview of regional corridor opportunities, this project would support the development of environmental planning, preliminary engineering, small capital investments, or potential pilots for transit priority design treatments on identified corridors.
- **Regional Fare Modernization:** After staff completes a strategic overview of advancing fare modernization, this project would support the implementation of certain elements of an integrated fare system.
- **Workforce Development Framework:** After staff completes a strategic overview and proposal of options to assist the providers with workforce attraction and retention, this project could support an investment in marketing, incentives, or additional research.
- **Bus Stop Strategic Plan:** RTA completed the Mobility Oriented Development study in December 2020. The study included a series of recommendations for improving access to transit stops and leveraging transit stops as hubs that integrate mobility and development. This project would initiate a larger study to identify and improve priority transit stops throughout the region and provide funding for making some of those improvements.
- **Zero-Emission Bus Pilot:** The Bipartisan Infrastructure Law requires applicants to FTA's Low or No Emission Program to submit a zero-emission fleet transition plan to be eligible for funding. It is the RTA's current understanding that AAATA, DDOT, and SMART are advancing these plans on their own. Therefore, RTA would like to make funding available for pilot projects in the providers' transition plans.
- **Strategic Service Pilots:** RTA and the providers have been very successful in securing funding for service pilots. There are many potential options for expanding pilots, creating new partnerships, and testing new services. RTA's priority focus is to pilot service in areas that are not geographically or temporally served by transit, or areas where small expansions and partnerships would address job access equity issues (e.g., job shuttles, late night services, new express bus routes).
- **Technical Assistance:** RTA will develop a bench of planning resources that will be available to the providers and municipalities for advancing their programs and developing strategic solutions for their unique mobility issues. RTA staff will be available to provide project management support.

RTA WORK PLAN

Table 3: Project Budget FY2023-27

Project Budget					
	Budget	Projected			
Project Revenues	FY2023	FY2024	FY2025	FY2026	FY2027
5303 Metropolitan Planning Grant (MDOT)	427,000				
5310 Enhanced Mobility of Seniors & Individuals with Disabilities (FTA), State Match (MDOT)	381,182	642,618	404,396	416,528	429,024
Service Development and New Technology (MDOT) - Fiscal Year 2022	125,000				
Service Development and New Technology (MDOT) - Fiscal Year 2023		125,000			
ARP (Regional Set Aside) - programming/use TBD through discussion with transit providers	25,000,000				
Congestion Mitigation and Air Quality Improvement Funds (FTA/SEMCOG) - Access to Transit		1,600,000			
Access to Transit Match (MDOT)		400,000			
Total Revenue	25,933,182	2,767,618	404,396	416,528	429,024
Project Expenses					
Coordinated Human Services Transportation Plan Pilot	427,000				
Regional Mobility Management	381,182	392,618	404,396	416,528	429,024
CHSTP Update		250,000			
Regional Transit Technology Strategic Plan	125,000				
Zero Emission Bus Research		125,000			
ARP (Regional Set Aside) - programming/use TBD through discussion with transit providers	25,000,000				
Access to Transit Program		2,000,000			
Total Expenses	25,933,182	2,767,618	404,396	416,528	429,024
D2A2 Revenues					
Congestion Mitigation and Air Quality Improvement Funds (FTA/SEMCOG) - D2A2	1,647,420	1,696,843	741,485		
Services Initiatives (MDOT) - D2A2	411,855	424,210	399,969		
Michigan Flyer Contribution	116,390	119,882	123,478		
D2A2 Fares	133,264	137,262	141,380		
TOTAL	2,308,929	2,378,197	1,406,312		
D2A2 Expenses					
D2A2 Express Bus	2,308,929	2,378,197	2,330,266	2,400,174	2,472,179
D2A2 Remaining Balance	0	0	-923,954	-2,400,174	-2,472,179

RTA

**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

Insurance Proposal

September 30, 2022 to September 30, 2023

Public Officials Liability Employment Practices Liability

Presented By:



**Ryan Dudek - Account Executive
Mary Morris - Service Representative**

On Behalf Of:

ACE American Insurance Company
A.M. Best Rating - A++ Superior XV Outlook - Stable
Affirmation - December 10, 2021

REGIONAL TRANSIT AUTHORITY PUBLIC OFFICIALS LIABILITY EMPLOYMENT PRACTICES LIABILITY

September 30, 2022 to September 30, 2023

The following is a brief summary of coverage and is subject to all the terms, conditions and exclusions in the policy.

COVERAGE	ACE AMERICAN INSURANCE COMPANY LIMITS AND RETENTIONS
Aggregate Limit of Liability	\$1,000,000
Defense Expense Outside the Limits Provision	\$1,000,000 The policy's aggregate limit is not eroded by claims expenses until the Insured has incurred \$1,000,000 in claims expenses
Individual Non-Indemnified Liability	Included No Retention Pay on behalf of Insured Persons all Damages and Claims Expenses for which the Insured Persons are not indemnified by the Public Entity
Public Entity Reimbursement	Included \$25,000 Retention each claim Pay on behalf of the Public Entity all Damages and Claims Expenses for which the Public entity has indemnified the Insured Persons
Public Entity Liability	Included \$25,000 Retention Each Claim Pay on behalf of the Public Entity all Damages and Claims Expenses for which the Public Entity become legally obligated to pay by reason of a Claim first made against
Employment Practices Liability	Included \$25,000 Retention Each Claim Pay on behalf of the Insureds all Damages and Claims Expenses for which the Insureds become legally obligated to pay by reason of a Claim first made against them
Public Entity Crisis Management	\$50,000 Included in the Policy Limit No Retention 30 Days for 1st Expense Incurred to Report Pay on behalf of the Public Entity the Crisis Management Expense for which the Public Entity becomes legally obligated to pay by reason of a Crisis Event
Injunctive Relief or Monetary Damages Sublimit of Liability	Claim and Defense costs are limited to \$100,000 Limit is included in the Policy Limit
Punitive and Exemplary Damages	Included where allowed by law
Retro Date/Continuity Date	September 6, 2013
Coverage Territory	Worldwide

REGIONAL TRANSIT AUTHORITY PUBLIC OFFICIALS LIABILITY EMPLOYMENT PRACTICES LIABILITY

September 30, 2022 to September 30, 2023

The following is a brief summary of coverage and is subject to all the terms, conditions and exclusions in the policy.

COVERAGE

ACE AMERICAN INSURANCE COMPANY

NOTABLE EXCLUSIONS

Breach of Contract	Excluded Does Not apply to Wrongful Employment Practice
Bodily Injury	Excluded Other than Mental Distress arising out of a Wrongful Employment Practice
Property Damage	Excluded
Personal Injury	Excluded Other than libel, slander or defamation in any form arising out of a Wrongful Employment Practice
Allegations related to Bodily Injury, Property	Excluded
Damage or Personal Injury	Excluded Alleging that an Insured negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted from such damages, claims expenses or claim.
Operation of the Laws	Excluded Alleging, based upon, arising out of or attributable to the operation of the laws, and principles of eminent domain, condemnation, inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use.
Public Entities	Excluded The operations of or activities of any schools, hospitals, clinics, nursing homes, or other health care operations, jails or detention facilities, law enforcement agencies or fire fighting authorities.
Medical Services and Incidental Medical	Excluded
Malpractice	Excluded
Professional Services	Excluded Professional Services provided by any lawyer, architect, engineer or accountant to any person or entity other than the Public Entity.

REGIONAL TRANSIT AUTHORITY PUBLIC OFFICIALS LIABILITY EMPLOYMENT PRACTICES LIABILITY

September 30, 2022 to September 30, 2023

The following is a brief summary of coverage and is subject to all the terms, conditions and exclusions in the policy.

COVERAGE

ACE AMERICAN INSURANCE COMPANY

NOTABLE EXCLUSIONS CONTINUED

Insured's Activities as a Trustee or Fiduciary as Respects any Type of Employee Benefit Plan	Excluded
Strikes, Riots or civil Commotions	Excluded
Failure to Maintain Insurance	Excluded
Pollutants	Excluded
Nuclear	Excluded
Claims brought by or on Behalf of Any Insured	Excluded However, with respect to any Claim alleging any Wrongful Employment Practice, this exclusion shall only apply to cross-claims or counter-claims brought by one Insured against another Insured.
Contractual Liability	Excluded
Criminal, Fraudulent or Dishonest Acts	Excluded Any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law if there is an adverse admission by, finding of fact, or final adjudication against any Insured, at which time the Insured shall reimburse the Insurer for all damages and claims expenses paid or incurred on account of such claim.
Tax Obligations	Excluded
Wage and Hour Claims	Excluded
Illegal Profit	Excluded Claim alleging, based upon, arising out of or attributable to the gaining in fact of any profit, remuneration or advantage to which any insured was not legally entitled.
Infringement or Violation of Copyright, Patent, Trademark, Trade Secret or any Other Intellectual Property Rights Copyright Violation	Excluded
Prior Knowledge of but Unreported Claims, Previously Reported Claims and Pending Litigation	Excluded

**REGIONAL TRANSIT AUTHORITY PUBLIC OFFICIALS LIABILITY EMPLOYMENT
PRACTICES LIABILITY**
September 30, 2022 to September 30, 2023

The following is a brief summary of coverage and is subject to all the terms, conditions and exclusions in the policy.

COVERAGE

ACE AMERICAN INSURANCE COMPANY

NOTABLE EXCLUSIONS CONTINUED

**Violations of Responsibility Imposed by Acts
Including ERISA, FLSA, NLRA, WARN, COBRA,
OSHA, EPA**

Excluded

Network Security or Privacy Liability

Excluded

**Failure to Pay any Bond, Interest on any
Bond, any Debt, Financial Guarantee or Debenture**

Excluded

Terrorism

Not Excluded

PREMIUM

**Public Officials Liability and
Employment Practices Liability
\$25,000 Retention**

\$12,777

SUBJECTIVITIES

Signed renewal application

**REGIONAL TRANSIT AUTHORITY PUBLIC OFFICIALS LIABILITY EMPLOYMENT
PRACTICES LIABILITY**
September 30, 2022 to September 30, 2023

Coverage Option

**ACE AMERICAN INSURANCE COMPANY
2022-2023**

\$1,000,000 Limit with \$25,000 Retention**\$12,777****PREMIUM PAYMENT OPTIONS**

Agency Bill	Yes
Direct Bill	No
Annual Premium Required to Bind Coverage	Yes
Premium Finance Offered - Outsourced	Available
Annual Agency Commission Fully Earned	Yes

SECOND AMENDMENT TO AGREEMENT OF SERVICES

This Second Amendment to Agreement of Services (“Second Amendment”) is made and entered into as of February 1, 2021 (“Effective Date”) by and between **WSP Michigan Inc.** (“Contractor”), and the **REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN** (“RTA”). Contractor and RTA shall each be referred to in this Amendment as a “Party,” and collectively as the “Parties.”

RECITALS

WHEREAS, the Parties entered into an Agreement of Services (“Services Agreement”) effective January 17, 2020 through January 31, 2021, whereby Contractor was to provide program management services (“Services”);

WHEREAS, the Parties entered into an agreement effective June 1, 2020 through January 31, 2021, amending the Services Agreement; and

WHEREAS, the Parties desire to extend and further modify the Services Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby acknowledge, ratify, and agree as follows:

A. Section A of ARTICLE I (ASSISTANCE TO THE TRANSIT AUTHORITY) is replaced with the following:

1. February 1, 2021 – September 30, 2021. RTA hereby agrees to engage Contractor and Contractor hereby agrees to perform

(a) the services set forth in Attachment I as requested by RTA, and

(b) other services, if any, set forth in a scope of services accompanied by a detailed cost breakdown, mutually agreed to in writing by the Parties.

2. October 1, 2021 – September 30, 2022. Contractor agrees to perform services, set forth in a scope of services accompanied by a detailed cost breakdown, mutually agreed to in writing by the Parties.

3. October 1, 2022 – September 30, 2023. Contractor agrees to perform services, set forth in a scope of services accompanied by a detailed cost breakdown, mutually agreed to in writing by the Parties.

B. Section C of ARTICLE I (ASSISTANCE TO THE TRANSIT AUTHORITY) is replaced with the following: Contractor shall do, perform, and carry out in a satisfactory and proper manner as determined by the RTA, the services detailed in Attachment I, and any other services the Parties agree to in writing to be performed by Contractor.

C. Section A of ARTICLE X (PAYMENT) is replaced with the following:

1. February 1, 2021 – September 30, 2021.

(a) Services performed and expenses incurred by the Contractor with respect to the services set forth in Attachment I, will be billed on a cost plus basis not to exceed \$285,099.97, as set forth in Attachment II, without the written approval of the RTA, and the Grantor Agency (ies) when required.

(b) Services performed and expenses incurred by the Contractor with respect to services in addition to those set forth in Attachment I, if any, will be billed on a not to exceed, cost plus fee basis, as agreed to in writing by the Parties.

2. October 1, 2021 – September 30, 2022. Services performed and expenses incurred by the Contractor with respect to services performed between October 1, 2021 and September 30, 2022, if any, will be billed on a not to exceed, cost plus fee basis, as agreed to in writing by the Parties.

3. October 1, 2022 – September 30, 2023. Unless otherwise agreed to by the Parties, services performed and expenses incurred by the Contractor with respect to services performed between October 1, 2022 and September 30, 2023, if any, will be billed on a not to exceed, cost plus fee basis, as agreed to in writing by the Parties.


D. ARTICLE XIV (TERMINATION) is amended by adding Section H as follows:

Section H. If not terminated prior thereto pursuant to ARTICLE XIV, Section A or Section B, this Second Amendment will terminate effective September 30, 2023.

E. This Second Amendment, and Attachments I and II hereto, supersede the First Amendment to Agreement of Services, and contain the entire amendments to the Services Agreement. Except as amended above, all provisions of the Services Agreement remain in full force and effect. The Parties acknowledge that in entering into this Second Amendment, neither is relying, nor have they relied, on any promise, representation or statement made by or on behalf of the other Party which is not set forth and referenced herein.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be made and executed by their proper officials.

WSP MICHIGAN INC.


BY:  _____
Matthew D. Wendling

TITLE: Local Business Leader

DATE: _____

FEDERAL ID: 13-2963517

REGIONAL TRANSIT AUTHORITY OF
SOUTHEAST MICHIGAN

BY: 

TITLE: Board Chair

DATE: _____

ATTACHMENT I

SECOND AMENDMENT AGREEMENT

This scope of services will begin on February 1, 2021 and be completed by September 30, 2021. The total value of this contract shall not exceed \$285,099.97. WSP provide the services listed as directed until the compensation is exhausted.

Task 1 – Project Management

This scope section identifies the project coordination and administration activities that will be necessary to manage this project.

- Managing WSP's project budget and schedule.
- Developing monthly project invoices and progress reports.
- Calls with RTA Board Chair and Legal Counsel.
- Development of additional work orders.

Task 2 – Program Management and Administration

This scope section identifies the program management and administration activities that will be performed during the period of performance.

- Serve as the primary point of contact with SEMCOG.
- Serve as the primary point of contact for the State of Michigan Department of Transportation (MDOT) and the Federal Transit Administration (FTA) for agency-related issues.
- Serve as the primary point of contact for agency-related issues from the regional transit providers (Ann Arbor Area Transit Authority, Detroit Department of Transportation, Detroit Transportation Corporation, M1 Rail, and Suburban Mobility Authority for Regional Transportation).
- Serve as the primary point of contact for agency contractors.
- Serve as primary point of contact and lead spokesperson for stakeholder or public engagement activities as directed by the Board of Directors
- Attend weekly check-in meetings with RTA Staff for the duration of the contract.
- Develop agendas, content, and lead presentations for Providers Advisory Committee (PAC), RTA Board (Board), Planning and Service Coordinating Committee (PSCC), Executive and Policy Committee (EPC), and Finance and Budget Committee (FBC) meetings for the duration of the contract (up to eight (8) meetings total).
- Coordinate with Citizens Advisory Committee (CAC), including attending quarterly CAC meetings on behalf of the RTA for the duration of the contract.
- Attend meetings with RTA Board members, transit providers, and stakeholders as needed.
- Serve as staff lead for the RTA; including managing staff, recommend staff resource decisions for RTA Board approval, and developing and managing new contracts.
- Support the RTA in the development of its Annual Budget under the oversight of the RTA' Board of Directors (specifically the Board Treasurer). This includes reviewing existing resources, projecting future resources, and developing a budget narrative. The budget process typically includes three presentations to the RTA Board (in PowerPoint), and development of a 3-5 page budget book (in Excel and Word; submitted in PDF).

Task 3 – Grants Management, Fund Programming, and Compliance

This scope section identifies the grants management, fund programming, and compliance that will be performed during the period of performance.

Grants Management - The RTA has ongoing FTA and MDOT grants that will continue to require reporting throughout the duration of the contract. In addition, the RTA will require active grant identification and acquisition

to continue to support its ongoing regional transit functions, and to expand its base functions. The following support activities will be conducted:

- Develop and work with RTA staff to submit non-financial progress reports associated with active grants in formats approved by funders.
- Work with RTA staff to monitor the financial and milestone status of active grants.
- Coordinate with FTA, MDOT, and other funders to discuss grant status and any potential amendment needs.
- Identify and submit grant renewals and applications for new grants that support and advance the RTA's regional transit functions.

State and Federal Funding Programming - The RTA manages several federal and state funding programs for the region. The following support activities will be conducted:

- Develop analysis of available funding and programming options for federal and state programs.
- Draft staff memorandums that will support Board fund programming actions.
- Lead discussions with the existing transit providers on their funding needs from the federal and state programs.
- Conduct a regional Call for Projects for the Section 5310 federal funds.

Compliance Oversight and Guidance - Beyond general grant compliance and reporting (as described above) the RTA has periodic needs for guidance on items concerning compliance and strategy with FTA grants and programs. The following support activities will be conducted:

- Review RTA policies and key compliance documents and recommend changes as needed.
- Assist the RTA in preparation for standard FTA audits; including response to pre-audit questions, coordination with auditors, participation in audit, and develop of audit response.

Task 4 – Planning Project and Pilot Management

The RTA has active planning and pilot projects that require ongoing project management. The following support activities will be conducted:

- Conduct technical and quality control/assurance reviews of consultant deliverables.
- Participate in progress meetings with the project teams.
- Attend project stakeholder, public engagement, and technical committee meetings.
- Overseeing project teams' compliance with their established document control procedures and record keeping systems.
- Develop project summaries, basic analysis, and talking points for RTA leadership and stakeholders.
- Review and recommend for acceptance/rejection consultant invoices/progress reports working in close coordination with RTA staff and SEMCOG.
- Develop regional transit recommendations based on conclusions from plans and pilot projects.

