



# City of Lawton

Lawton City Hall  
212 SW 9th Street  
Lawton, Oklahoma  
73501-3944

## Lawton Transit Trust Authority

### Special Meeting Agenda

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Tuesday, September 9, 2025

6:00 PM

Lawton City Hall  
Wayne Gilley Auditorium

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**"Official action can be taken only on items which appear on the agenda. The Authority may adopt, approve, ratify, deny, defer, recommend, or continue any agenda item. The Authority may also propose and enact floor amendments to any matter presented before them. When more information is needed to act on an item, the Authority may refer the matter to the City Manager or the City Attorney. The Authority may also refer items to standing committees of the Council or a board, commission, or authority for additional study. Under certain circumstances, items are deferred to a specific later date or stricken from the agenda entirely."**

#### **Roll Call**

#### **Business Items**

1. Consider approving the appointment of Donald Morrison as General Manager of the Lawton Area Transit System.

#### **Adjournment**

The City of Lawton encourages participation from all of its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at (580) 581-3305 at least 48 hours prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive the 48 hour rule if interpreters for the deaf (signing) is not the necessary accommodation."

**Item Title:**

Consider approving the appointment of Donald Morrison as General Manager of the Lawton Area Transit System.

**Initiator:** Christine James, Director

**Information Source:** Christine James, Director

**Background:**

The Transit Trust has contracted Hendrickson Transportation Group, LLC (HTG), to manage the Lawton Area Transit System. The contract states “The selection and appointment of the Resident General Manager, and any such subsequent appointees, shall be the responsibility of HTG but shall not be made without first obtaining the advice and consent of the Trust.” HTG has recently appointed Donald Morrison as the Interim General Manager awaiting the consent of the Trust to make the appointment permanent. HTG conducted a thorough applicant review process, including extensive interviews, before advancing a group for additional interviews with the Deputy City Manager and the Director of Planning. Based on this process, staff is recommending that the Trust consent to his appointment as Resident General Manager.

**Correlation to the True North Statement:**

**Exhibit:**

HTG Contract with Extension

**Key Issues:**

**Funding Source:**

**Recommended Action:**

Approve the appointment of Donald Morrison as General Manager of the Lawton Area Transit System.

**ATTACHMENTS:**

1. HTG Contract with Extension

**Contract Extension**

The Contract for Transit System between the CITY TRANSIT TRUST, located in Lawton, Comanche County, Oklahoma hereinafter called the "Trust", and Hendrickson Transportation Group, LLC, a Texas corporation, hereinafter called "HTG" is hereby modified in the following respects:

1. As permitted by the original contract, the term is extended for two additional years beginning December 1, 2024 through November 30, 2026.

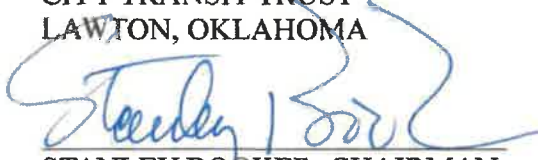
2. HTG agreed to waive the required (6) month notice of intention to extend the Agreement, making this a valid extension.

3. This contract extension is expressly contingent upon the appropriation and availability of sufficient funds by the Trust for each fiscal year covered by this extension. Should such funding not be appropriated or available, the Trust reserves the right to terminate the contract without penalty or further obligation

All other terms and conditions of the contract or any written modifications thereto remain unchanged. The laws of the State of Oklahoma shall govern this contract.

In witness hereof, the parties hereto have executed this Contract Extension this 10<sup>th</sup> day of Sept., 2024.

CITY TRANSIT TRUST  
LAWTON, OKLAHOMA

  
STANLEY BOOKER, CHAIRMAN

HENDRICKSON TRANSPORTATION  
GROUP, LLC

  
JOHN HENDRICKSON, PRESIDENT



ATTEST:

  
SECRETARY

Approved as to form and legality this 13<sup>th</sup> day of SEPTEMBER, 2024.

  
JOHN ANDREW, CITY ATTORNEY



## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

THIS CONTRACT AND AGREEMENT, made and entered into this 1st day of December, A.D., 2019, by and between the CITY TRANSIT TRUST, located in Lawton, Comanche County, Oklahoma, hereinafter called "Trust", and Hendrickson Transportation Group, LLC, a Texas corporation, hereinafter called "HTG".