ATTACHMENT II

SECOND AMENDMENT AGREEMENT

Labor

Base Rate	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	TOTAL Hours	TOTAL Cost
Task 1 - Project Management										
Ben Stupka \$ 74.28	16	16	16	16	16	16	16	16	128	\$ 9,508.30
Elcin Savas \$ 38.70	2	2	2	2	2	2	2	2	16	\$ 619.15
Task 2 - Program Management and Administration										
Ben Stupka \$ 74.28	24	24	24	24	24	24	24	24	192	\$ 14,262.45
Task 3 - Grants Management, Fund Programming, and Compliance										
Ben Stupka \$ 74.28	32	32	32	32	32	32	32	32	256	\$ 19,016.60
Task 4 - Planning Project and Pilot Management										
Ben Stupka \$ 74.28	56	56	56	56	56	56	56	56	448	\$ 33,279.05
Jared Gulabranson \$ 55.21	16	16	16	16	16	16	16	16	128	\$ 7,066.62
Eric Hanss \$ 43.58	40	40	40	40	40	40	40	40	320	\$ 13,945.38
Sherelle Streeter \$ 30.70	40	40	40	40	40	40	40	40	320	\$ 9,825.38
	226	226	226	226	226	226	226	226	1808	\$ 107,522.94

Expenses

Mileage	\$ 0.58	500.00	\$ 287.50
Parking	\$ 25.00	20.00	\$ 500.00
TOTAL			\$ 787.50

Overhead	137.73%	\$ 148,091.34
FCCM	0.54%	\$ 580.62
Margin	11%	\$ 28,117.57
Total Labor		\$ 284,312.47
Expenses		\$ 787.50
subtotal		\$ 285,099.97



To: Paul Hillegonds, Board Chair, Regional Transit Authority of Southeast Michigan

From: Matt Wendling, Vice President/Local Business Leader, WSP

RE: Regional Transit Authority of Southeast Michigan Program Management Services – Fiscal Year 2022 Scope and Budget

Date: September 3, 2021

The WSP team appreciates the opportunity to present a scope and cost proposal to the Regional Transit Authority of Southeast Michigan (RTA) as part of our ongoing Program Management Services contract. Per Section A, Article 2 of the contract, WSP is providing this letter to document our scope of services and detailed cost breakdown.

This scope of services will begin on October 1, 2021 and be completed by September 30, 2022. The total value of this amended contract shall not exceed \$321,549.97 (see Attachment 1 for detailed cost breakdown). Note that the level of engagement is reflective of the available budget. The Program Manager will prioritize the level of engagement in open ended tasks to manage the budget throughout the duration of the fiscal year.

Changes from FY 2021

The only significant change is the removal of managing the 5310 Call for Projects in FY 2022. The next anticipated 5310 Call for Projects will be in FY 2023.

Task 1 – Project Management

This scope section identifies the project coordination and administration activities that will be necessary to manage this project.

- Managing WSP's project budget and schedule.
- Developing monthly project invoices and progress reports.
- Calls with RTA Board Chair and Legal Counsel.
- Development of additional work orders.

Task 2 – Program Management and Administration

This scope section identifies the program management and administration activities that will be performed during the period of performance.

- Serve as the primary point of contact with SEMCOG.
- Serve as the primary point of contact for the State of Michigan Department of Transportation (MDOT) and the Federal Transit Administration (FTA) for agency-related issues.
- Serve as the primary point of contact for agency-related issues from the regional transit providers (Ann Arbor Area Transit Authority, Detroit Department of Transportation, Detroit Transportation Corporation, M1 Rail, and Suburban Mobility Authority for Regional Transportation).
- Serve as the primary point of contact for agency contractors.



- Serve as the primary point of contact and lead spokesperson for stakeholder or public engagement activities as directed by the Board of Directors.
- Attend weekly check-in meetings with RTA Staff for the duration of the contract (anticipated to be up to 50 meetings).
- Develop agendas, content, and lead presentations for Providers Advisory Committee (PAC), RTA Board (Board), Planning and Service Coordinating Committee (PSCC), Executive and Policy Committee (EPC), and Finance and Budget Committee (FBC) meetings (up to 52 meetings total).
- Coordinate with Citizens Advisory Committee (CAC), including attending quarterly CAC meetings on behalf of the RTA (up to 4 meetings total).
- Attend meetings with RTA Board members, transit providers, and stakeholders as needed.
- Serve as staff lead for the RTA; including managing staff, recommend staff resource decisions for RTA Board approval, and developing and managing new contracts.
- Support the RTA in the development of its Annual Budget under the oversight of the RTA's Board of Directors (specifically the Board Treasurer). This includes reviewing existing resources, projecting future resources, and developing a budget narrative. The budget process typically includes three presentations to the RTA Board (in PowerPoint), and development of a 3-5 page budget book (in Excel and Word; submitted in PDF).

Grants Management, Fund Programming, and Compliance

This scope section identifies the grants management, fund programming, and compliance that will be performed during the period of performance.

Grants Management - The RTA has ongoing Federal Transit Administration (FTA) and Michigan Department of Transportation (MDOT) grants that will continue to require reporting throughout the duration of the contract. In addition, the RTA will require active grant identification and acquisition to continue to support its ongoing regional transit functions, and to expand its base functions. The following support activities will be conducted:

- Develop and work with RTA staff to submit non-financial progress reports associated with active grants in formats approved by funders.
- Work with RTA staff to monitor the financial and milestone status of active grants.
- Coordinate with FTA, MDOT, and other funders to discuss grant status and any potential amendment needs.
- Identify and submit grant renewals and applications for new grants that support and advance the RTA's regional transit functions.

State and Federal Funding Programming - The RTA manages several federal and state funding programs for the region. The following support activities will be conducted:

- Develop analysis of available funding and programming options for federal and state programs.
- Draft staff memorandums that will support Board fund programming actions.
- Lead discussions with the existing transit providers on their funding needs from the federal and state programs.



Compliance Oversight and Guidance - Beyond general grant compliance and reporting (as described above) the RTA has periodic needs for guidance on items concerning compliance and strategy with FTA grants and programs. The following support activities will be conducted:

- Review RTA policies and key compliance documents and recommend changes as needed.
- Assist the RTA in preparation for standard FTA audits; including response to pre-audit questions, coordination with auditors, participation in audit, and develop of audit response.

Planning Project and Pilot Management

The RTA has active planning and pilot projects that require ongoing project management. The following support activities will be conducted:

- Conduct technical and quality control/assurance reviews of consultant deliverables.
- Participate in progress meetings with the project teams.
- Attend project stakeholder, public engagement, and technical committee meetings.
- Overseeing project teams' compliance with their established document control procedures and record keeping systems.
- Develop project summaries, basic analysis, and talking points for RTA leadership and stakeholders.
- Review and recommend for acceptance/rejection consultant invoices/progress reports working in close coordination with RTA staff and SEMCOG.
- Develop regional transit recommendations based on conclusions from plans and pilot projects.

If the terms of this agreement meet your approval, please sign and date this letter and return to Ben Stupka, WSP's Program Manager. WSP's receipt of a signed copy constitutes its Notice to Proceed. If you have any questions regarding the scope, schedule or budget please feel free to contact us.

Sincerely,

Matt D. Wendling
Aug 31 2021 3:49 PM

WSP MICHIGAN INC.

Matt Wendling, P.E.

Vice President/Local Business Lead

AGREED AND ACCEPTED

Authorized to sign for the RTA:

Name and Title (printed):

Paul Hillebrand, Chair

Signature:

Date:

September 10, 2021



Attachment 1

Detailed Cost Breakdown

<u>Labor</u>	Base Rate	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	TOTAL Hours	TOTAL Cost
Task 1 - Project Management															
Ben Stupka	\$ 76.46	8	8	8	8	8	8	8	8	8	8	8	8	96	\$ 7,339.85
Pamela Day	\$ 37.12	2	2	2	2	2	2	2	2	2	2	2	2	24	\$ 890.93
Task 2 - Program Management															
Ben Stupka	\$ 76.46	96	96	96	96	96	96	96	96	96	96	96	96	1152	\$ 88,078.22
Eric Hanss	\$ 45.08	32	32	32	32	32	32	32	32	32	32	32	32	384	\$ 17,309.76
Sherelle Streeter	\$ 30.68	32	32	32	32	32	32	32	32	32	32	32	32	384	\$ 11,780.91
		170	170	170	170	170	170	170	170	170	170	170	170	2040	\$ 125,399.68
<u>Expenses</u>													Overhead	130.51%	\$ 163,659.12
Mileage	\$ 0.58	250.00	\$ 143.75										FCCM	0.24%	\$ 300.96
Parking	\$ 25.00	10.00	\$ 250.00										Margin	11%	\$ 31,796.47
TOTAL			\$ 393.75											Total Labor Expenses	\$ 321,156.22
														subtotal	\$ 321,549.97



To: Paul Hillegonds, Board Chair, Regional Transit Authority of Southeast Michigan
From: Matt Wendling, Vice President/Local Business Leader, WSP
RE: Regional Transit Authority of Southeast Michigan Program Management Services – Fiscal Year 2023 Scope and Budget
Date: August 26, 2022

The WSP team appreciates the opportunity to present a scope and cost proposal to the Regional Transit Authority of Southeast Michigan (RTA) as part of our ongoing Program Management Services contract. Per Section A, Article 2 of the contract, WSP is providing this letter to document our scope of services and detailed cost breakdown.

This scope of services will begin on October 1, 2022 and be completed by September 30, 2023. The total value of this amended contract shall not exceed \$320,000 (see Attachment 1 for detailed cost breakdown). Note that the level of engagement is reflective of the available budget. The Program Manager will prioritize the level of engagement in open ended tasks to manage the budget throughout the duration of the fiscal year.

Changes from FY 2022

The only significant change is the inclusion of managing the 5310 Call for Projects in FY 2023.

Task 1 – Project Management

This scope section identifies the project coordination and administration activities that will be necessary to manage this project.

- Managing WSP's project budget and schedule.
- Developing monthly project invoices and progress reports.
- Development of additional work orders.

Task 2 – Program Management and Administration

This scope section identifies the program management and administration activities that will be performed during the period of performance.

- Serve as the primary point of contact with SEMCOG.
- Calls with RTA Board Chair and Legal Counsel.
- Serve as the primary point of contact for the State of Michigan Department of Transportation (MDOT) and the Federal Transit Administration (FTA) for agency-related issues.
- Serve as the primary point of contact for agency-related issues from the regional transit providers (Ann Arbor Area Transit Authority, Detroit Department of Transportation, Detroit Transportation Corporation, M1 Rail, and Suburban Mobility Authority for Regional Transportation).
- Serve as the primary point of contact for agency contractors.
- Serve as the primary point of contact and lead spokesperson for stakeholder or public engagement activities as directed by the Board of Directors.
- Attend weekly check-in meetings with RTA Staff for the duration of the contract (up to 50 meetings).



- Develop agendas, content, and lead presentations for Providers Advisory Committee (PAC), RTA Board (Board), Planning and Service Coordinating Committee (PSCC), Executive and Policy Committee (EPC), and Finance and Budget Committee (FBC) meetings (up to 52 meetings total).
- Coordinate with Citizens Advisory Committee (CAC), including attending quarterly CAC meetings on behalf of the RTA (up to 4 meetings total).
- Attend meetings with RTA Board members, transit providers, and stakeholders as needed.
- Serve as staff lead for the RTA; including managing staff, recommend staff resource decisions for RTA Board approval, and developing and managing new contracts.
- Support the RTA in the development of its Annual Budget under the oversight of the RTA's Board of Directors (specifically the Board Treasurer). This includes reviewing existing resources, projecting future resources, and developing a budget narrative. The budget process typically includes three presentations to the RTA Board (in PowerPoint), and developing an update to a ~20 page Business Plan (in Excel and Word; submitted in PDF).

Grants Management, Fund Programming, and Compliance

This scope section identifies the grants management, fund programming, and compliance that will be performed during the period of performance.

Grants Management - The RTA has several ongoing FTA and MDOT grants that will continue to require reporting throughout the duration of the contract. In addition, the RTA will require active grant identification and acquisition to continue to support its ongoing regional transit functions, and to expand its base functions. The following support activities will be conducted:

- Develop and work with RTA staff to submit non-financial progress reports associated with active grants in formats approved by funders.
- Work with RTA staff to monitor the financial and milestone status of active grants.
- Coordinate with FTA, MDOT, and other funders to discuss grant status and any potential amendment needs.
- Identify and submit grant renewals and applications for new grants that support and advance the RTA's regional transit functions.

State and Federal Funding Programming - The RTA manages several federal and state funding programs for the region. The following support activities will be conducted:

- Develop analysis of available funding and programming options for federal and state programs.
- Draft staff memorandums that will support Board fund programming actions.
- Lead discussions with the existing transit providers on their funding needs from the federal and state programs.
- Manage the 5310 Call for Projects

Compliance Oversight and Guidance - Beyond general grant compliance and reporting (as described above) the RTA has periodic needs for guidance on items concerning compliance and strategy with FTA grants and programs. The following support activities will be conducted:

- Review RTA policies and key compliance documents and recommend changes as needed.



- Assist the RTA in preparation for standard FTA audits; including response to pre-audit questions, coordination with auditors, participation in audit, and develop of audit response.

Planning Project and Pilot Management

The RTA has active planning and pilot projects that require ongoing project management. The following support activities will be conducted:

- Conduct technical and quality control/assurance reviews of consultant deliverables.
- Participate in progress meetings with the project teams.
- Attend project stakeholder, public engagement, and technical committee meetings.
- Overseeing project teams' compliance with their established document control procedures and record keeping systems.
- Develop project summaries, basic analysis, and talking points for RTA leadership and stakeholders.
- Review and recommend for acceptance/rejection consultant invoices/progress reports working in close coordination with RTA staff and SEMCOG.
- Develop regional transit recommendations based on conclusions from plans and pilot projects.

If the terms of this agreement meet your approval, please sign and date this letter and return to Ben Stupka, WSP's Program Manager. WSP's receipt of a signed copy constitutes its Notice to Proceed. If you have any questions regarding the scope, schedule or budget please feel free to contact us.

Sincerely,

Matt Wendling, P.E.
Vice President/Local Business Lead
WSP Michigan, Inc.

AGREED AND ACCEPTED

Name and Title (printed): _____

Signature: _____

Date: _____



Attachment 1

Detailed Cost Breakdown

Labor															
	Base Rate	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	TOTAL Hours	TOTAL Cost
Task 1 - Project Management															
Ben Stupka	\$ 78.92	8	8	8	8	8	7	6	6	6	6	6	6	83	\$ 6,547.49
Elcin Savas	\$ 42.31	2	2	2	2	2	2	2	2	2	2	2	2	24	\$ 1,015.49
Task 2 - Program Management															
Ben Stupka	\$ 78.92	94	94	94	94	94	94	80	80	80	80	80	80	1044	\$ 82,391.04
Kevin McNally	\$ 51.31	24	24	24	24	24	24	24	24	24	24	24	24	288	\$ 14,778.00
Mikki Taylor-Hendrix	\$ 38.86	32	32	32	32	32	32	32	32	32	32	32	32	384	\$ 14,923.81
		160	160	160	160	160	159	144	144	144	144	144	144	1823	\$ 119,655.84
													Overhead	139.90%	\$ 167,398.52
													FCCM	0.10%	\$ 119.66
													Margin	11%	\$ 31,575.98
Expenses															
Mileage	\$ 0.625	1,000.00	\$ 625.00											Total Labor	\$ 318,750.00
Parking	\$ 25.00	25.00	\$ 625.00											Expenses	\$ 1,250.00
TOTAL			\$ 1,250.00											TOTAL	\$ 320,000.00

FIRST AMENDMENT TO AGREEMENT FOR SERVICES

This First Amendment to Agreement For Services (“First Amendment Agreement”) is made and entered into as of February 1, 2021 (“Effective Date”) by and between **HNTB Michigan Inc.** (“Contractor”), and the **REGIONAL TRANSIT AUTHORITY OF SOUTHEAST MICHIGAN** (“RTA”). Contractor and RTA shall each be referred to in this Memorandum as a “Party,” and collectively as the “Parties.”

RECITALS

WHEREAS, the Parties entered into an Agreement For Services (“Services Agreement”) effective June 1, 2020 through January 31, 2021, whereby Contractor was to develop a regional comprehensive implementation plan and provide program management and administrative services related thereto (“Services”); and

WHEREAS; the Parties desire to extend their contractual relationship during which extension HNTB will complete the regional compressive implementation plan and provide additional planning services mutually agreed to by the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby acknowledge, ratify, and agree as follows:

A. Section A of ARTICLE I (ASSISTANCE TO THE TRANSIT AUTHORITY) is replaced with the following:

1. February 1, 2021 – September 30, 2021. RTA hereby agrees to engage Contractor and Contractor hereby agrees to perform

(a) the services set forth in Attachment 1, as requested by RTA, and

(b) other services, if any, set forth in a scope of services accompanied by a detailed cost breakdown, mutually agreed to in writing by the Parties.

2. October 1, 2021 – September 30, 2022. Contractor agrees to perform services, set forth in a scope of services accompanied by a detailed cost breakdown, mutually agreed to in writing by the Parties.

3. October 1, 2022 – September 30, 2023. Contractor agrees to perform services, set forth in a scope of services accompanied by a detailed cost breakdown, mutually agreed to in writing by the Parties, as set forth in Attachment 3.

B. Section C of ARTICLE I (ASSISTANCE TO THE TRANSIT AUTHORITY) is replaced with the following: Contractor shall do, perform, and carry out in a satisfactory and proper manner as determined by the RTA, the services detailed in Attachment 1, and any other services the Parties mutually agree to be performed by Contractor.

DRAFT – NOT FOR SIGNATURE

C. Section A of ARTICLE X (PAYMENT) is replaced with the following:

1. February 1, 2021 – September 30, 2021.

(a) Services performed and expenses incurred by Contractor with respect to the services set forth in Attachment 1, will be billed on a cost plus fee basis not to exceed \$199,390.10, as set forth in Attachment 2, without the written approval of the RTA, and the Grantor Agency (ies) when required.

(b) Services performed and expenses incurred by Contractor with respect to services in addition to those set forth in Attachment 1, if any, will be billed on a not to exceed, cost plus fee basis, as agreed to in writing by the Parties.

2. October 1, 2021 – September 30, 2022. Services performed and expenses incurred by Contractor with respect to services performed between October 1, 2021 and September 30, 2022, if any, will be billed on a not to exceed, cost plus fee basis, as agreed to in writing by the Parties.

3. October 1, 2022 – September 30, 2023. Services performed and expenses incurred by Contractor with respect to services performed between October 1, 2022 and September 30, 2023, if any, will be billed on a not to exceed, cost plus fee basis, as agreed to in writing by the Parties.

D. ARTICLE X (PAYMENT) is amended by adding Section E as follows:

Section E. With respect to services provided by Contractor, the reimbursement process will be as follows:

1. Submission of monthly invoices and progress reports by Contractor to:

Regional Transit Authority of Southeast Michigan
1001 Woodward - Suite 1400
Detroit, Michigan 48226
Attn: Accounts Payable

Invoices should document expenses by task indicating hours charged and dollars for labor and other direct costs. RTA shall pay all undisputed portions of Contractor's invoices within 45 days of receipt without holdback or retention.

E. ARTICLE XIV (TERMINATION) is amended by adding Section H as follows:

Section H. If not terminated prior thereto pursuant to ARTICLE XIV, Section A or Section B, this Second Amended Agreement will terminate effective September 30, 2023.

DRAFT – NOT FOR SIGNATURE

F. This First Amendment Agreement and Attachments 1 and 2 hereto, contain the entire amendments to the Services Agreement. Except as amended above, all provisions of the Services Agreement remain in full force and effect. The Parties acknowledge that in entering into this First Amendment Agreement, neither is relying, nor have they relied, on any promise, representation or statement made by or on behalf of the other Party which is not set forth and referenced herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be made and executed by their proper officials.

HNTB MICHIGAN INC.

REGIONAL TRANSIT AUTHORITY OF
SOUTHEAST MICHIGAN

BY: _____
Eric M. Morris

BY: _____
Paul Hillegonds

TITLE: Vice President

TITLE: Board Chair

DATE: _____

DATE: _____

FEDERAL ID: 43-1628395

To: Paul Hillegonds, Board Chair, Regional Transit Authority of Southeast Michigan

From: Eric Morris, Vice President/Michigan Office Leader, HNTB Michigan, Inc.

RE: Regional Transit Authority of Southeast Michigan Program Management Services – Fiscal Year 2023 Scope and Budget

Date: September 12, 2022

With respect to our ongoing Planning and Program Management Services contract dated June 1, 2020 through January 31, 2020, as amended by First Amendment to Agreement for Services dated February 1, 2021, per Section A, Article 2 of the First Amendment to Agreement for Services dated February 1, 2021, HNTB is providing this letter to document HNTB's scope of services and detailed cost breakdown.

This scope of services will begin on October 1, 2022 and be completed by September 30, 2023. The value of the authorization for this scope of services shall not exceed \$149,836.55 (see Attachment 1 for detailed cost breakdown). Note that the level of engagement is reflective of the available budget.

Task 1 – Program Management and Administration

This scope section identifies the project coordination and administration activities that will be necessary to successfully complete this phase of work.

- Weekly check-in meetings with the RTA Program Manager to review progress on the work plan
- Managing the project budget and schedule; producing monthly budget check-in reports based on the target monthly budgets in the attached budget table that identify the status and projected need to complete the deliverables as scoped below (~12 budget check-in documents, reporting will be integrated into standing check-in meetings)
- Developing monthly project invoices and progress reports (~12 over the 12-month period)

Task 2 – Continued Master Plan Related Planning Activities

This scope identifies the activities that will be undertaken to support the RTA's updates and implementation of the Regional Master Transit Plan.

HNTB will conduct the following activities on behalf of the RTA to support this task on an on-call basis, example activities include:

- Annual updates to the RTA Regional Master Transit Plan (RMTP)
- Participation in meetings to discuss transit plan updates and next steps; up to 20 throughout the duration of the project
- Plans, technical memos, and analysis that supports advancing goals, strategies, and actions outlined in the RMTP, including regional corridor capital planning.
- Financial planning as requested to support RMTP activities

Task 3 – On-Call Planning/Financial Modeling/Educational Support/Technical Assistance/Grant Writing

The project team stands ready to provide resources in these categories on an as-needed basis, to the stop until a task order is issued for additional activities.



Except as amended above, all provisions of the Services Agreement dated June 1, 2020 as amended on February 1, 2021, remain in full force and effect.

HNTB's receipt of a signed copy constitutes its Notice to Proceed. If you have any questions regarding the scope, schedule or budget please feel free to contact us.

Sincerely,

HNTB Michigan, Inc.
Eric Morris
Vice President/Michigan Office Leader

AGREED AND ACCEPTED

Authorized to sign for the Regional Transit Authority of Southeast Michigan:

Name and Title (printed): _____

Signature: _____

Date:

**Attachment 1
Detailed Cost Breakdown**

Project Team	Base Rate	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sept 23	TOTAL Hours	TOTAL Cost	
Tony Migaldi	\$113.68	1	1	1	1	1	1	1	1	1	1	1	1	12	\$1,364.16	
Jeremy Papuga	\$70.08	12	12	12	12	12	12	12	12	12	12	12	12	144	\$10,091.52	
Elias Fischer	\$40.64	27	28	28	28	28	28	28	28	28	28	28	28	335	\$13,614.40	
Erica Haley	\$50.80	0	0	0	0	5	0	0	0	0	0	5	0	10	\$508.00	
Kevin Pokora	\$49.04	8	8	8	8	8	8	8	8	8	8	8	8	96	\$4,707.84	
Brandy Avery	\$23.12	3	3	3	3	3	3	3	3	3	3	3	3	36	\$832.32	
Lesley Turk	\$42.00	0	0	10	10	2	2	2	2	2	2	2	2	36	\$1,512.00	
Alexandra Horst	\$39.04	30	30	30	30	30	30	30	30	30	30	30	30	360	\$14,054.40	
Chris Kopp	\$115.44	0	1	0	1	0	1	0	1	0	1	0	1	6	\$692.64	
Steven Brown	\$78.48	0	1	0	1	0	1	0	1	0	1	0	1	6	\$470.88	
Marie Turner	\$45.44	0	0	2	2	2	2	2	2	2	2	2	2	20	\$908.80	
Kelly Sweeny	\$58.00	0	1	0	1	0	1	0	1	0	1	0	1	6	\$348.00	
Sean Libberton	\$145.92	0	1	0	1	0	1	0	1	0	1	0	1	6	\$875.52	
Alex Kavanagh	\$83.84	0	1	0	1	0	1	0	1	0	1	0	1	6	\$503.04	
Jeff Feeney	\$75.92	0	1	0	1	0	1	0	1	0	1	0	1	6	\$455.52	
8188941009192869286929192															1,085	\$50,939.04
														Overhead	138.38%	\$70,489.44
														FCCM	0.10%	\$50.94
														Fee	11%	\$13,357.13
														Total Labor		\$134,836.55
														Contingency	10%	\$15,000.00
														TOTAL		\$149,836.55



BOARD OF DIRECTORS MEMORANDUM

TO: BOARD OF DIRECTOR MEMBERS

FROM: BEN STUPKA, PROGRAM MANAGER

SUBJECT: FISCAL YEAR 2022 TRIENNIAL UPDATE

DATE: SEPTEMBER 15, 2022

REQUESTED ACTION: NO ACTION - INFORMATION ITEM

Summary

The Federal Transit Administration (FTA) is conducted a Triennial Review of the RTA in May 2022. The review determines whether a recipient is administering its FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions. It assesses the recipient's management practices and program implementation to ensure that the programs are administered in accordance with FTA requirements and are meeting program objectives. The audit conference was completed on June 9. The draft report was received on July 12 and the final report was received on August 15 (attached). RTA staff is in the process of updating several policies and procedures to address the deficiencies identified in the report.

Policy and Procedure Updates

RTA is actively updating the following policies and procedures in response to the Triennial and because several of them are on three-year cycles that require updates in Fiscal Year 2023.

Disadvantaged Business Enterprise Program

A Disadvantaged Business Enterprise (DBE) program, as described in 49 CFR Part 26, must be established for any agency that receives federal financial assistance. The purpose of the DBE program, in accordance with federal statute, is as follows:

1. To ensure nondiscrimination in the award and administration of DOT – assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts;
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

The RTA has an existing DBE program that was adopted by the Board in November 2018. That program expires in November 2022. A key part of that program is the calculation and establishment of a DBE goal, which is a target percentage of funding on federally funded contracts

that must go to registered DBEs. Staff is updating the program with a new goal for Fiscal Years 2023 – 2025. The goal is established through a federally mandated methodology, which is detailed in the program document. The goal for the existing program is 8.78%. RTA awarded 11% of its federally funded contract work to DBEs over the last three years. The new goal is 8.2%. The slight reduction reflects the RTA’s anticipated work program leaning more heavily on industries that have lower DBE percentages (e.g., engineering and planning). RTA is committed to use race-neutral measures to meet and exceed that percentage.

Staff is also updating the program to clarify procedures for semi-annual reporting, race-neutral measures, good faith measure procedures, and prompt payment procedures.

Given the complexity of the DBE program and goal calculation, RTA staff has included a draft of the updated program to this memorandum (Attachment A). Staff plans on bringing the final program to the Board for approval in October.

Title VI Program

The Federal Transit Administration’s Title VI circular (FTA C 4702.1B) requires that “no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.” National origin includes those individuals that are limited-English proficient. As such, the RTA is obligated to comply with these requirements for all programs, policies, transit service and activities. FTA requires that RTA document this compliance by submitting a Title VI Program to their FTA Regional Civil Rights Officer (RCRO) once every three years. The current program expires in November 2022. Staff is updating it for Fiscal Years 2023 – 2025.

Staff is doing a standard review and updating procedures. We do not anticipate any major changes to this program. Staff plans on bringing the final program to the Board for approval in October.

Procurement Policies and Procedures Manual

The purpose of the Policy and Procedures Manual is to provide direction for day-to-day procurement activities and contractual conduct in accordance with all applicable laws, regulations, RTA policies, and sound business practices.

The current program was last updated in December 2018. There is no formal cycle for updating these policies and procedures. Staff will be updating to include and/or update and clarify procedures for mini/small purchases, disciplinary actions for conflict of interest, assessing vendor debarment status, including lobbying certifications, and managing change orders. Staff plans on bringing the final program to the Board for approval in November.

Grants Policy and Procedures Manual

The current program was last updated in November 2018. There is no formal cycle for updating these policies and procedures. Staff will be updating to include procedures for determining the allowability of cost and timely distribution of funds, updated federal drawdown procedures, and include subrecipient monitoring procedures. Staff plans on bringing the final program to the Board for approval in November.



The table below is a list the list of deficiencies identified in the FY 2022 Triennial Review, the FTA recommended mitigation action, the RTA's approach to completing these actions. We will continue to report that status of these items through the next several Board meetings.

Description	Action	Approach
Lacking/missing required written financial management policies and procedures	By November 14, 2022, RTA must develop and submit to the FTA regional office financial management policies and procedures for managing FTA award funds in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This must include procedures for determining allowability of cost and timely distribution of funds. The recipient must submit documentation that it has trained appropriate staff on the new policies and procedures.	Update Grants Manual
The recipient is deficient if its records do not support ECHO requests; if the ECHO transaction cannot be properly tracked to the award budget and traced back to an invoice for goods or services or internal records (i.e., timesheets), or the information cannot be supported by the recipient's accounting system.	By November 14, 2022, RTA must submit to the FTA regional office procedures for documenting ECHO draws. The recipient must implement and submit to the FTA regional office documentation of training conducted of the appropriate staff on new policies and procedures.	Update Grants Manual
The recipient is deficient if it failed to return to FTA funds for federal claims and debts, excess payments, disallowed costs, refunds due, and other amounts owed the Federal Government, including interest.	By November 14, 2022, RTA must submit to the FTA regional office documentation related to the Federal funds owed and must adhere to the direction provided by the FTA regional office.	Work with FTA to sort out July 1, 2021 overpayment

The recipient is deficient if it does not initiate award closeout in a timely fashion or has open awards that should be closed.	By November 14, 2022, RTA must work with the FTA regional office to take appropriate actions with each of these awards, so that RTA will be able to close them.	Closeout MI-2020-058-00, MI-2016-028-01, MI-2021-017-00, MI-2021-001-00, MI-39-0006-00, MI-2016-033-00 (three of six are already closed)
The recipient is deficient if the subrecipient award document does not include the required elements.	By November 14, 2022, RTA must submit to the FTA regional office an amended subrecipient award document template that includes missing FTA requirements. The recipient must submit documentation to the regional office that the amended award document has been used in the next project application cycle.	Updated agreement sent to FTA
The recipient is deficient if it does not report subaward information to FSRS. RTA was not aware that it is required to report subawards to FSRS.	By November 14, 2022, RTA must report all missing information to FSRS and notify the FTA regional office when complete. The recipient must also submit to the FTA regional office procedures for reporting future subawards to FSRS in a timely manner.	Reporting to FSRS is complete
RTA does not define and describe procedures for conducting micro and small purchases. RTA does not describe a process for management and evaluation of change orders and thresholds and responsibilities for change order approvals.	By November 14, 2022, RTA must develop and submit to the FTA regional office revised procurement policies that define and describe procedures for conducting micro and small purchases and managing change orders which are not contrary to 2 CFR 200.318 through 200.327.	Update Procure Policy and Procedures
The recipient is deficient if its written standards of conduct do not contain all required elements. RTA's standards of conduct do not describe the	By November 14, 2022, RTA must develop and submit to the FTA regional office written standards of conduct that include disciplinary actions for conflict of interest violations by RTA's officers, employees, or agents.	Update Procure Policy and Procedures

disciplinary actions for conflict of interest violations by RTA's officers, employees, or agents.		
The recipient is deficient if it does not make written responsibility determinations that include the required elements prior to award. For the contract that covered the Mobility Oriented Development Study, RTA did not provide written evidence that it conducted a responsibility determination of the vendor.	By November 14, 2022, RTA must submit to the FTA regional office evidence that it has verified the responsibility of the contractor that conducted the Mobility Oriented Development Study, including documentation of an implemented process for making that responsibility determination.	Update Procure Policy and Procedures
The recipient is deficient if did not include all applicable required clauses in FTA-funded procurements reviewed. RTA did not include the following required clause in its solicitations or contracts: "Notice to FTA and U.S. DOT Inspector General of information related to fraud, waste, abuse, or other legal matters." This clause applies to all contracts at all tiers expected to equal or exceed \$25,000. The recipient must require a prime contractor to "flow-down" the requirement to subcontractors. Ref. FTA Master Agreement §39(b)	By November 14, 2022, RTA must submit to the FTA regional office revised procurement procedures that address inclusion of all FTA-required third-party contract clauses through use of a clause checklist or other mechanism. For the next procurement, the recipient must submit to the FTA regional office documentation that the required process was implemented.	Update Procure Policy and Procedures
The recipient is deficient if it did not obtain the proper certifications from contractors awarded contracts that exceed \$100,000. RTA did not collect signed lobbying certifications from vendors before awarding FTA funded contracts.	By November 14, 2022, RTA must submit to the FTA regional office procedures for obtaining signed lobbying certifications. The recipient must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.	Update Procure Policy and Procedures

<p>The recipient is deficient if it executed change orders to contracts that were not within the scope of the original contract, or did not evaluate the cost of the change, if required.</p>	<p>By November 14, 2022, RTA must submit to the FTA regional office compliant change order procedures. For the next change order, it must submit to the FTA regional office documentation that the required process was implemented.</p>	<p>Update Procure Policy and Procedures</p>
<p>The RTA is not accurately accounting for DBE participation in its semi-annual reports. In cases where contractors are exceeding race-conscious goals (i.e., contract goals), the RTA is counting the entire participation as race-conscious in its semi-annual reports. In such cases, the DBE participation that is in excess of the contract goal must be reported as race-neutral in the semi-annual reports.</p>	<p>By November 14, 2022, RTA must submit corrected semi-annual reports for FY2019, FY2020, and FY2021 to the FTA RCRO, along with implemented procedures for correctly completing Uniform Reports of DBE Awards or Commitments and Payments.</p>	<p>Correct reports</p>
<p>The RTA has an overall DBE goal of 8.8 percent that is split 5.7 percent race-conscious and 3.1 percent race-neutral in FY2019. In FY2020 and FY2021 an 8.26 percent overall goal that is split 3.75 percent race-conscious and 4.51 percent race-neutral. Despite the split in the overall goal, the RTA has been using race-conscious measures exclusively in its FTA assisted procurements.</p>	<p>By November 14, 2022, RTA must submit to the FTA RCRO an implementation plan, which includes coordination with the recipient's procurement office, for applying race-neutral measures and evidence that these measures have been implemented.</p>	<p>Update DBE Policy and Procedures</p>
<p>The RTA conducted a procurement for Program Management services with a nine (9) percent race-conscious goal. The contract was awarded to WSP, but WSP did not meet the DBE contract goal. RTA was unable to provide any documentation that there was a good faith effort review.</p>	<p>By November 14, 2022, RTA must submit to the FTA RCRO a method for determining "good faith efforts" in compliance with the regulation and/or evidence that it has included documentation in applicable procurement files. The RTA should ensure that the good faith effort process includes a reconsideration process for instances when it determined that the apparent awardee did not make good faith efforts.</p>	<p>Update DBE Policy and Procedures</p>

The RTA did not provide any documentation demonstrating that it is monitoring contractors and enforcing contract requirements to ensure that DBE commitments are met.	By November 14, 2022, RTA must submit to the FTA RCRO documentation that it has updated the DBE program to reflect current monitoring procedures for contractors, along with evidence of implementation, including a process for making written certifications of monitoring.	Update DBE Policy and Procedures
The RTA did not provide documentation of an active monitoring process and enforcement of the provisions for compliance with prompt payment and return of retainage for all subcontractors working on FTA assisted contracts.	By November 14, 2022, RTA must submit to the FTA RCRO documentation of a monitoring and enforcement process to ensure prompt payment and evidence of its efforts to ensure compliance with prompt payment and return of retainage requirements for all subcontractors working on FTA assisted contracts.	Update DBE Policy and Procedures
The recipient is deficient if it does not have documentation that it reviewed the Title VI plans of subrecipients that are not also direct recipients of FTA funds. RTA has not included the review and monitoring of its subrecipients for compliance with Title VI requirements as a part of its regular subrecipient oversight.	By November 14, 2022, RTA must prepare and submit to the FTA RCRO a schedule for reviewing subrecipients' Title VI Programs along with evidence of its implementation.	Create subrecipient monitoring procedures; add to Grants Manual



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

200 West Adams Street
Suite 320
Chicago, IL 60606-5253
312-353-2789
312-886-0351 (fax)

August 15, 2022

Mr. Paul Hillegonds
Board Chair
Regional Transit Authority of Southeast Michigan
1001 Woodward, Suite 1400
Detroit, MI, 48226

Re: Federal Transit Administration (FTA) Fiscal Year 2022 Triennial Review – Final Report

Dear Mr. Hillegonds:

I am providing you with a copy of this FTA report as required by 49 U.S.C. Chapter 53 and other Federal requirements. The enclosed final report documents the FTA's Triennial Review of the Regional Transit Authority of Southeast Michigan (RTA) in Detroit, MI. Although not an audit, the Triennial Review is the FTA's assessment of the RTA's compliance with Federal requirements, determined by examining a sample of award management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with award requirements.

Due to the Coronavirus 2019 (COVID-19) Public Health Emergency, a virtual site visit was conducted for this Triennial Review. In addition, the review was expanded to address The RTA's compliance with the administrative relief and flexibilities FTA granted. It also reviewed the requirements of the COVID-19 Relief funds received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021, and the American Rescue Plan (ARP) Act of 2021.