### WITNESSETH:

WHEREAS, the Trust has acquired assets identified in the Request for Proposal issued May 17, 2019, for the operation of a bus transportation system in and around the City of Lawton; and

WHEREAS, the Trust has determined that it requires the services of a professional management company for the Trust-owned transit system which is being operated in its jurisdiction, and

WHEREAS, the Trust is authorized to enter into a contract for the operation and management of said transportation system, and

WHEREAS, HTG is engaged in the business of providing advisory and management services for the operation of transit systems and has trained, experienced personnel available for that purpose, and is desirous of providing such advisory and management services for the Trust, and

WHEREAS, the Trust has made the determination that HTG is the best qualified to provide the services above set forth and the employment of HTG would serve the best interests and welfare of the public utilizing the transit system operated by the Trust,

NOW, THEREFORE, in consideration of the recitals and covenants and agreements of each of the parties herein set forth, the parties hereto do agree as follows:

#### A. TRUST RESPONSIBILITIES

The Trust does hereby engage HTG to manage and operate the motor bus transit system conducted in and about the City of Lawton for the Trust on the terms and conditions hereinafter set forth.

The Trust will approve transit plans/reports, changes to the public transportation system, specifications and equipment purchases as set out in its Procurement Policy, annual budgets for LATS, weekly expenditures for LATS (excluding the salary of the resident manager), applications made for FTA and State grants for capital and operating assistance, and the annual Master Agreement. The Trust will administer the ECHO grant reimbursements.

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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The Trust agrees to furnish to HTG all items identified in Inventory of Equipment attached as an Appendices to the Request for Proposal dated May 17, 2019, or as updated as of the date the Notice to Proceed is issued for the operation of the bus transit system.

### **B. MANAGER'S RESPONSIBILITIES**

While rendering the services described herein, HTG and any subsidiary management company will be an independent contractor and not an employee, agent, or representative of the Trust. HTG will conduct itself in a manner consistent with such status and will neither hold itself out as, nor claim to be, an officer or employee of the Trust by reason of this Agreement. HTG will not by reason of this Agreement make any claim, demand, or application for any right or privilege afforded to an officer or employee of the Trust, including but not limited to worker's compensation coverage and unemployment insurance benefits.

HTG will furnish a qualified, diligent, expert, and efficient executive who will reside in Lawton and who will serve as Resident General Manager. The Resident General Manager will serve as operating officer and be responsible for the day-to-day operation of all departments of the system in an efficient and effective manner.

The selection and appointment of the Resident General Manager, and any such subsequent appointees, shall be the responsibility of HTG but shall not be made without first obtaining the advice and consent of the Trust. The Trust may ask that the General Manager be replaced without cause. In the event of the disability of any person acting in the position of Resident General Manager for a period in excess of one (1) month, HTG will secure a qualified individual to fill the position for as long as such disability may continue or to replace such individual if necessary, all subject to the advice and consent of the Trust.

HTG will furnish expert management services and/or consultation in all areas of the public bus transportation industry, including but not limited to the following:

- Overall management of the day-to-day operation of LATS, as set forth in the terms and conditions of a contract, to include recruitment, development, training, and employment of all personnel necessary to operate LATS, and negotiation and administration of labor contracts, including 13(C) assurances.
- Development and implementation of an annual budget and long range operating and capital replacement plans to improve services and increase ridership.
- Development and implementation of all necessary operation and maintenance policies and procedures.
- Participation in the capital lease for administration and maintenance facilities.
- Transit planning, marketing, equipment and facility utilization and maintenance, security, routes, scheduling, fares, service standards, purchasing, accounting, budgeting, safety and risk management and insurance coverage.

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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- Public relations, equipment specifications, grant applications and all other normal managerial functions common to the day-to-day operation of LATS, including administration of service contracts.
- Recommendation and implementation of service delivery innovations to improve the customer experience and increase overall system efficiencies.
- Implementation of the Transit Asset Management Plan and tracking performance measures.
- Provision of legal representation for the Management Contractor and the General Manager for all litigation arising from allegations of noncompliance of the Federal Transit Administration regulations, as set forth and amended in the Master Agreements and laws of the State of Oklahoma. The Trust Attorney shall only represent the Trust in cases of litigation against the Trust.
- Prepare and complete reports to meet FTA requirements and monthly and annual reports to the Trust on operations.
- Provide the Trust an annual audit of operational funds entrusted to LATS and the revenue mileage and data necessary for Oklahoma State Revolving Fund Application. Such audit shall be performed after June 30th each year, and it shall be delivered to the Trust upon completion. This audit is in addition to the single audit requirement of FTA and shall be considered as an operating cost.
- Provide grant administration for capital investments, such as transit facilities, from application to completion of projects.
- The Trust may also ask for additional advisory studies and reports related to improving current service, adding new service, and meeting new FTA rules. If such studies and reports fall beyond the management of day-to-day operations, the Trust may seek a separate cost proposal from HTG to complete this task without amending this Contract.