The Triennial Review focused on the RTA's compliance in 23 areas. No deficiencies were found with the FTA requirements in 17 of these areas. Deficiencies were found in six areas: Financial Management and Capacity, Technical Capacity-Award Management, Technical Capacity-Program Management, Procurement, Disadvantaged Business Enterprise, and Title VI. The RTA had three repeat deficiencies from the Fiscal Year 2018 Triennial Review in the areas of Technical Capacity-Award Management and Disadvantaged Business Enterprise.

As part of this year's Triennial Review of the RTA, the FTA incorporated an Enhanced Review Module (ERM) in the Disadvantaged Business Enterprise (DBE) area. The purpose of an ERM is to conduct a more comprehensive review of underlying or contributing issues identified during the pre-assessment stage of the Triennial Review. Deficiencies resulting from the ERM are presented in the DBE area of this report.

Mr. Hillegonds
Page 2

Thank you for your cooperation and assistance during this Triennial Review. If you need any technical assistance or have any questions, please do not hesitate to contact Ms. Lisa Joiner, FTA Program Manager, at 312-353-2791 or by email at Lisa.Joiner@dot.gov.

Sincerely,

A handwritten signature in cursive script that reads "Kelley Brookins". The signature is written in dark ink and is positioned above the printed name and title.

Kelley Brookins
Regional Administrator

Enclosure

cc: Ben Stupka, RTA

FINAL REPORT

**FISCAL YEAR 2022
TRIENNIAL REVIEW**

of

**Regional Transit Authority of Southeast Michigan
(RTA)
Detroit, MI
ID: 7223**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION V**

Prepared By:

Interactive Elements Inc.

**Scoping Meeting Date: March, 7, 2022
Site Visit Dates: May 26 and May 27, 2022
Final Report Date: August 15, 2022**

Table of Contents

I. Executive Summary	1
II. Review Background and Process	3
1. Background	3
2. Process	3
3. Metrics	4
III. Recipient Description	5
1. Organization	5
2. Award and Project Activity	5
IV. Results of the Review	8
1. Legal	8
2. Financial Management and Capacity	8
3. Technical Capacity – Award Management	9
4. Technical Capacity – Program Management & Subrecipient Oversight	10
5. Technical Capacity – Project Management	11
6. Transit Asset Management	11
7. Satisfactory Continuing Control	11
8. Maintenance	11
9. Procurement	12
10. Disadvantaged Business Enterprise (DBE)	14
11. Title VI	16
12. Americans with Disabilities Act (ADA) – General	16
13. ADA – Complementary Paratransit	17
14. Equal Employment Opportunity	17
15. School Bus	17
16. Charter Bus	17
17. Drug Free Workplace Act	18
18. Drug and Alcohol Program	18
19. Section 5307 Program Requirements	18
20. Section 5310 Program Requirements	18

21. Section 5311 Program Requirements	19
22. Public Transportation Agency Safety Plan (PTASP).....	19
23. Cybersecurity.....	19
V. Summary of Findings.....	20
VI. Attendees.....	23
VII. Appendices	24

I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Regional Transportation Authority of Southeast Michigan (RTA) in Detroit, MI. The FTA wants to ensure that awards are administered in accordance with the requirements of Federal public transportation law 49 U.S.C. Chapter 53. The review was performed by Interactive Elements Inc. During the site visit, administrative and statutory requirements were discussed and documents were reviewed.

Due to the Coronavirus 2019 (COVID-19) Public Health Emergency, a virtual site visit was conducted for this Triennial Review. In addition, the review was expanded to address the RTA's compliance with the administrative relief and flexibilities FTA granted. It also reviewed the requirements of the COVID-19 Relief funds received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021, and the American Rescue Plan (ARP) Act of 2021. The RTA was also requested to share if and/or how it suspended, deviated from, or significantly updated or altered its transit program due to the public health emergency.

The Triennial Review focused on the RTA's compliance in 23 areas. Deficiencies related to the COVID-19 Relief funds have been clearly identified as part of the deficiency description in the respective review area.

As part of this year's Triennial Review of the RTA, the FTA incorporated an Enhanced Review Module (ERM) in the Disadvantaged Business Enterprise (DBE) area. The purpose of an ERM is to conduct a more comprehensive review of underlying or contributing issues identified during the pre-assessment stage of the Triennial Review. Deficiencies resulting from the ERM are presented in the DBE area of this report.

Deficiencies were found in the areas listed below.

Review Area	Deficiencies	
	Code	Description
Financial Management and Capacity (F)	F1-1	Lacking/missing required written financial management policies and procedures
	F4-1	ECHO documentation deficient (REPEAT DEFICIENCY)
	F4-3	Federal funds not returned
Technical Capacity – Award Management (TC-AM)	TC-AM5-1	Inactive award/untimely closeouts
TC – Program Management and Subrecipient Oversight (TC-PgM)	TC-PgM3-2	Written agreements missing required elements
	TC-PgM6-1	FFATA reporting deficiencies
Procurement (P)	P1-3	Procurement policies and procedures

Review Area	Deficiencies	
	Code	Description
Procurement (continued)	P2-2	Incomplete standards of conduct
	P4-1	Responsibility determination deficiencies
	P11-1	Missing FTA clauses
	P12-2	Lobbying certifications not included in procurement solicitations or signed by bidders
	P14-1	Insufficient documentation to support change orders
Disadvantaged Business Enterprise (DBE)	DBE5-1	DBE uniform reports contain inaccuracies and/or are missing required information (REPEAT DEFICIENCY)
	DBE8-1	Inadequate implementation of race-neutral measures
	DBE9-2	Inadequate good faith efforts determination (Also DBEERM6-1: Inadequate good faith effort consideration)
	DBE12-1	Insufficient documentation of monitoring DBE compliance of contractors
	DBE12-4	Recipient not ensuring prompt payment (REPEAT DEFICIENCY)
Title VI (TVI)	TVI6-1	Subrecipient Title VI plans not reviewed or not reviewed for required elements

II. Review Background and Process

1. Background

The United States Code, Chapter 53 of Title 49 (49 U.S.C. 5307(f)(2)) requires that “At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient’s program, specifically referring to compliance with statutory and administrative requirements...” This Triennial Review was performed in accordance with the FTA procedures (published in FTA Order 9010.1B, April 5, 1993).

The Triennial Review includes a review of the recipient’s compliance in 23 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of the RTA. The review concentrated on procedures and practices employed since the RTA’s previous Triennial Review; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of award funds. The specific documents reviewed and referenced in this report are available at the FTA’s regional office or the recipient’s office.

2. Process

The Triennial Review includes a pre-review assessment, a desk review and scoping meeting with the FTA regional office, and a site visit to the recipient’s location. Due to the COVID-19 Public Health Emergency, a virtual site visit was conducted of each recipient. In addition, the review was expanded to address the recipient’s compliance with the administrative relief and flexibilities FTA granted. It also reviewed the requirements of the COVID-19 relief funds received through the CARES Act, CRRSAA of 2021 and the ARP Act of 2021. Recipients were also requested to share if and/or how it suspended, deviated from, or significantly updated or altered its transit program due to the public health emergency.

The fiscal year (FY) 2022 process began with the regional office transmitting a recipient information request (RIR) to the RTA on December 3, 2021, indicating a review would be conducted. While the RTA prepared its response to the RIR, the regional office and review team conducted a desk review and a scoping meeting on February 28, 2022, and March 7, 2022, respectively. Necessary files retained by the regional office were sent to the reviewers electronically. Following the desk review and scoping meeting, the reviewer(s) and the recipient corresponded and exchanged information and documentation in preparation for the virtual site visit. As a result of this review, an agenda package indicating the issues that would be discussed, records to be reviewed, and interviews to be conducted was then sent to the RTA on May 12, 2022. The virtual site visit of the RTA occurred between May 26, 2022, and June 9, 2022.

The site visit portion of the review began with an entrance conference, at which the purpose of the Triennial Review and the review process were discussed. The reviewers conducted additional interviews and reviewed documentation to determine the RTA’s compliance with FTA requirements.

Upon completion of the site visit, the FTA and the reviewer provided a summary of preliminary findings to the RTA at an exit conference. Section VI of this report lists the individuals participating in the site visit.

3. Metrics

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are:

- *Not Deficient*: An area is considered not deficient if, during the review, nothing came to light that would indicate the requirements within the area reviewed were not met.
- *Deficient*: An area is considered deficient if any of the requirements within the area reviewed were not met.
- *Not Applicable*: An area can be deemed not applicable if, after an initial assessment, the recipient does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization

The RTA was established in December 2012 under the legal authority of Michigan Public Act (PA) 387. As described in its articles of incorporation, the RTA was organized to establish and direct public transportation policy within a four-county region, to apply for and distribute operating and capital assistance grants to operators of public transportation within the metropolitan area, to adopt a comprehensive public transportation plan for the metropolitan area, to coordinate public transportation service functions between the operators of public transportation within the metropolitan area, and to secure a dedicated source of local funding to sustain the long term mission for the region. Section 8 of PA 387 identified the RTA as the “designated recipient” for Federal and state operating and capital grants in the area.

RTA’s 10-member board is appointed for three-year terms by the county executives of Wayne, Oakland, and Macomb counties, the chair of the Washtenaw County Board of Commissioners, the Mayor of Detroit, and the Governor of Michigan. The Governor’s appointee serves as chair and without a vote.

The mission of the RTA is to manage and secure transportation resources that significantly enhance mobility options, to improve quality of life for the residents, and to increase economic viability for the region. To accomplish this mission the RTA plans for and coordinates public transportation in the four-county region of Wayne, Oakland, Macomb, and the City of Detroit. It is the entity through which transit providers must apply for state and Federal funds, and through which those funds are allocated to providers. The RTA also manages and delivers regional transportation studies looking to improve future mobility options and quality of life across the region. The RTA does not operate any transit services directly.

The RTA works in partnership with the Ann Arbor Area Transportation Authority (AAATA), the Detroit Department of Transportation (DDOT), the Detroit Transportation Corporation (DTC)/The People Mover, M1 Rail/QLine, and Suburban Mobility Regional Transportation Authority (SMART) on several planning and pilot projects aimed at moving the region’s people, investing in the region’s future, enhancing the region’s quality of life, and connecting the region’s communities.

2. Award and Project Activity

Below is a list of the RTA's open awards at the time of the review.

Award Number	Award Amount	Year Executed	Description
MI-2016-028	4,514,187	2018	Corridor Express Bus
MI-2016-033	250,000	2016	Woodward Avenue Transit Oriented Development Study
MI-2017-031	709,997	2020	Regional Mobility Management FY2017 5310
MI-2020-058	500,639	2020	RTA CARES Act Funding
MI-2021-001	1,271,980	2020	M1 RAIL CARES Act Funding
MI-2021-017	179,755	2021	RTA CRRSAA Funding
MI-2021-036	2,000,000	2021	Detroit to Ann Arbor (D2A2) Express Demonstration Bus Service with CMAQ
MI-39-0006	6,493,563	2013	FY2008-2009 Section 5339 AA Funding

The RTA received Supplemental Funds for operating assistance in award numbers MI-2020-058, MI-2021-001, and MI-2021-017. This is the RTA's first time receiving operating assistance from the FTA.

Projects Completed

In the past few years, the RTA completed the following noteworthy projects:

- Completed the first regional Coordinated Human Services Transportation Program (December 2020)
- Completed Mobility Oriented Development Study (December 2020)
- Launched Detroit to Ann Arbor express bus service (D2A2) (March 2020 - April 2020; relaunched in October 2021)
- Adopted updated Regional Master Transit Plan, ADVANCE 2021 (December 2021)
- Continuation of Regional Mobility Management program (MyRide2)
- Launched Michigan Ride Paratransit app pilot project

Ongoing Projects

The RTA is currently implementing the following noteworthy projects:

- Detroit to Ann Arbor express bus service (D2A2) service
- Regional Master Transit Plan (annual update, implementation)
- Continuation of Regional Mobility Management program (MyRide2)
- Michigan Ride Paratransit app pilot project

Future Projects

RTA of Southeast Michigan plans to pursue the following noteworthy projects in the next three to five years:

- RTA is in the process of developing an implementation strategy for regional priority projects, regional corridor projects, fare system modernization and workforce development. Any or all of these may lead to requesting substantial federal funds
- Potential local ballot initiative for additional funding to support service improvements. November 2024 is the next eligible time frame for this effort
- Continuation of Regional Mobility Management program (MyRide2)

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the FTA of legal matters and additionally notify the U.S. Department of Transportation (USDOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Legal.

2. Financial Management and Capacity

Basic Requirement: The recipient must have financial policies and procedures; an organizational structure that defines, assigns and delegates fiduciary authority; and financial management systems in place to manage, match, and charge only allowable costs to the award. The recipient must conduct required Single Audits, as required by 2 CFR part 200, and provide financial oversight of subrecipients.

Finding: During this Triennial Review of the RTA, three deficiencies were found with the FTA requirements for Financial Management and Capacity.

Deficiency Description: The recipient is deficient if it does not have financial management policies and procedures that include written procedures for determining the allowability of costs and ensuring funds are distributed in a timely manner. During the site visit, RTA reported that they do not have these written procedures. They also need to address subrecipient financial oversight and issues of separation of duties regarding approval of financial transactions by contractors.

DEFICIENCY CODE F1-1: Lacking/missing required written financial management policies and procedures

Corrective Action(s) and Schedule: By November 14, 2022, RTA must develop and submit to the FTA regional office financial management policies and procedures for managing FTA award funds in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This must include procedures for determining allowability of cost and timely distribution of funds. The recipient must submit documentation that it has trained appropriate staff on the new policies and procedures.

Deficiency Description: The recipient is deficient if its records do not support ECHO requests; if the ECHO transaction cannot be properly tracked to the award budget and traced back to an invoice for goods or services or internal records (i.e., timesheets), or the information cannot be supported by the recipient's accounting system. RTA made the following errors in ECHO drawdown documentation:

- On April 27, 2021 RTA mistakenly drew down too much money from MI-2020-058. The allowable amount was \$25,330 as documented in its files, but it drew down \$30,797. This overdraft was not explained or documented.
- On August 5, 2021, RTA addressed the overdraft on April 27 by reducing the amount of its draw by \$5,649. However, this adjustment was not explicitly explained in the drawdown documentation.

DEFICIENCY CODE F4-1: ECHO documentation deficient

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA regional office procedures for documenting ECHO draws. The recipient must implement and submit to the FTA regional office documentation of training conducted of the appropriate staff on new policies and procedures.

Deficiency Description: The recipient is deficient if it failed to return to FTA funds for federal claims and debts, excess payments, disallowed costs, refunds due, and other amounts owed the Federal Government, including interest. There is one instance where RTA needs to return funds to FTA because of errors:

- On July 1, 2021, RTA mistakenly drew down 100% of eligible expenses on an invoice from the Area Agency on Aging 1-B for \$60,042 from MI-2017-031. The federal share should have been no more than 80%.

RTA has not repaid the amount of the overdraft as of the Triennial Review site visit.

DEFICIENCY CODE F4-3: Federal funds not returned

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA regional office documentation related to the Federal funds owed and must adhere to the direction provided by the FTA regional office.

3. Technical Capacity – Award Management

Basic Requirement: The recipient must report progress of projects in awards to the Federal Transit Administration (FTA) and close awards timely.

Finding: During this Triennial Review of the RTA, one deficiency was found with the FTA requirements for Technical Capacity – Award Management.

Deficiency Description: The recipient is deficient if it does not initiate award closeout in a timely fashion or has open awards that should be closed. At the time of the Triennial Review, RTA had several open grant awards that should be closed: MI-39-0006 (need to return funds before closing), MI-2016-028 (need to move funds to D2A2 project before closing), MI-2016-033 (project complete), and MI-2021-001 (M-1 Rail: all funds drawn down).

DEFICIENCY CODE TC-AM5-1: Inactive award/untimely closeouts

Corrective Action(s) and Schedule: By November 14, 2022, RTA must work with the FTA regional office to take appropriate actions with each of these awards, so that RTA will be able to close them.

4. Technical Capacity – Program Management & Subrecipient Oversight

Basic Requirement: States must document and follow a public involvement process for the development of the long-range statewide transportation plan and State Transportation Improvement Program (STIP). Designated recipients of Sections 5310, 5311, and 5339 funds must develop and submit a State Management/ Program Management Plan to the FTA for approval. Recipients must enter into an agreement with each subrecipient, obtain required certifications from subrecipients, report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards, and ensure subrecipients comply with the terms of the award.

Finding: During this Triennial Review of the RTA, two deficiencies were found with the FTA requirements for Technical Capacity – Program Management & Subrecipient Oversight.

Deficiency Description: The recipient is deficient if the subrecipient award document does not include the required elements. The RTA does not include or keep track of the following required elements of subagreements, as required by 2 CFR 200.332:

- Subrecipient's unique entity identifier (DUNS)/UEI
- Federal award identification number (FAIN)
- Federal Award Date (see the definition of Federal award date in §200.1 of this part) of award to the recipient by the Federal agency
- Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient
- Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity

DEFICIENCY CODE TC-PgM3-2: Written agreements missing required elements

Corrective Action(s) and Schedule: By November 14, 2022, the RTA must submit to the FTA regional office an amended subrecipient award document template that includes missing FTA requirements. The recipient must submit documentation to the regional office that the amended award document has been used in the next project application cycle.

Deficiency Description: The recipient is deficient if it does not report subaward information to FSRS. RTA was not aware that it is required to report subawards to FSRS.

DEFICIENCY CODE TC-PgM6-1: FFATA reporting deficiencies

Corrective Action(s) and Schedule: By November 14, 2022, the RTA must report all missing information to FSRS and notify the FTA regional office when complete. The recipient must also submit to the FTA regional office procedures for reporting future subawards to FSRS in a timely manner.

5. Technical Capacity – Project Management

Basic Requirement: The recipient must be able to implement the Federal Transit Administration (FTA)-funded projects in accordance with the award application, the FTA Master Agreement, and applicable laws and regulations using sound management practices.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Technical Capacity – Project Management.

6. Transit Asset Management

Basic Requirement: Recipients must comply with 49 CFR part 625 to ensure public transportation providers develop and implement transit asset management (TAM) plans.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Transit Asset Management.

7. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that Federal Transit Administration (FTA)-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Satisfactory and Continuing Control.

8. Maintenance

Basic Requirement: Recipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Maintenance.

9. Procurement

Basic Requirement: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200. State recipients can use the state's overall policies and procedures. When applied to Federal procurements, those policies and procedures must still be compliant with all Federal requirements as applied to non-state recipients. The flexibility afforded by 2 CFR Part 200 should not be misconstrued as absolving a state from Federal requirements. For example, the FTA does not require each State DOT to have policies and procedures separate from the state education department.

Finding: During this Triennial Review of the RTA, deficiencies were found with the FTA requirements for Procurement.

Procurements Reviewed

Procurement #	1	2	3
Goods/Services Procured	Mobility Oriented Development Study (Solicitation No. 2018-003)	Program Management Services	Master Plan Communications Services (Solicitation No. 2021-01)
Date	awarded February 2019	awarded January 2020 (amended 2 times)	Awarded March 2021 (amended Oct. 2021)
Dollar Value	\$599,478	\$1,413,493	\$188,095
Type	Professional Services (planning study)	Professional Services	Professional Services
Method	RFP	RFP	RFP
New Start or Small Start	No	No	No
Awarded by Contractors or Subrecipients	No	No	No
Change Order	N/A	Yes. Two amendments to the original contract.	Yes. One amendment.
DBE Goal	8.80%	8.80%	8.80%
Protest	No	No	No
Deficiencies	P4-1, P12-2	P11-1, P12-2, P14-1	P12-2

Deficiency Description: RTA does not define and describe procedures for conducting micro and small purchases. RTA does not describe a process for management and evaluation of change orders and thresholds and responsibilities for change order approvals.

DEFICIENCY CODE P1-3: Procurement policies and procedures

Corrective Action(s) and Schedule: By November 14, 2022, RTA must develop and submit to the FTA regional office revised procurement policies that define and describe procedures for

conducting micro and small purchases and managing change orders which are not contrary to 2 CFR 200.318 through 200.327.

Deficiency Description: The recipient is deficient if its written standards of conduct do not contain all required elements. RTA's standards of conduct do not describe the disciplinary actions for conflict of interest violations by RTA's officers, employees, or agents.

DEFICIENCY CODE P2-2: Incomplete standards of conduct

Corrective Action(s) and Schedule: By November 14, 2022, RTA must develop and submit to the FTA regional office written standards of conduct that include disciplinary actions for conflict of interest violations by RTA's officers, employees, or agents.

Deficiency Description: The recipient is deficient if it does not make written responsibility determinations that include the required elements prior to award. For the contract that covered the Mobility Oriented Development Study, RTA did not provide written evidence that it conducted a responsibility determination of the vendor.

DEFICIENCY CODE P4-1: Responsibility determination deficiencies

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA regional office evidence that it has verified the responsibility of the contractor that conducted the Mobility Oriented Development Study, including documentation of an implemented process for making that responsibility determination.

Deficiency Description: The recipient is deficient if did not include all applicable required clauses in FTA-funded procurements reviewed. RTA did not include the following required clause in its solicitations or contracts: "Notice to FTA and U.S. DOT Inspector General of information related to fraud, waste, abuse, or other legal matters." This clause applies to all contracts at all tiers expected to equal or exceed \$25,000. The recipient must require a prime contractor to "flow-down" the requirement to subcontractors. Ref. FTA Master Agreement §39(b)

DEFICIENCY CODE P11-1: Missing FTA clauses

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA regional office revised procurement procedures that address inclusion of all FTA-required third-party contract clauses through use of a clause checklist or other mechanism. For the next procurement, the recipient must submit to the FTA regional office documentation that the required process was implemented.

Deficiency Description: The recipient is deficient if it did not obtain the proper certifications from contractors awarded contracts that exceed \$100,000. RTA did not collect signed lobbying certifications from vendors before awarding FTA funded contracts.

DEFICIENCY CODE P12-2: Lobbying certifications not included in procurement solicitations or signed by bidders

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA regional office procedures for obtaining signed lobbying certifications. The recipient must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.

Deficiency Description: The recipient is deficient if it executed change orders to contracts that were not within the scope of the original contract, or did not evaluate the cost of the change, if required. RTA amended its Program Management Services contract (a time and material contract) twice without including complete documentation of these change orders in its procurement history files. One of these amendments extended the contract period of performance for 8 months, and added unspecified contract value, but the amount appears to exceed the Federal Simplified Acquisition Threshold of \$250,000. It is unclear if these changes were within the scope of the recipient's original award and reasonable for the completion of the project scope. There was no clear cost justification provided. These amendments may constitute unallowable contract changes under Federal acquisition rules.

DEFICIENCY CODE P14-1: Insufficient documentation to support change orders

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA regional office compliant change order procedures. For the next change order, it must submit to the FTA regional office documentation that the required process was implemented.

10. Disadvantaged Business Enterprise (DBE)

Basic Requirement: Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US Department of Transportation (USDOT)-assisted contracts. Recipients also must create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts.

Finding: During this Triennial Review of the RTA, five deficiencies were found with the USDOT requirements for DBE.

Deficiency Description: The RTA is not accurately accounting for DBE participation in its semi-annual reports. In cases where contractors are exceeding race-conscious goals (i.e., contract goals), the RTA is counting the entire participation as race-conscious in its semi-annual reports. In such cases, the DBE participation that is in excess of the contract goal must be reported as race-neutral in the semi-annual reports.

DEFICIENCY CODE DBE5-1: DBE uniform reports contain inaccuracies and/or are missing required information (*REPEAT DEFICIENCY*)

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit corrected semi-annual reports for FY2019, FY2020, and FY2021 to the FTA RCRO, along with implemented procedures for correctly completing Uniform Reports of DBE Awards or Commitments and Payments.

Deficiency Description: The RTA has an overall DBE goal of 8.8 percent that is split 5.7 percent race-conscious and 3.1 percent race-neutral in FY2019. In FY2020 and FY2021 an 8.26 percent overall goal that is split 3.75 percent race-conscious and 4.51 percent race-neutral. Despite the split in the overall goal, the RTA has been using race-conscious measures exclusively in its FTA assisted procurements.

DEFICIENCY CODE DBE8-1: Inadequate implementation of race-neutral measures

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA RCRO an implementation plan, which includes coordination with the recipient's procurement office, for applying race-neutral measures and evidence that these measures have been implemented.

Deficiency Description: The RTA conducted a procurement for Program Management services with a nine (9) percent race-conscious goal. The contract was awarded to WSP, but WSP did not meet the DBE contract goal. RTA was unable to provide any documentation that there was a good faith effort review.

DEFICIENCY CODE DBE9-2: Inadequate good faith efforts determination

DEFICIENCY CODE DBEERM6-1: Inadequate good faith effort consideration

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA RCRO a method for determining "good faith efforts" in compliance with the regulation and/or evidence that it has included documentation in applicable procurement files. The RTA should ensure that the good faith effort process includes a reconsideration process for instances when it determined that the apparent awardee did not make good faith efforts.

Deficiency Description: The RTA did not provide any documentation demonstrating that it is monitoring contractors and enforcing contract requirements to ensure that DBE commitments are met.

DEFICIENCY CODE DBE12-1: Insufficient documentation of monitoring DBE compliance of contractors

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA RCRO documentation that it has updated the DBE program to reflect current monitoring procedures for

contractors, along with evidence of implementation, including a process for making written certifications of monitoring.

Deficiency Description: The RTA did not provide documentation of an active monitoring process and enforcement of the provisions for compliance with prompt payment and return of retainage for all subcontractors working on FTA assisted contracts.

DEFICIENCY CODE DBE12-4: Recipient not ensuring prompt payment
(REPEAT DEFICIENCY)

Corrective Action(s) and Schedule: By November 14, 2022, RTA must submit to the FTA RCRO documentation of a monitoring and enforcement process to ensure prompt payment and evidence of its efforts to ensure compliance with prompt payment and return of retainage requirements for all subcontractors working on FTA assisted contracts.

11. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Finding: During this Triennial Review of the RTA, one deficiency was found with the FTA requirements for Title VI.

Deficiency Description: The recipient is deficient if it does not have documentation that it reviewed the Title VI plans of subrecipients that are not also direct recipients of FTA funds. RTA has not included the review and monitoring of its subrecipients for compliance with Title VI requirements as a part of its regular subrecipient oversight.

DEFICIENCY CODE TVI6-1: Subrecipient Title VI plans not reviewed or not reviewed for required elements

Corrective Action(s) and Schedule: By November 14, 2022, RTA must prepare and submit to the FTA RCRO a schedule for reviewing subrecipients' Title VI Programs along with evidence of its implementation.

12. Americans with Disabilities Act (ADA) – General

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the USDOT requirements for ADA – General.

13. ADA – Complementary Paratransit

Basic Requirement: Under 49 CFR 37.121(a), each public entity operating a fixed-route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed-route system. “Comparability” is determined by 49 CFR 37.123-37.133. Requirements for complementary paratransit do not apply to commuter bus, commuter rail, or intercity rail systems.

Finding: During this Triennial Review of the RTA, no deficiencies were found with USDOT requirements for ADA – Complementary Paratransit.

14. Equal Employment Opportunity

Basic Requirement: The recipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving Federal financial assistance under the Federal transit laws.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Equal Employment Opportunity.

15. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators unless the service qualifies and is approved by the Federal Transit Administration (FTA) Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for School Bus.

16. Charter Bus

Basic Requirement: Recipients are prohibited from using the FTA-funded equipment and facilities to provide charter service that unfairly competes with private charter operators. Recipient may operate charter only when the service meets a specified exception defined in rule.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Charter Bus.

17. Drug Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug free awareness program.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act.

18. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Drug and Alcohol Program.

19. Section 5307 Program Requirements

Basic Requirement: The recipient must participate in the transportation planning process in accordance with Federal Transit Administration (FTA) requirements and the metropolitan and statewide planning regulations.

Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Recipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Section 5307 Program Requirements.

20. Section 5310 Program Requirements

Basic Requirement: Recipients must expend Section 5310 funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all subrecipient leases of Section 5310-funded vehicles. Leases of

Section 5310-funded vehicles must include required terms and conditions. Either the recipient or subrecipient must hold title to the leased vehicles.

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Section 5310 Program Requirements.

21. Section 5311 Program Requirements

Basic Requirement: States must expend Section 5311 funds on eligible projects to support rural public transportation services and intercity bus transportation.

This section only applies to recipients that receive Section 5311 funds directly from FTA; therefore, the related requirements are not applicable to the review of the RTA.

22. Public Transportation Agency Safety Plan (PTASP)

Basic Requirement: Recipients must comply with the Public Transportation Agency Safety Plan (PTASP) regulation (49 CFR Part 673) to ensure public transportation providers develop and implement an Agency Safety Plan (ASP).

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Public Transportation Agency Safety Plan Requirements.

23. Cybersecurity

Basic Requirement: Recipients that operate rail fixed guideway public transportation systems must certify compliance with the requirements for establishing a cybersecurity process under 49 U.S.C. § 5323(v), a new subsection added by the National Defense Authorization Act for Fiscal Year 2020, Pub. L. 116-92, § 7613 (Dec. 20, 2019).

Finding: During this Triennial Review of the RTA, no deficiencies were found with the FTA requirements for Cybersecurity Requirements.

V. Summary of Findings

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
1. Legal	ND				
2. Financial Management and Capacity	D	F1-1: Lacking/missing required written financial management policies and procedures	RTA must develop and submit to the FTA regional office financial management policies and procedures for managing FTA award funds in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. This must include procedures for determining allowability of cost and timely distribution of funds. The recipient must submit documentation that it has trained appropriate staff on the new policies and procedures.	11/14/22	
	D	F4-1: ECHO documentation deficient	RTA must submit to the FTA regional office procedures for documenting ECHO draws. The recipient must implement and submit to the FTA regional office documentation of training conducted of the appropriate staff on new policies and procedures.	11/14/22	
	D	F4-3: Federal funds not returned	RTA must submit to the FTA regional office documentation related to the Federal funds owed and must adhere to the direction provided by the FTA regional office.	11/14/22	
3. Technical Capacity – Award Management	D	TC-AM5-1: Inactive award/untimely closeouts	RTA must work with the FTA regional office to take appropriate actions with each of these awards, so that RTA will be able to close them.	11/14/22	
4. Technical Capacity – Program Management and Subrecipient Oversight	D	TC-PgM3-2: Written agreements missing required elements	RTA must submit to the FTA regional office an amended subrecipient award document template that includes missing FTA requirements. The recipient must submit documentation to the regional office that the amended award document has been used in the next project application cycle.	11/14/22	
	D	TC-PgM6-1: FFATA reporting deficiencies	RTA must report all missing information to FSRS and notify the FTA regional office when complete. The recipient must also submit to the FTA regional office procedures for reporting future subawards to FSRS timely.	11/14/22	
5. Technical Capacity – Project Mgmt.	ND				
6. Transit Asset Management	ND				
7. Satisfactory Continuing Control	ND				
8. Maintenance	ND				
9. Procurement	D	P1-3: Procurement policies and procedures	RTA must develop and submit to the FTA regional office revised procurement policies that define and describe procedures for conducting micro and small purchases and managing change orders which are not contrary to 2 CFR 200.318 through 200.327.	11/14/22	
	D	P2-2: Incomplete standards of conduct	RTA must develop and submit to the FTA regional office written standards of conduct that include disciplinary actions for conflict of interest violations by RTA's officers, employees, or agents.	11/14/22	

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
	D	P4-1: Responsibility determination deficiencies	The RTA must submit to the FTA regional office evidence that it has verified the responsibility of the contractor that conducted the Mobility Oriented Development Study, including documentation of an implemented process for making that responsibility determination.	11/14/22	
	D	P11-1: Missing FTA clauses	The RTA must submit to the FTA regional office revised procurement procedures that address inclusion of all FTA-required third-party contract clauses through use of a clause checklist or other mechanism. For the next procurement, it must submit to the FTA regional office documentation that the required process was implemented.	11/14/22	
	D	P12-2: Lobbying certifications not included in procurement solicitations or signed by bidders	The RTA must submit to the FTA regional office procedures for obtaining signed lobbying certifications. The recipient must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.	11/14/22	
	D	P14-1: Insufficient documentation to support change orders	The RTA must submit to the FTA regional office compliant change order procedures. For the next change order, it must submit to the FTA regional office documentation that the required process was implemented.	11/14/22	
10. Disadvantaged Business Enterprise	D	DBE5-1: DBE uniform reports contain inaccuracies and/or are missing required information (REPEAT DEFICIENCY)	The RTA must submit corrected semi-annual reports for FY2019, FY2020, and FY2021 to the FTA RCRO, along with implemented procedures for correctly completing Uniform Reports of DBE Awards or Commitments and Payments.	11/14/22	
	D	DBE8-1: Inadequate implementation of race-neutral measures	The RTA must submit to the FTA RCRO an implementation plan, which includes coordination with the recipient's procurement office, for applying race-neutral measures and evidence that these measures have been implemented.	11/14/22	
	D	DBE9-2: Inadequate good faith efforts determination DBEERM6-1: Inadequate good faith effort consideration	The RTA must submit to the FTA RCRO a method for determining "good faith efforts" in compliance with the regulation and/or evidence that it has included documentation in applicable procurement files. The RTA should ensure that the good faith effort process includes a reconsideration process for instances when it determined that the apparent awardee did not make good faith efforts.	11/14/22	
	D	DBE12-1: Insufficient documentation of monitoring DBE compliance of contractors	The RTA must submit to the FTA RCRO documentation that it has updated the DBE program to reflect current monitoring procedures for contractors, along with evidence of implementation, including a process for making written certifications of monitoring.	11/14/22	
	D	DBE12-4: Recipient not ensuring prompt payment (REPEAT DEFICIENCY)	The RTA must submit to the FTA RCRO documentation of a monitoring and enforcement process to ensure prompt payment and evidence of its efforts to ensure compliance with prompt payment and return of retainage requirements for all subcontractors working on FTA assisted contracts.	11/14/22	

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
11. Title VI	D	TVI6-1: Subrecipient Title VI plans not reviewed or not reviewed for required elements	The RTA must prepare and submit to the FTA RCRO a schedule for reviewing subrecipients' Title VI Programs along with evidence of its implementation.	11/14/22	
12. Americans with Disabilities Act (ADA) – General	ND				
13. ADA – Complementary Paratransit	ND				
14. Equal Employment Opportunity	ND				
15. School Bus	ND				
16. Charter Bus	ND				
17. Drug-Free Workplace	ND				
18. Drug and Alcohol Program	ND				
19. Section 5307 Program Requirements	ND				
20. Section 5310 Program Requirements	ND				
21. Section 5311 Program Requirements	NA				
22. Public Transportation Agency Safety Plan	ND				
23. Cybersecurity	ND				

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are: Deficient (D)/Not Deficient (ND)/Not Applicable (NA)

VI. Attendees

Name	Title (& organization, if not recipient)	Phone Number	E-mail Address
<i>Regional Transit Authority of Southeast Michigan</i>			
Ginny Lickliter	Executive Administrator	313-402-1020	vlickliter@rtamichigan.org
Ben Stupka	Program Mgr./Consultant	313-402-1020	bstupka@rtamichigan.org
<i>Federal Transit Administration</i>			
Lisa Joiner	Transportation Program Specialist	312-353-2791	Lisa.Joiner@dot.gov
Melody Hopson	Director, Office of Program Management & Project Oversight	312-886-1611	melody.hopson@dot.gov
<i>Interactive Elements Inc.</i>			
Tom Buffkin	Lead Reviewer	212-490-9090	twb@ieitransit.com
George Pierlott	DBE Subject Matter Expert	609-304-6253	george@pierlottassociates.com

VII. Appendices

No appendices included in this report.



RTA

**REGIONAL
TRANSIT AUTHORITY**
OF SOUTHEAST MICHIGAN

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM: 2023-2025

Updated: October 2022

Paul C. Hillegonds
Chairman, Board of Directors

Revision Log		
Revision Name:	Adopted On:	Update Notes:
Original	May 19, 2016	Updated to reflect staff changes and other RTA updates and added 2017-2019 DBE goals
Updated (Version 2)	November 18, 2018	Updated to reflect staff changes and other RTA updates and added 2020-2022 DBE goals
Update (Version 3)	October 20, 2022	Updated to reflect staff changes and other RTA updates and added 2023-2025 DBE goals

PREFACE

The US DOT on February 2, 1999, published in the *Federal Register* its final rule, 49 CFR part 26, entitled “*Participation by Disadvantaged Business Enterprises in Department of Transportation Programs*”. This final rule became effective on March 4, 1999. It superseded all DBE regulations, orders, circulars, and administrative requirements concerning financial assistance programs issued by US DOT before March 4, 1999. This rule requires RTA to implement programs to encourage the participation of DBEs in its federal aid contracting activities.

In addition to procedures outlined in this program, RTA will adhere to all current federal and state laws, regulations, and Executive Orders concerning the DBE program, and shall continue to do so subject to the availability of federal and state funds.