HTG will establish and maintain at its sole cost and expense a subsidiary management corporation, registered in Oklahoma, which will be owned and controlled by HTG. The subsidiary management corporation will serve as employer of Lawton based transit employees, excluding the Resident General Manager.

Any contractual obligations or liability entered into or assumed by the subsidiary management corporation and approved by the Trust in connection with the operation of the transit system shall be binding upon HTG only for the term of this Agreement, as same may be extended from time to time.

### **C. TRANSITION**

HTG will provide a transition in management of the transit system with no disruption to service upon receipt of the Notice to Proceed issued by the Trust. The transition will be completed within thirty (30) days after the Notice to Proceed has been received. The following actions will occur during the transition:

Step 1: Once the Notice to Proceed is issued, HTG will file all paperwork establishing the business entity to meet the RFP requirements as the employer for Lawton Area

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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Transit System employees and establish all insurance requirements as required in the RFP.

Step 2: All required insurance coverages, including corporate required coverages as outlined in the RFP, will be established thirty (30) days prior to the transition date for the Trust's approval.

Step 3: Once the new business entity is established, all current employees will complete the new employer application process and documentation gathering phase. Pre-employment drug testing, background check, annual license validation, and physicals as required will then be completed under the new business entity name.

Step 4: Initial welcome and orientation to HTG will be completed within twenty (20) days of the issued Notice to Proceed.

Step 5: Employee work rules and Employer handbook orientation will be completed.

Step 6: Employee seniority will be carried over from the previous employer as currently published. HTG will honor employee seniority and bid assignments. All current run cuts and bid assignments will be verified ten (10) days prior to the transition date. Employees will be assigned work schedules based upon seniority and bid procedures currently in place.

Step 7: HTG will define benefit package including any approved accruals, health insurance, 401k, pay ranges, and any other currently provided employee benefits.

Step 8: During the transition period, HTG and the Trust will clarify service goals, objectives, and key performance indicators. The Trust's goals and objectives will be ingrained into HTG service culture to promote not only HTG's vision and values but also the Trust's current service commitments. Operational performance measures, as well as quality customer service measures, will serve as the basis for the Trust to monitor and evaluate HTG's performance. HTG will ensure the Resident General Manager will be on site prior to the termination/expiration of the existing contract and during the initial start-up of the service under HTG.

Step 9: HTG will validate the fleet maintenance records, equipment listing, and asset management information. The preventive maintenance checklists will be verified, and the inventory will be reconciled and validated.

Step 10: The transition will occur after service ends on Saturday, November 30, 2019 with HTG assuming responsibility for overall operations on the following Sunday for final walk through and verification.

Step 11: All HTG personnel will be on site three (3) service days prior to transition date for system start-up finalization.

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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### **D. TERM OF THE CONTRACT**

The term of this Contract and Agreement shall be for a period of five (5) years beginning December 1, 2019 until November 30 2024. This Agreement may be extended for two additional years.

The Trust shall notify HTG at least six (6) months prior to the expiration of the Agreement of its intention to extend the Agreement.

HTG shall notify the Trust at least six (6) months prior to the expiration of the Agreement if HTG does not want to exercise any option years.

### **E. COMPENSATION**

In consideration of the services and obligations rendered by HTG, the Trust shall pay HTG amounts not to exceed those stated on Appendix A.

Trust further agrees to negotiate fees with HTG for as-needed management services requested by the Trust. Such services would be beyond the day-to-day management operations of LATS.

### **F. INSURANCE**

HTG at its sole cost and expense shall furnish to the Trust all necessary surety bonds or general liability insurance policies as specified in the RFP dated May 17, 2019. HTG will protect, hold harmless, and indemnify the Trust from and against dishonesty, fraud or theft occasioned by any officer or employee of HTG. Coverage of each such employee shall be in an amount of not less than One Million Dollars (\$1,000,000).

Lawton based transit employees, excluding the Resident General Manager, will be covered by a blanket fidelity bond or liability insurance policy, the premium for which shall be considered as an operating expense.

HTG will provide all insurance policies, specified by the types, amounts and timing requirements, set out in the RFP dated May 17, 2019. Any workman's compensation insurance and any automobile/bus fleet insurance policies will be paid by HTG and shall be considered an operating expense (except for the General Manager's insurance requirements). HTG will be liable for any dishonesty or fraudulent misconduct committed or directed by any officer or employee of HTG or of any subsidiary of HTG, and further for any breach of this Agreement on the part of HTG and/or the subsidiary management corporation.

### **G. INCORPORATION OF STATE, FEDERAL, TRANSIT TRUST REQUIREMENTS AND CONDITIONS**

HTG will comply with all of the laws of State of Oklahoma in carrying its duties.