TABLE OF CONTENTS

GENERAL REQUIREMENTS	4
OBJECTIVES AND POLICY STATEMENT (Section 26.1 and 26.23)	4
APPLICABILITY TO THE RTA (Section 26.3)	4
DEFINITIONS (Section 26.5)	4
NON-DISCRIMINATION REQUIREMENTS (Section 26.7)	5
RECORD KEEPING REQUIREMENTS (Section 26.11)	5
BIDDERS LIST (26.11(c))	5
RTA AND CONTRACTOR ASSURANCES (Section 26.13)	5
ADMINISTRATIVE REQUIREMENTS	7
DBE PROGRAM UPDATES (Section 26.21)	7
DBE LIAISON OFFICER (DBELO) (Section 26.25)	7
DBE FINANCIAL INSTITUTIONS (Section 26.27)	8
PROMPT PAYMENT MECHANISMS (Section 26.29)	8
MONITORING AND ENFORCEMENT MECHANISMS (PART 26.37)	9
DIRECTORY (Section 26.31)	10
OVERCONCENTRATION (Section 26.33)	10
BUSINESS DEVELOPMENT PROGRAMS (Section 26.35)	11
FOSTERING SMALL BUSINESS PARTICIPATION (Section 26.39)	11
GOALS, GOOD FAITH EFFORTS, AND COUNTING	12
SET-ASIDES or QUOTAS (Section 26.43)	12
OVERALL GOAL AND PUBLIC PARTICIPATION (Section 26.45)	12
GOAL SETTING AND ACCOUNTABILITY (Section 26.47)	12
TRANSIT VEHICLE MANUFACTURERS (Section 26.49)	12
MEETING OVERALL GOALS/CONTRACT GOALS (Section 26.51)	13
GOOD FAITH EFFORTS PROCEDURES (Section 26.53)	13
ADMINISTRATIVE RECONSIDERATION (Section 26.53(d))	14
COUNTING DBE PARTICIPATION (Section 26.55)	15
CERTIFICATION STANDARDS AND PROCEDURES	16
CERTIFICATION (Sections 26.61-26.91)	16
COMPLIANCE AND ENFORCEMENT	17
INFORMATION. CONFIDENTIALITY. COOPERATION. (Section 26.109)	17
MONITORING PAYMENTS TO DBES	17
	2



DBE GOALS	18
APPENDIX	25
Appendix A: RTA ORGANIZATION CHART	26
Appendix B: MONITORING AND ENFORCEMENT MECHANISMS	27
Appendix C: DBE COMMITMENT FORMS FOR RTA VENDORS	30
Appendix D: MUCP DBE DIRECTORY	32
Appendix E: REGULATIONS 49 CFR PART 26	33

NOTE: Section references above and throughout the document refer to the sections of 49 CFR Part 26 that the RTA is responding to with a policy or procedure.

GENERAL REQUIREMENTS

OBJECTIVES AND POLICY STATEMENT (Section 26.1 and 26.23)

The Regional Transit Authority for Southeast Michigan, hereinafter referred to as “RTA” has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. The RTA has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, the RTA has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of the RTA to ensure that DBEs, as defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of DOT – assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts;
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

The RTA’s Regulatory Compliance Officer acts as the DBE Liaison Officer (DBELO). In that capacity, the Regulatory Compliance Officer is responsible for implementing all aspects of the DBE Program. Implementation of the DBE Program is accorded the same priority as compliance with all legal obligations incurred by the RTA in its financial assistance agreements with the DOT.

The RTA has disseminated this Policy Statement to its Board of Directors, all the component of its organization, and the general public. It has also distributed this statement to DBE and non-DBE business communities that perform work for the RTA on DOT-assisted contracts by posting it on the RTA website (www.rtamichigan.org) and incorporating it into our procurement processes.

APPLICABILITY TO THE RTA (Section 26.3)

The RTA is the recipient of federal transit funds authorized by Titles I, III, V, and VI of ISTEA, Pub. L. 102-240 or by Federal transit laws in Title 49, U.S. Code, or Titles I, II, and V of the TEA-21, Pub. L. 105-178.

DEFINITIONS (Section 26.5)

The terms used in this Program have the meanings ascribed to them in Part 26.5.

NON-DISCRIMINATION REQUIREMENTS (Section 26.7)

The RTA will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR part 26 on the basis of race, color, sex, or national origin.

In administering the DBE program, the RTA will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

RECORD KEEPING REQUIREMENTS (Section 26.11)

The RTA will report DBE participation on June 1 and December 1 of each Federal Fiscal Year in TRAMs, using the DOT Uniform Report of DBE Awards and Commitments and payments Form, or any successor form(s) prescribed by DOT. These reports will reflect payments actually made to DBEs on DOT-assisted contracts.

Additionally, the RTA will maintain a small business bidders list, which will include for each firm, the name, address, DBE (or non-DBE status), age of the firm, and information concerning the annual gross receipts of all DBEs and non-DBEs that submit bids or quotes to a prime bidder/offer or on DOT assisted contracts. The RTA collects this information by requiring all of its prime contractors to complete and submit a bidders' list in its response to RTA's request for bids or proposals, thereby providing the RTA with the relevant small business and DBE information either directly, in the case of a DBE-or small business certified bidder, or indirectly, through the prime contractor.

BIDDERS LIST (26.11(c))

The RTA maintains a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on DOT-assisted contracts. The purpose of this requirement is to allow the use of the bidder's list approach to calculating overall goals. The bidder list will include the name, address, DBE non-DBE status, age, and annual gross receipts of firms.

The RTA will collect this information in the following ways:

1. Contract clause requiring prime bidders to report the names/addresses, and possibly other information, of all firms who quote to them on subcontracts
2. A notice in all solicitations, and otherwise widely disseminated, request to firms quoting on subcontracts to report information directly to the recipient, etc.

RTA AND CONTRACTOR ASSURANCES (Section 26.13)

The RTA has signed the following assurances, applicable to all DOT-assisted contracts and their

administration:

Assurance: 26.13(a)

The RTA shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any 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 DOT assisted contracts. The RTA's DBE Program, as required by 49 CFR part 26 and as approved by 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 RTA of any 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.*).

This language will appear in financial assistance agreements with sub-recipients, and be used verbatim in every DOT-assisted contract and subcontract.

Contract Assurance: 26.13(b)

Additionally, the RTA will ensure that the following clause is placed in every DOT-assisted contract and subcontract:

Disadvantaged Business Enterprise Assurance

In accordance with 49 CFR Part 26.13(a), 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 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, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanctions;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible.

ADMINISTRATIVE REQUIREMENTS

DBE PROGRAM UPDATES (Section 26.21)

Since the RTA has received a grant of \$250,000 or more in FTA planning capital, and or operating assistance in a federal fiscal year, the RTA will continue to carry out this Program until all funds from DOT financial assistance have been expended, and will provide updates to DOT regarding any significant changes to the Program.

DBE LIAISON OFFICER (DBELO) (Section 26.25)

The RTA has designated the following individual as its DBE Liaison Officer (DBELO):

Mrs. Virginia Lickliter, Executive Administrator/DBE Coordinator
1001 Woodward Avenue, Suite 1400
Detroit, MI 48226
(313) 402-1020 Office
(313) 961-4869 Fax
vlickliter@rtamichigan.org

In the event that Mrs. Lickliter no longer serves in the capacity of DBE Coordinator, her successor will assume the role of DBELO.

In this capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the RTA complies with all provision of 49 CFR Part 26. The DBELO has direct, independent access to the RTA leadership concerning DBE program matters. An organization chart displaying the DBELO's position in the organization is found in Appendix A.

The DBELO is responsible for developing, implementing and monitoring the DBE program, in coordination with other appropriate officials. The duties and responsibilities include the following:

1. Gathers and reports statistical data and other information as required by DOT.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Sets overall annual goals in cooperation with the Procurement Administrator.
4. Ensures that bid notices and requests for proposals are available to DBEs in a timely manner.
5. Identifies contracts and procurements so that DBE goals are included in solicitations (both race-neutral methods and contract specific goals)
6. Analyzes RTA's progress toward attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the CEO\Board of Directors on DBE matters and achievement.
9. Refers DBEs to the Michigan Unified Certification Program staff to seek information and assistance in the DBE certification process, preparing bids, obtaining bonding and insurance.
10. Participates in DBE training seminars.

Additionally, the RTA maintains records of contract expenditures and commitments and, within that, DBE specific expenditures and commitments, which can be utilized to generate DBE-specific contract reports. These reports are used to measure DBE goal attainment, and are used to provide required reports to the Board of Directors, General Manager and the relevant federal and state regulatory bodies.

DBE FINANCIAL INSTITUTIONS (Section 26.27)

It is the policy of the RTA to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contract to make use of these institutions. We have made the following efforts to identify and use such institutions.

The RTA reviewed the Federal Reserve listing for Minority Owned Banks and determined that there were three operating within the RTA region.

To date we have identified the following such institutions:

- First Independence Bank – 1001 Woodward Avenue, Detroit, MI
- Lotus Bank – 44350 Twelve Mile Rd, Novi, MI 48377 and 37000 Grand River Ave #100, Farmington Hills, MI 48335
- Liberty Bank and Trust - 9108 Woodward Ave, Detroit, MI 48202

Information on the availability of such institutions can be obtained from FTA's DBE Liaison Officer.

The RTA will also re-evaluate the availability of DBE financial institutions every three years.

PROMPT PAYMENT MECHANISMS (Section 26.29)

The RTA ensures that the following clause is placed in every DOT-assisted contract and subcontract:

Prompt Payment. The prime contractor agrees to pay each subcontractor under this Agreement for satisfactory performance of its subcontract no later than fourteen (14) calendar days from the receipt of each payment the Contractor receives from the RTA. A delay in or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the RTA. This clause applies to both DBE and non-DBE subcontractors. Failure to comply with these prompt payment requirements is a breach of this Agreement which may lead to any remedies permitted under law, including, but not limited to, suspension of payment and/or termination or cancellation of contract. In addition, Contractor's failure to promptly pay its subcontractors is subject to the provisions Section 9 of the Local Government Prompt Payment Act (50 ILCS 505/9).

RTA will use the form in Appendix E to monitor ongoing compliance with prompt payment

provisions.

Retainage 26.29(b,c)

The prime contractor agrees to return retainage payments to each subcontractor within fourteen (14) days after the subcontractors work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the RTA. This clause applies to both DBE and non-DBE subcontracts. A subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the recipient. When a recipient has made an incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.

Monitoring and Enforcement 26.29 (d)

The RTA has established the following mechanisms to monitor and enforce that prompt payment and return of retainage is in fact occurring.

If RTA determines that the prime contractor has failed to comply with the prompt payment provisions set forth in the contract, RTA shall give written notice to the prime contractor that if the default is not remedied within a specified period of time (at least 5 days), the contract may be terminated. The Contract may be terminated for cause in accordance with the Contract Article XIV, entitled TERMINATION.

RTA shall also impose penalties and sanctions for non-compliance with the prompt payment clause contained in Section 26.37, MONITORING AND ENFORCEMENT MECHANISMS, and as contained in the Contract Compliance Manual (Federal) and other requirements of State law.

On-Site Performance Monitoring

During the course of any contract with DBE participation, RTA will conduct on-site monitoring to ensure that work committed to DBEs are actually being performed by the DBEs. The observed work will be reconciled against the DBE subcontractor agreement(s) and Prime Contractor. The review will be in accordance with the RTA DBE Compliance, Commercially Useful Function report found in Appendix C.

Written Certification

Worksite monitoring, review of contracting records and written certification of DBE performance will be conducted on all RTA contracts, within the state, in which a DBE firm(s) is performing.

MONITORING AND ENFORCEMENT MECHANISMS (PART 26.37)

The RTA will engage in the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26:

1. Bring to the attention of the DOT any false, fraudulent, or dishonest conduct in connection with the Program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in Part 26.109.
2. Consider similar actions under state legal authorities, including negative responsibility determinations on future contracts, removal of firms from certain qualified lists, and recommending firms' DBE or small business certifications be revoked.
3. Require prime contractors to maintain records and documents of payments to DBE and small business subcontractors for three years following the performance of any contract, and further require that these records and documents will be made available for inspection upon request by any authorized representative of RTA or DOT.
4. Monitor compliance and verify that work committed to DBEs and small businesses at contract award is actually performed by those DBEs and small businesses. This will be accomplished by requiring prime contractors to submit DBE subcontract agreements/purchase orders and periodic DBE reports, reviewing and tracking all invoices received and keeping records of all payments made to DBEs and small businesses.
5. Certifying that work committed to DBEs at contract award or subsequently (e.g., as the result of modification to the contract) is actually performed by the DBE in which the work was committed.
6. Perform interim audits of contract payments to DBEs and small businesses, which will review payments to subcontractors to ensure that the amount actually paid to those subcontractors (a) equals or exceeds the dollar amounts stated in the derivation of cost proposal and (b) are made in a timely manner.
7. Provide professional development opportunities to the DBELO, as necessary, to ensure that the RTA maintains competent compliance professionals.

Appendix B contains the standards, policies, practices, and procedures RTA uses to assess whether a contractor is in compliance with regulatory and contract requirements applicable to DOT-assisted projects.

DIRECTORY (Section 26.31)

The RTA utilizes the State of Michigan's Unified Certification Program directory to identify all firms eligible to participate as DBEs. The directory lists the firm's name, address, phone number, date of the most recent certification, and the type of work the firm has been certified to perform as a DBE. The Directory may be found using the following link <http://mdotiboss.state.mi.us/UCP/HomePageServlet>.

OVERCONCENTRATION (Section 26.33)

The RTA has not identified that overconcentration exists in the types of work that DBEs perform. The RTA will re-evaluate if overconcentration exists every three years.

BUSINESS DEVELOPMENT PROGRAMS (Section 26.35)

The RTA has not established a business development program. RTA coordinates with the Michigan Department of Transportation who has a robust business development program. RTA will evaluate the need for such a program annually as the overall size of the RTA program expands.

FOSTERING SMALL BUSINESS PARTICIPATION (Section 26.39)

The RTA awards very few contracts and has not maintained its own program while fully supporting the programs maintained by the Detroit Department of Suburban Mobility Authority for Regional Transportation (SMART), Ann Arbor Area Transportation Authority (AAATA), the Detroit Transportation Corporation (DTC- People Mover), and M-1 RAIL (QLine).

GOALS, GOOD FAITH EFFORTS, AND COUNTING

SET-ASIDES or QUOTAS (Section 26.43)

The RTA does not use quotas in any way in the administration of this DBE program.

OVERALL GOAL AND PUBLIC PARTICIPATION (Section 26.45)

In accordance with Part 26.45, the RTA will submit its triennial overall DBE goal to the FTA by August 1 at three-year intervals, based on the schedule established by the FTA. The RTA will also request use of project-specific DBE goals as appropriate and/or will establish project specific DBE goals as directed by FTA when applicable.

The process generally used by RTA to establish overall DBE goals is defined in the DBE Goal Methodology Report, under the section in this update titled “DBE Goals.”

Once established, the RTA's overall goal submission to DOT will include the goal (including the breakout of estimated race-neutral and race-conscious participation, as appropriate), a copy of the methodology used to develop the goal; a summary of information and comments received during this public participation process and RTA's responses, and proof of publication of the goal on RTA's website and media outlets listed above. The RTA will begin using the established overall goal immediately (on October 1 of the specified years), unless the RTA has received other instructions from DOT. Our goal will remain effective for the duration of the three-year period established and approved by FTA.

GOAL SETTING AND ACCOUNTABILITY (Section 26.47)

If the awards and commitments shown on the RTA's Uniform Report of Awards or Commitments and Payments at the end of any fiscal year are less than the overall applicable to that fiscal year, we will:

1. Analyze in detail the reason for the difference between the overall goal and the actual awards/commitments;
2. Establish specific steps and milestones to correct the problems identified in the analysis; and
3. Maintain information and records regarding the analysis and efforts made for three years, and make it available to the FTA on request for review.
4. Document the short fall reasons in a short-fall analysis that will be kept on file.

TRANSIT VEHICLE MANUFACTURERS (Section 26.49)

All Transit Vehicle Manufacturers (TVM), as a condition of being authorized to bid or propose on RTA-FTA assisted transit vehicle procurements, shall certify that it has complied with the

requirements of 49 CFR Section 26.49, including the establishment of an annual overall DBE participation goal that has been submitted to the FTA for concurrence. Each TVM shall complete and submit in its bid or proposal a DBE Certification form acknowledging it has complied with this section and a concurred overall DBE goal on file with the FTA. RTA shall not include the amount of FTA assistance used in transit vehicle procurements in the base amount from which RTA's overall goal is established.

MEETING OVERALL GOALS/CONTRACT GOALS (Section 26.51)

The RTA will meet the maximum feasible portion of its overall goal using race-neutral means of facilitating DBE participation.

The RTA will use contract goals to meet any portion of the overall DBE goal that it does not anticipate being able to meet through the use of race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race-neutral means. These contract goals will only be utilized on contracts that have subcontracting possibilities, and the size of any particular contract goals, if any, will be adapted to the circumstances of each contract (i.e., type and location of work, availability of DBEs to perform the particular type of work). When utilized, the RTA will express contract goals as a percentage of the total amount of the contract.

Race-neutral measures are described in the DBE Goals section.

GOOD FAITH EFFORTS PROCEDURES (Section 26.53)

In those instances where a contract-specific DBE goal is included in a procurement/solicitation, RTA will not award the contract to a bidder who does not either (1) meet the contract goal with verified, countable DBE participation; or (2) documents it has made adequate good faith efforts to meet the DBE contract goal, even though it was unable to do so. It is the obligation of the bidder to demonstrate that it has made sufficient good faith efforts prior to submission of its bid.

The RTA treats the Bidder's compliance with good faith efforts requirements as a matter of responsibility. The Bidder can demonstrate its compliance either by documenting that it has secured sufficient DBE participation or documenting that it made sufficient good faith efforts to meet the DBE contract goal or a combination of the two. Determination of the sufficiency of good faith efforts shall be determined by the guidance found in Appendix A of 49 CFR 26.

The Procurement Administrator is responsible for determining whether a Bidder who has not met a contract goal has documented sufficient good faith efforts to be regarded as responsible. In each case in which the RTA determines the Bidder has documented good faith efforts, the RTA will have ensured that all information submitted by the Bidder was complete, accurate, and clearly sufficient to document the Bidder's good faith efforts as outlined in the guidance found in Appendix A to Part 26. Guidance concerning the evaluation of good faith efforts made by

bidder/offerors to adequately meet contracts goals can be found in Appendix D.

Each procurement for which a contract goal has been established will require the bidders/offerors to submit the following documentation at the time of submission:

1. The names and addresses of DBEs that will participate in the contract;
2. A description of the work that each DBE will perform;
3. The dollar amount of the participation of each DBE;
4. Written and signed documentation of a commitment to use any DBE contractor it submits to meet a contract goal; and
5. Written and signed confirmation from the DBE that it is participating in the contract as provided in the Bidder's commitment.

Or, if the contract goal will not be entirely met through participation, sufficient evidence of good faith efforts made by the Bidder made to meet the contract DBE goal.

Prior to the execution of a contract, if any of the information called for in the paragraph above has changed, the RTA will require the bidder to submit updated documentation establishing compliance with the contract goal.

ADMINISTRATIVE RECONSIDERATION (Section 26.53(d))

Within 14 days of being informed by the RTA that it is not responsible because it has not documented sufficient good faith efforts, a Bidder may request administrative reconsideration. To do so, Bidders must make this request in writing to the following reconsideration official: Chief Executive Officer, Regional Transportation Authority, 1001 Woodward Avenue, Detroit, MI 48226, (313) 402-1020. The CEO is the Reconsideration Officer for the Agency. If the CEO played any role in the original determination that the Bidder did not document sufficient good faith efforts, the reconsideration officer for that procurement shall be the Chairman of the Executive and Policy Committee, Mr. Paul C. Hillegonds.

As part of this reconsideration, the Bidder will have the opportunity to provide written documentation or argument concerning the issue of whether it met the contract goal through participation, good faith efforts, or both. Any written documentation or argument must explain the good faith efforts made by the Bidder at the time of submission and evidence of efforts made subsequent to submission will not be considered. Upon request, the Bidder will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether it made good faith efforts to meet the contract goal. Upon reaching a determination, the reconsideration official will send the Bidder a written determination on reconsideration, explaining the basis for finding that the Bidder did or did not exercise good faith efforts meet the contract goal. This determination shall be final and the reconsideration process is not administratively appealable to the Department of Transportation (DOT).

SAMPLE RFP SPECIFICATIONS

The requirements of 49 CFR Part 26, Regulations of the U.S. Department of Transportation, apply

to this contract. It is the policy of the RTA to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offerors, including those who qualify as a DBE. A DBE contract goal of _ percent has been established for this contract. The bidder/offeror shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26, to meet the contract goal for DBE participation in the performance of this contract.

The bidder/offeror will be required to submit the following information: (1) the names and addresses of DBE firms that will participate in the contract; (2) a description of the work that each DBE firm will perform; (3) the dollar amount of the participation of each DBE firm participating; (4) written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet the contract goal; (5) written confirmation from the DBE that it is participating in the contract as provided in the commitment made under (4); and (5) if the contract goal is not met, evidence of good faith efforts.

DBE REPLACEMENT DURING A CONTRACT

The RTA requires that prime contractors not terminate a DBE subcontractor listed on a bid/contract with a DBE contract goal without the RTA's prior written consent. Prior written consent will only be provided where there is "good cause" for termination of the DBE firm, as established by Section 26.53(f)(3) of the DBE regulation.

Before transmitting to the RTA its request to terminate, the prime contractor must give notice in writing to the DBE of its intent to do so. A copy of this notice must be provided to the RTA prior to consideration of the request to terminate. The DBE will then have five (5) days to respond and advise the RTA of why it objects to the proposed termination.

In those instances where "good cause" exists to terminate a DBE's contract, the RTA will require that the prime contractor make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. If a DBE is unable or unwilling to perform, the prime contractor must notify the DBELO immediately and provide reasonable documentation of the same.

In any situation described above, the RTA will require the prime contractor (a) to obtain RTA's prior approval of any substitute DBE, and (b) to provide copies of new or amended subcontracts or documentation of good faith efforts. Failure to abide by these procedures shall be viewed as a breach of contract and the prime contractor will be subject to such sanctions and penalties as are allowed by the contract and law as outlined in Appendix B.

COUNTING DBE PARTICIPATION (Section 26.55)

The RTA will count DBE participation toward overall and contract goals as provided in Part 26.55.

CERTIFICATION STANDARDS AND PROCEDURES

CERTIFICATION (Sections 26.61-26.91)

The RTA relies upon the DBE certifications issued pursuant to the Michigan Unified Certification Program, as discussed above under the heading DIRECTORY (PART 26.31).

The RTA is a member of the Michigan Unified Certification Program. The UCP will meet all of the requirements of this section. The RTA will use and count for DBE credit only those DBE firms certified by the Michigan UCP.

For information about the certification process or to apply for DBE certification, firms or individuals should contact the Michigan UCP at: <https://mdotjboss.state.mi.us/MUCPWeb/>

Any firm or complainant may appeal a Michigan UCP's decision in a certification matter to DOT. Such appeals may be sent to:

**U.S. Department of Transportation
Office of Civil Rights Certification Appeals Branch
1200 New Jersey Avenue. SE
West Building, 7th Floor
Washington, D.C. 20590**

COMPLIANCE AND ENFORCEMENT

INFORMATION. CONFIDENTIALITY. COOPERATION. (Section 26.109)

The RTA follows procedures to safeguard from disclosure to third parties information that is confidential, consistent with federal, state, and local law, including the Michigan Freedom of Information Act (FOIA). All information will be subject to disclosure under FOIA.

Notwithstanding any contrary provisions of federal, state, or local law, the RTA will not release personal or business financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

MONITORING PAYMENTS TO DBES

The RTA will perform audits of contract payments to Disadvantaged Business Enterprises (DBE) and Small Business Enterprises (SBE). The audit will review payments to DBE/SBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals, or exceeds, the dollar amounts stated in the contracts that include DBE or SBE participation. DBE Department staff will also monitor the prompt payment by prime contractors to DBE or SBE subcontractors on any RTA project.

RTA will require prime contractors to maintain records and documents of payments to DBE/SBE subcontractors for three years following the performance of the contract. These records will be made available for inspection upon request by an authorized representative of RTA or DOT. This reporting requirement also extends to any certified DBE subcontractor.

DBE GOALS

OVERALL GOAL CALCULATION (26.45)

FISCAL YEARS 2023 – 2025

As required in 49 CFR Part 26 of the Code of Federal Regulations, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs, the Regional Transit Authority (RTA) of Southeast Michigan has completed its triennial review and set an overall goal for Disadvantaged Business Enterprise (DBE) participation for Fiscal Years (FYs) 2023 – 2025 contracts funded in whole or in part with Federal Transit Administration (FTA) funds. The recommended goal of 8.20% attained through 5.31% from race neutral participation and 2.89% from race-conscious measures reflects the relative availability of DBEs to participate in contracts and procurements projected by the RTA of Southeast Michigan.

The term “Marketplace” is defined as businesses located in the State of Michigan, that are both Disadvantaged Business Enterprises (DBE) and Non-Disadvantaged Business Enterprises, who are ready, willing and able to participate in RTA of Southeast Michigan contracts.

In accordance with 49 CFR Section 26.45, RTA’s proposed goal will be published in media outlets.

METHODOLOGY

RTA considered a two-step process defined below to determine its DBE participation goal for FY2023-2025.

STEP 1) Determine the Base Figure for the overall goal:

- Calculate the relative availability of DBEs to perform the types of work forecasted by RTA of Southeast Michigan.
- Weight the respective contract dollars to be expended in each type of federally-assisted project or procurement.
- Determine the weighted DBE relative availability in the projected types of work.
- Aggregate the weighted availability figures to determine the base figure.

STEP 2) Adjustments to the Base Figure:

- Due to the difference in types of projects and projected costs of projects, the RTA will be making no adjustments to the Base Figure based on historical data or disparity studies.

Additionally, the methodology includes an explanation of how the forecasted overall goal will be achieved.

Goal Calculation for FY2023-2025

STEP 1) Determine the Base Figure for the Overall Goal

The RTA of Southeast Michigan determined that the Michigan Unified Certification Program (MUCP) database of Michigan DBEs and the 2020 United States (U.S.) Census Bureau data for Michigan provided relevant and reliable data to assess RTA's marketplace availability to DBEs operating within the state, and for identifying DBEs capable of completing or contributing to future RTA opportunities. This approach was taken for the following reasons:

- All DBEs certified to work in Michigan are tracked by type of work and by their approved North American Industry Classification System (NAICS) codes on the web-based MUCP database located at <https://mdotjboss.state.mi.us/MUCPWeb/>
- The U.S. 2020 Economic Census data provides economy-wide statistics for Michigan, including the number of vendors by NAICS code on both a state-wide and county-wide basis. The statewide data serves as the RTA coverage area for the DBE calculation.

The RTA's core services that are funded with partial/full federal funding is currently and anticipated during the triennial period to be limited to communications, public relations, engineering, planning/landscape architecture, consulting, accounting/payroll, and environmental consulting services. As such the following NAICS codes were used to determine the base figure for RTA services:

- 541840 Media Representatives
- 541820 Public Relations
- 541330 Engineering
- 541320 Landscape Architectural Services
- 541611 General Management Consulting Services
- 541199 All Other Legal Services
- 541211 Offices of Certified Public Accountants
- 541214 Payroll Services
- 541219 Other Accounting Services
- 541620 Environmental Consulting Services

Table 1.0 lists the number of DBE firms willing and able to work in the market area for the defined RTA practice areas listed in the MUCP. Table 1.0 also lists the overall firms willing and able to work in the RTA coverage area defined by 2020 Census Data.

Table 1.0 - DBE & Total Firms Working in the RTA Market Area

Base Goal Calculation (FY2023-FY2025)		A	B
NAICS Code	Project description	# of DBE ONLY firms willing and able to work in market area (Statewide)	# of overall firms willing and able to work in market area (Statewide)
541840	Media representatives	7	18
541820	Public Relations	17	128
541330	Engineering	42	1738
541320	Landscape Architecture Services	7	113
541611	General Management Consulting Services	70	1473
541199	All Other Legal Services	1	145
541211	Offices of Certified Public Accountants	5	1404
541214	Payroll Services	3	194
541219	Other Accounting Services	10	1101
541620	Environmental Consulting Services	18	198
Total		180	6512

The following section provides a breakdown of available work for each of these areas:

- a) **Media Representatives** - For the defined triennial period, the RTA anticipates using \$182,500 of federal dollars for communications services. This amount represents 2.13% of RTA's total projected FTA budget. The DBE relative availability for Media Representatives is 38.89%. The weighted DBE relative availability for this project is 0.83%. **(see Table 2.0)**
- b) **Public Relations** - An estimated \$386,363 is projected for FTA-assisted public relations opportunities during the defined period. This amount represents 4.51% of RTA's total projected FTA budget. The DBE relative availability for Public Relations projects is 13.28%. The weighted DBE relative availability for Public Relations Projects is 0.60%. **(See Table 2.0)**
- c) **Engineering** - An estimated \$3,500,000 is projected for FTA-assisted Engineering Activities, representing 40.86% of RTA's total projected FTA budget. The DBE relative availability for Engineering Activities is 2.42%. The weighted DBE relative availability for Engineering Activities is 0.99%. **(See Table 2.0)**
- d) **Planning/Landscape Architecture** - An estimated \$2,000,000 is projected for FTA-assisted Landscape Architecture activities, representing 23.35% of RTA's total projected FTA budget. The DBE relative availability for Engineering Activities is 6.19%. The weighted DBE relative availability for Landscape Architecture is 1.45%. **(See Table 2.0)**

- e) **General Management Consulting Services** - An estimated \$788,600 is projected for FTA-assisted General Management Consulting Services, representing 9.81% of RTA's total projected FTA budget. The DBE relative availability for Engineering Activities is 4.75%. The weighted DBE relative availability for Engineering Activities is 0.44%. **(See Table 2.0)**
- f) **All Other Legal Services** - An estimated \$159,181 is projected for FTA-assisted Legal Services, representing 1.86% of RTA's total projected FTA budget. The DBE relative availability for Legal Services is 0.69%. The weighted DBE relative availability for Legal Services is 0.01%. **(See Table 2.0)**
- g) **Offices of CPAs** - An estimated \$463,635 is projected for FTA-assisted CPA activities, representing 5.41% of RTA's total projected FTA budget. The DBE relative availability for CPA activities is 0.36%. The weighted DBE relative availability for CPA activities is 0.02%. **(See Table 2.0)**
- h) **Payroll Services** - An estimated \$36,000 is projected for FTA-assisted Payroll Services activities, representing 0.42% of RTA's total projected FTA budget. The DBE relative availability for Payroll Services activities is 1.55%. The weighted DBE relative availability for Payroll Services activities is 0.01%. **(See Table 2.0)**
- i) **Other Accounting Services** - An estimated \$49,028 is projected for FTA-assisted activities identified as other accounting services representing 0.57% of RTA's total projected FTA budget. The DBE relative availability for other accounting activities is 0.91%. The weighted DBE relative availability for other accounting activities is 0.01%. **(See Table 2.0)**
- j) **Environmental Consulting Services** - An estimated \$1,000,000 is projected for FTA-assisted Environmental Consulting activities, representing 11.68% of RTA's total projected FTA budget. The DBE relative availability for Environmental Consulting activities is 9.09%. The weighted DBE relative availability for Environmental Consulting activities is 1.06%. **(See Table 2.0)**

Table 2.0 Anticipated RTA Availabilities

RTA of Southeast Michigan
Base Goal Calculation (FY2023-FY2025)

NAICS Code	Project description	A # of DBE ONLY firms willing and able to work in market area (Statewide)	B # of overall firms willing and able to work in market area (Statewide)	C # DBE firms/ # all Firms (A/B)	D Step 1 FTA Contracting opportunities	E Step 1 Weighted % Contract (D/ Total Contract Value)	F Step 1 Weighted % DBE Goal (C x E)
541840	Media representatives	7	18	38.89%	\$ 182,500	2.13%	0.83%
541820	Public Relations	17	128	13.28%	\$ 386,363	4.51%	0.60%
541330	Engineering	42	1738	2.42%	\$ 3,500,000	40.86%	0.99%
541320	Landscape Architecture Services	7	113	6.19%	\$ 2,000,000	23.35%	1.45%
541611	General Management Consulting Services	70	1473	4.75%	\$ 788,600	9.21%	0.44%
541199	All other legal services	1	145	0.69%	\$ 159,181	1.86%	0.01%
541211	Offices of certified public accountants	5	1404	0.36%	\$ 463,635	5.41%	0.02%
541214	Payroll services	3	194	1.55%	\$ 36,000	0.42%	0.01%
541219	Other accounting services	10	1101	0.91%	\$ 49,028	0.57%	0.01%
541620	Environmental consulting services	18	198	9.09%	\$ 1,000,000	11.68%	1.06%
Total		180	6512		\$ 8,565,307	100.00%	5.40%

2.76% Goal without weighting

5.40%
Weighted Goal

Based on the above data, the Step One base figure for FTA-assisted funds was calculated to be **8.26%**. (See Table 3.0)

Table 3.0 – Step One Base Figure Projected weighted dollar value x DBE relative availability = Weighted DBE relative availability	
Types of Work Forecast for FY2023 – 2025	Weighted DBE Relative Availability
Media Representatives	0.83%
Public Relations	0.60%
Engineering	0.99%
Landscape Architecture	1.45%
General Management Consulting Services	0.44%
All other legal services	0.01%
Offices of CPAs	0.02%
Payroll Services	0.01%
Other Accounting Services	0.01%
Environmental Consulting Services	1.06%
FTA Step One Base Figure (Sum of Types of Work)	5.40%

STEP 2: Adjustments to the Base Figure

RTA made adjustments to the base figure based on historical data, using information about past participation. The past DBE participation median for FY 2020-2022 was 11%, and averaged with the weighted base figure (5.40%) the adjusted goal comes out to 8.20%. This number was not adjusted for a disparity study because none have been conducted in the region.

RTA has set a DBE goal of 8.20% for FY2023-2025

RECOMMENDATION for RACE-NEUTRAL (RN) MEANS

The RTA expects to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. We estimate that in meeting the overall goal of **8.20%**, the RTA of Southeast Michigan will obtain **5.31%** from race neutral participation and **2.89%** from race-conscious measures.

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious DBE participation:

- In the previous triennial period, the RTA's DBE goal was 8.26% of which 4.51% was projected to be obtained from race-neutral participation and 3.75 through race-conscious measures.
- During this period, the RTA had an actual DBE participation of 11.00% of which 7.12% was race neutral.

The RTA will consistently examine the effectiveness of using race-neutral means to ensure proper DBE participation and will continue to evaluate the rational for establishing a race neutral goal.

Outreach to Minority and Women's Groups

The RTA conducted consultation with the following minority, women's, and business organizations were coordinated with when establishing the RTA's DBE goals. RTA sent correspondence out to the following groups to seek input on the FY2023 – 2025 goal. Consultation is intended to review the proposed overall DBE goal, receive comments, to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and help the RTA build long-term contracting relationships with DBEs in the market area. In addition, staff commits to participate in local events in the upcoming year to increase awareness of future RTA opportunities including those identified below.

- Detroit Chamber of Commerce
- Great Lakes Women's Business Council
- Michigan Association for Female Entrepreneurs
- Michigan Hispanic Chamber of Commerce
- Michigan Department of Transportation
 - Including participation in MDOT's Annual DBE Conference
- Southwest Detroit Business Association
- Conference of Minority Transportation Officials
- Women Impacting Public Policy

The RTA will also hold pre-bid conferences on all proposed contracts over \$100,000. The RTA will invite DBEs certified by the Michigan Unified Certification Program (MUCP) to attend the pre-bid/proposal meetings where they can network with prime contractors, and request clarification on any questions that they may have concerning future RTA opportunities.

The RTA attends the Michigan Department of Transportation's DBE conference and presents upcoming projects to DBE vendors, as well as networks with DBEs interested in bidding on RTA projects. RTA staff also attend Michigan Unified Certification Program (MUCP) quarterly meetings. The meetings are attended by DBE certifying agencies and other FTA covered entities in the State of Michigan. During these meetings any changes to the FTA's DBE program are discussed, along with any ongoing DBE program related issues entities are experiencing.

Media

RTA's announcement of its proposed DBE participation goal for FY2023 – 2025 will be published in the following media sources:

- **The Michigan Chronicle**
- **Detroit News/Detroit Free Press**

Web sites:

- www.rtamichigan.org

Outreach Communications**Public Notice:****RTA of Southeast Michigan Proposed DBE Goals for FY 2023 – FY2025**

The Regional Transit Authority of Southeast Michigan (RTA) has established a goal of **8.20%** for its Disadvantaged Business Enterprises (DBE) Program for fiscal years 2023 through FY 2025. This goal will be attained through **5.31%** from race neutral participation and **2.89%** from race-conscious measures which reflects the relative availability of DBEs to participate in contracts and procurements projected by the RTA.

The proposed goal and its methodology have been developed in accordance with the Federal Transit Administration's regulations 49 CFR Part 26.

The goal and the methodology used to develop it are available for inspection from 8:30 a.m. to 4:30 p.m. Monday through Friday at RTA's offices located at 1001 Woodward Avenue, Suite 1400, Detroit, Michigan. These materials will be available for 30 days following the date of this notice.

The RTA will accept comments on the goal for 45 days from the date of this notice. Inquiries may be directed to the following:

RTA of Southeast Michigan

1001 Woodward Avenue, Suite 1400

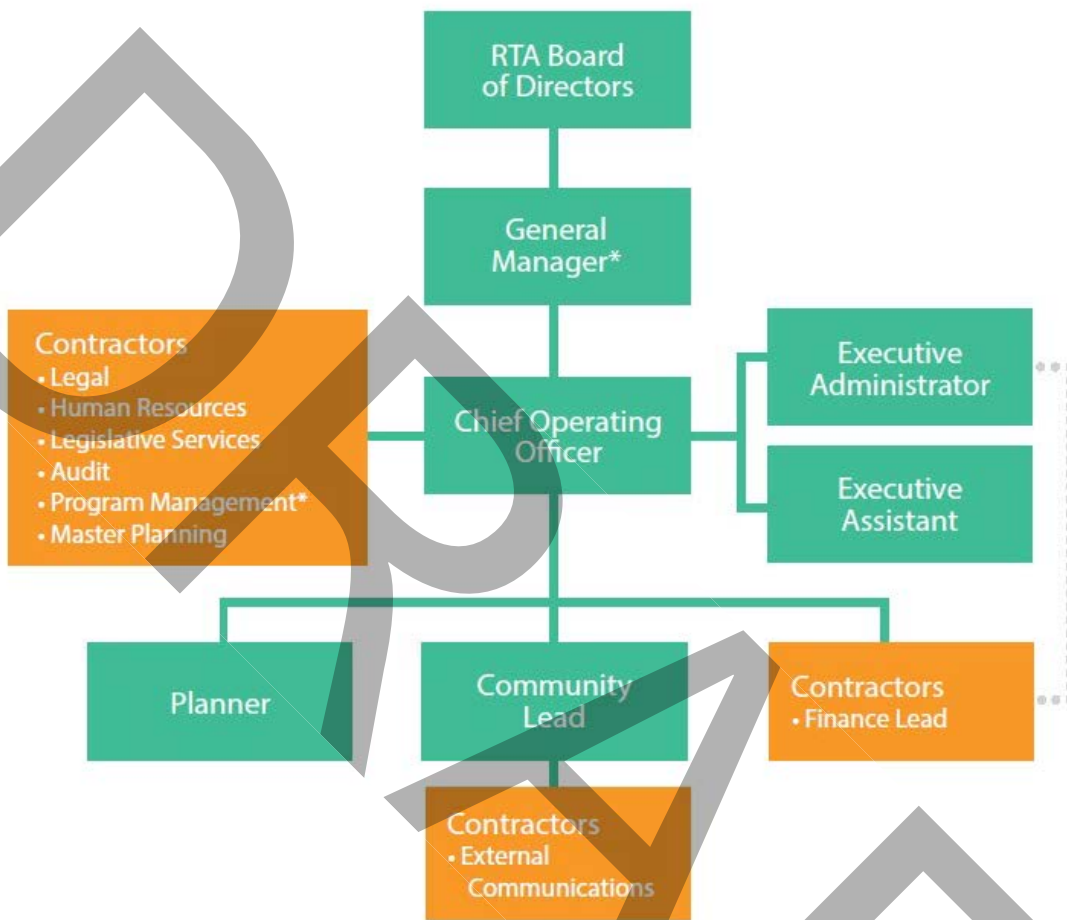
Detroit, Michigan 48226

Or e-mail to: info@rtamichigan.org

APPENDIX

Appendix A	RTA Organizational Chart
Appendix B	Monitoring and Enforcement Mechanisms
Appendix C	DBE Commitment Forms
Appendix D	DBE Directory
Appendix E	Regulations 49 CFR Part 26

Appendix A: RTA ORGANIZATION CHART



Executive Administrator is the DBELO. That position will report directly to the General Manager on DBE issues.

Appendix B: MONITORING AND ENFORCEMENT MECHANISMS

The following sections contain the standards, policies, practices and procedures RTA uses to assess whether a contractor is in compliance with regulatory and contract requirements applicable to DOT-assisted projects:

A. Contract Requirements and Remedies

Contract requirements and remedies are provided in this DBE program and by administrative policies, practices and procedures requirements in each contract. All contractors, as a condition of participation in any DOT-assisted contract, shall agree to the terms of this DBE program, and shall incorporate the DBE program and the DBE administrative policies, practices and procedures requirements into their contracts and subcontracts at all tiers.

1. **Contracts Provisions** - The RTA requires each project supported by DOT-assisted funds to include in its contract terms and conditions set forth in the RTA's contract with the Contractor.
2. **Auditing and Inspection** - RTA reserves the right to audit the records and of its Contractors and any Subcontractors of any tier for the purpose of verifying the DBE participation and/or adherence to the DBE Program requirements. Contractors and Subcontractors shall permit access to their records at the request of RTA.

B. Regulatory Provisions

The federal government has available several enforcement mechanisms that it may apply to firms participating in the DBE program, including, but not limited to, the following:

1. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises Department of Transportation Financial Assistance Programs; particularly, Subpart F, Compliance and Enforcement
2. 49 CFR Part 31 – Program Fraud Civil Remedies
3. 49 CFR Part 29 – Government-wide Debarment and Suspension (Non-Procurement) and Government-wide Requirements for Drug-Free Workplace
4. Prosecution pursuant to 18 USC 1001.

C. Findings of Non-Compliance and Administrative Sanctions

Contractors found not to be compliant with any part of the DBE program requirements shall be notified of RTA's finding of Non-Compliance, in writing. The notice shall cite the DBE program requirement under which the contractor is noncompliant, state the date of the findings and the grounds on which the finding was made and state the category of sanctions being imposed.

Upon a finding of noncompliance, RTA may choose to impose sanctions including, but not limited to:

1. Suspension of Payment - RTA may suspend payment to the contractor of any monies held by it.
2. Termination of the Contract for Default.
3. Suspension and Debarment (49 CFR Part 29) - Information concerning the existence of a cause for suspension or debarment shall be reported, investigated and referred, when appropriate, to the proper official for consideration. After consideration, the official will issue the appropriate notice of proposed action.

D. Enforcement Mechanisms

The federal government has available several enforcement mechanisms that it may apply to firms participating in the DBE program, including, but not limited to, the following:

1. Suspension or debarment proceedings pursuant to 49 CFR Part 26
2. Enforcement action pursuant to 49 CFR Part 31, and
3. Prosecution pursuant to 18 USC 1001.

E. Resolution of Disputes

In the event of a dispute between RTA and Contractor, the aggrieved party shall notify the other party of the dispute within fourteen (14) days after such dispute arises. If the parties cannot thereafter resolve the dispute, each party shall identify a senior member of its management to meet to resolve the dispute by direct negotiation or, if agreed to by the Parties, through mediation with a neutral third parties selected by the Parties. See Contract Article V, entitled DISPUTES.

If a vendor is found to comply with the provisions above. The DBELO will fill out and file the form below.



Disadvantaged Business Enterprise Monitoring Certification

Date:

_____ hereby certifies that the DBE firm,
_____, working on Project No. _____
entitled _____,
has been monitored for compliance and meets the regulatory requirements and conditions
set forth in **49 CFR Part 26** and the RTA Disadvantaged Business Enterprise Program Plan, as
amended May 2016 Update.

Attest: Witness:

DBE Contract Compliance Officer



Appendix C: DBE COMMITMENT FORMS FOR RTA VENDORS

FORM 1: DISADVANTAGED BUSINESS ENTERPRISE (DBE) UTILIZATION

The undersigned bidder/offeror has satisfied the requirements of the bid specification in the following manner (please check the appropriate space):

_____ The bidder/offeror is committed to a minimum of _____ % DBE utilization on this contract.

_____ The bidder/offeror (if unable to meet the DBE goal of _____%) is committed to a minimum of _____% DBE utilization on this contract a submits documentation demonstrating good faith efforts.

Name of bidder/offeror's firm: _____

State Registration No. _____

By _____

(Signature) Title

FORM 2: LETTER OF INTENT

Name of bidder/offeror's firm: _____

Address: _____ City: _____ State: _____ Zip: _____

Name of DBE firm: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____

Description of work to be performed by DBE firm:

The bidder/offeror is committed to utilizing the above-named DBE firm for the work described above. The estimated dollar value of this work is \$ _____.

Affirmation

The above-named DBE firm affirms that it will perform the portion of the contract for the estimated dollar value as stated above.

By _____

(Signature) (Title)

If the bidder/offeror does not receive award of the prime contract, any and all representations in this Letter of Intent and Affirmation shall be null and void. (Submit this page for each DBE subcontractor.)

Prompt Payment DBE/SBE Review				
Contract Number:		Project Number:		
Contract#:	Is the Prime Contractor a DBE?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Contractor's Address:				
City:	State:		Zip:	
Contractor's P.O.C:		Phone Number:		
Project Manager:		Phone Number:		
Contract Begin Date:		Est. Completion Date:		
Records Provided by the Prime Contractor		Bank Statements <input type="checkbox"/>	Copies of Invoices <input type="checkbox"/>	Proof of payment <input type="checkbox"/>
Payments by RTA to Prime Contractor				
Date of Payment	Invoice	Check Number	Amount	% of Contract
TOTAL AMOUNT:				
Payments by Prime Contractor to Subcontractor				
TOTAL AMOUNT:				
Contract Amount:		Contract DBE Participation % Goal:		
EST. DBE Participation:				
Was the DBE promptly paid after the completion of work performed?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
If no, what was the reason cited for the delay of payment?				
What was the date of the final payment:				
Was the DBE promptly paid after the completion of work performed?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
Date reviewed:	Reviewed by:		Phone:	

Appendix D: MUCP DBE DIRECTORY

The following link will provide the reader with access to the Michigan Unified Certification Program, DBE searchable database - <http://mdotjboss.state.mi.us/UCP/>

DRAFT

Appendix E: REGULATIONS 49 CFR PART 26

The following link will provide the reader with all of the requirements of the Code of Federal Regulations with regard to Disadvantaged Business Enterprise:

DRAFT

Program Manager's Report

September 2022

Overview: The purpose of this report is to provide the Board information and updates on advancement of the RTA's work program.

AAATA Millage

Ann Arbor, Ypsilanti and Ypsilanti Township approved the Ann Arbor Area Transportation Authority's millage on August 2. This 5-year millage proposal (2024-2028, 2.38 mills) replaced the existing 0.7 mill levy, creating a net additional levy of 1.68 mills. The proposal passed with 61% of the vote. The proposal included the following elements:

- Maintain all existing services,
- Expand evening, late night, weekend, and holiday services systemwide,
- Introduce express service between downtown Ann Arbor and downtown Ypsilanti,
- Increase social equity by equalizing services across all member communities,
- Increase access to jobs, housing, medical, education, and other destinations,
- Provide a mobility alternative for everyone including seniors, persons with disabilities or low incomes, workers and employers, students, and those striving for a car-free lifestyle,
- Increase TheRide's capacity to deliver major projects in the future,
- Maximizing the use of federal, State and local funding, and
- Provide new services called for in public documents such as the Ann Arbor A2Zero plan, the Washtenaw County Housing Affordability and Economic Equity Analysis, the WATS 2045 Plan, the Ypsilanti Township Master Plan, City of Ypsilanti's Climate Action Plan, and the RTA's Regional Transit Plan.

Staff

- **Board Meetings** – RTA will hold the meetings at the Wayne County Community College District's Downtown Campus (1001 W. Fort Street, Detroit), subject to availability, and provide virtual options for the public and stakeholders to participate in the meeting. In May, RTA eliminated all Board committees and conduct all business directly at the Board meetings. Meeting information is available here: <https://rtamichigan.org/2022-meetings/>.
- **RTA Positions** – RTA has hired three amazing folks over the last several months:
 - Harmony Lloyd – Chief Operating Officer
 - Corri Wofford – Community Relations Manager
 - Khalil Davis - Planner
- **RTA Office Space** – SEMCOG is currently providing RTA staff access to its shared office space. The SEMCOG space is well appointed and very useful for RTA staff in a hybrid working arrangement. RTA is continuing to investigate a space that may provide more dedicated space in the future.

Funding and Grants

- **Fund Programming**

- American Rescue Plan - RTA staff is working with the transit providers to develop a programming strategy for the remaining 15% of American Rescue Plan (ARP) funds (~\$24 million). This was the subject of a July Board discussion. We currently plan on bringing an updated programming strategy back for Board approval in October.
- Section 5310 Program Management – RTA staff began working with direct recipients of Fiscal Year 2021 and 2022 5310 funding to develop the first annual compliance report as outlined in the 5310 Program Management Plan (PMP). The report will not be due until fall 2022, but the early review will allow us to build out how the reporting will be implemented and may include some adjustments to the PMP. In addition, we will be using that information to build out the next 5310 Call for Projects in late 2022/early 2023.
- **Grants Management** – RTA Staff completed the following grants management activities:
 - Working on an amendment to the AAA1-B grant for additional 5310 funding from the 2021 Call for Projects; this requires an update the existing subrecipient agreement.
 - Working on the administrative paperwork for the M1 Rail pass-through funding approved in May 2022; this requires an update the existing subrecipient agreement.
- **New Grants/Funding** – RTA Staff completed the following activities to access new funding, or to support providers and partners in accessing new funding:
 - Began work with MDOT to secure the Fiscal Year 2023 appropriation (\$400,000) and Service Development and New Technology grant (\$125,000).
 - MDOT received a \$25 million RAISE grant for the Detroit Mobility and Innovation Corridor. The project includes the construction of a shared use corridor along approximately two miles of US-12 (Michigan Avenue) that will include non-motorized facilities, installation of new dedicated transit, and connected and autonomous vehicle lane. RTA developed the federal mandated Benefit Cost Analysis for this grant in partnership with MDOT.
 - DDOT received a \$6.9 million federal grant that will be used to purchase two 40-foot and two articulated 60-foot buses from manufacturer New Flyer. Funds will also be used to purchase and install charging equipment for the new buses.
 - RTA is working with AAATA, Detroit at Work, DDOT, Detroit Office of Mobility Innovation, DPM, MoGo, QLine, SMART, and United Way of Southeast Michigan to potentially develop an application to the State of Michigan’s recently announced Mobility Wallet Challenge. The program’s goal will be to simplify the transit payment process by allowing riders or third-party stakeholders to load funds and/or connect bank accounts to a single platform and create a streamlined mechanism for fare payment/collection, thereby increasing access to vital mobility services in Michigan. The state has \$3 million available for 2-3 projects. Applications are due on October 24.

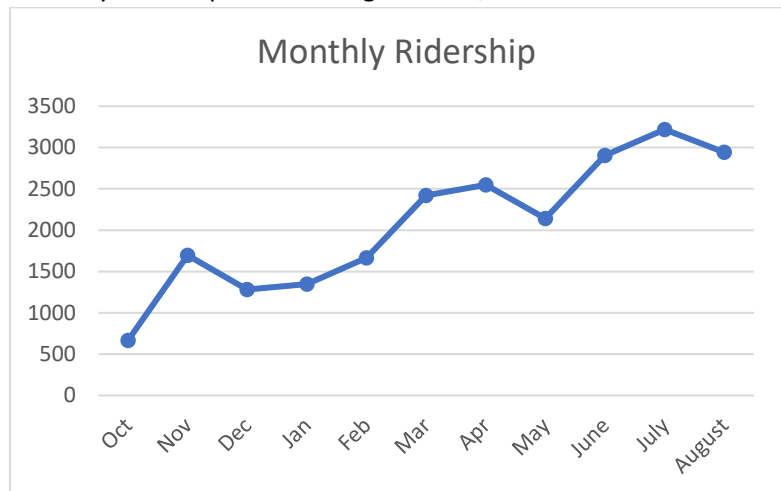
Projects

- **Regional Master Transit Plan Update** – The final Regional Master Transit Plan (Advance 2021) was adopted in December 2021. RTA staff posted an Executive Summary of Advance 2021 on the RTA website. Staff is developing an administrative update to Advance 2021 that will be presented to the Board in late 2022/early 2023.
- **Ongoing Projects**

- D2A2 Service Pilot - In February 2020, the RTA established the following performance metrics that we will use to measure the success of the service:

- Quantitative (set before the onset of the COVID-19 pandemic)

- Ridership: An average of 400-500 riders each weekday would produce about 102,000-127,500 annual trips. It may take 1-2 years to reach this level.
 - Average weekday ridership since inception = 70/day
 - Average weekday ridership last month = 100/day.
 - Monthly ridership is increasing at ~23%/month



- Farebox Recovery: For the D2A2 services a reasonable range of financial performance would be 15%-25% of operating costs covered by fares. It may take 1-2 years to reach this level.
 - Farebox recovery since inception = 6%
 - Farebox recovery last month = 7%
 - Qualitative
 - Customer Satisfaction: An on-board rider survey will be conducted after 1 year of service to measure the effectiveness of service.
 - Community Value: After 1 year of service, a survey will be circulated to business, educational and entertainment institutions within both Ann Arbor and Detroit to evaluate the value of the proposed service.
 - Support for Continuing the Service
 - If, after 2 years, there is little or no support for the service, or value for the service within the community this is a sign it is not succeeding. At that time a decision will be made to continue with the pilot or shut down service.
 - Michigan Ride Paratransit App – Continued to work the Feonix Mobility Rising, Menlo Innovations, and the transit providers to test the application, Michigan Ride Paratransit. RTA is working with the project partners to bring this to a successful conclusion in fall 2022.



- Coordinated Human Service Transportation Plan Pilot Project – The RTA has remaining funding from the Coordinated Human Service Transportation Plan effort (aka the On Hand Plan) to develop and implement a pilot project focused on improvements in mobility services for seniors and people with disabilities. RTA has begun discussions with stakeholders on using this funding to enhance our collective travel training programs, and/or developing a Non-Emergency Medical Transportation (NEMT) pilot. Staff will have more to report on this in the coming months.
- MyRide2 – The MyRide2 program continues to provide mobility management services to seniors and people with disabilities throughout the RTA region. The service assisted over 4,600 callers/users in Fiscal Year 2021, which is the highest amount to-date. Fiscal Year 2022 callers/user is on track to exceed Fiscal Year 2021.
- Regional Transit Technology Strategic Plan - The RTA secured funding to advance a Regional Transit Technology Strategic Plan. The Plan will include recommendations for how the region could use technology innovations to improve, simplify and streamline the customer experience by integrating trip planning, fare payment, wayfinding, and trip guidance. RTA staff is in discussions with MDOT to use their existing contract for the development of the Rural Transit Technology Strategic Plan to advance this project. MDOT procured that contract with options for urbanized areas to use the services for their own plans.

Other Activities

- Established and conducted multiple staff and stakeholder meetings.
- Coordinated with Communications, Legal, and Legislative contractors.
- Worked to finalize contract with Rehmann for Financial Operations services
- Conducted subrecipient entrance conferences with M1 Rail and AAA1-B.
- Conducted meetings with local government officials from Livonia.

Monthly Board Schedule Look Ahead

Month	Funding	Administration	Projects
September	FY 2023 Budget Development (End)	Triennial Audit (End)	Michigan Ride Paratransit Pilot (Complete)
October	ARP Regional Set-aside	DBE Program Update Title VI Program Update	
November	5310 Program Report	Procurement Manual Update Grants Manual Update	D2A2 Annual Evaluation
December	FY 2023 – 2024 5310 Call for Projects	FY 2023 – 2024 Unified Work Plan	Regional Master Plan Update