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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HTG will comply with all terms and conditions of Federal Transit Administration grant contracts between the United States and the Trust, the annual Master Agreements, the Trust's applications, certifications and assurances, and all other applicable laws and regulations.

HTG will not discriminate against any individual with respect to compensation terms or privileges of employment by reason of such individual's race, color, religion, sex, national origin, age, or handicap (except as exempted by a bonafide occupational qualification).

HTG covenants and agrees that it presently has no interest and will not acquire any interest, direct or indirect, which conflicts with its efficient, diligent and faithful performance of the terms of this Contract and Agreement.

HTG, its officers, agents, employees and assignees will abide by Transit Trust Policies and requirements and to maintain close contact and cooperate with the staff of Trust through a City staff member specifically designated by the City Manager for such purpose, and to furnish to said City staff member monthly reports on the operations of the bus transportation system.

All services to be rendered by HTG shall be subject to the reasonable supervision and control of the Trust. HTG shall make recommendations, or the Trust may request information or recommendations, as to any areas of operation which are deemed appropriate and proper, and the decision of the Trust shall be binding and final in regards thereto.

### **H. AMENDMENT OF THE AGREEMENT**

This Agreement may be amended only with prior written consent of all parties.

### **I. TERMINATION BY MUTUAL AGREEMENT**

This Agreement may be terminated by mutual agreement of the parties. Such termination shall be effective in accordance with a written agreement by the parties. Any other act of termination shall be in accordance with the termination by convenience or default provisions.

### **J. TERMINATION FOR CONVENIENCE**

This Agreement may be terminated, without penalty or further liability, if the Trust, at its sole discretion, determines it is desirable or in the best interests of the operation of the Transit System by the Trust providing one hundred and eighty (180) days written notice to HTG of the Trust's intent to terminate the Agreement.

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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### **K. TERMINATION FOR DEFAULT**

1. Subject to Subsection 2 below, the Trust may terminate the whole or any part of the Agreement in any one of the following circumstances:
  - a. If HTG fails to provide the services in the manner required by the Agreement;
  - b. If HTG fails to perform any of the provisions of the Agreement in accordance with its terms; or
  - c. If HTG fails to make progress in the prosecution of the work under the Agreement so as to endanger such performance.
  - d. If the Trust determines that any other event of default has occurred.
2. In the event the Trust terminates the Agreement in whole or in part provided in Subsection 1 above, the Trust may procure, upon such terms and in such manner as the Trust may deem appropriate, supplies or services similar to those so terminated. HTG shall be liable to the Trust for costs associated with the termination of the Agreement, the procurement of replacement services by the Trust, any excess costs of such similar supplies or services, and any increase in the total Agreement cost as a result of the reprocurement of services from the date of termination to the expiration date of the original Agreement. HTG shall continue the performance of the Agreement to the extent not terminated under the provisions of this Section.

### **L. FORCE MAJEURE**

HTG shall not be liable for any failure to perform if acceptable evidence has been submitted to the Trust that failure to perform the Contract was due to cause beyond the control and without the fault or negligence of the contractor. Examples of such causes include acts of God, civil disturbances, fire, war, or floods, but do not include labor related incidents, such as strikes or work stoppages.

### **M. LACK OF FUNDS**

The entering into of the Contract by the Trust is subject to its receipt of annual local, State and Federal funds adequate to carry out the provisions of the Contract in full and subject to limitations contained in 11 O.S. § 17.201, et. seq.

### **N. AUDIT AND INSPECTION OF RECORDS**

HTG shall maintain complete, accurate, identifiable and orderly records with respect to all costs, expenses, and testing for safety compliance of both employees and equipment incurred under this Contract in accordance with generally accepted accounting practices and FTA requirements. The Trust, Comptroller General of the United States, and the Secretary of Transportation, or any duly authorized representatives, shall be permitted to inspect, examine and audit all work, materials, payrolls, data, books, records, and accounts relating to the performance of the Contract. Further, HTG will maintain all

## MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

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required records at least three years after the Trust has made final payment and all other pending matters are closed.

### **O. NO THIRD PARTY BENEFICIARIES**

There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

### **P. SEVERABILITY**

Should any provision of this Contract is declared or determined to be unlawful, invalid, or unconstitutional, such declaration shall not affect, in any manner, the legality of the remaining provisions of the Contract, and each provision of the Contract will be and is deemed to be separate and severable from each other provision.

### **Q. ASSIGNMENT**

This Contract and Agreement shall not be assigned or transferred by HTG without the prior written consent of the Trust.

### **R. NOTICES**

All notices and communications with respect to this Contract shall be effective upon the mailing by Registered or Certified Mail, return receipt requested, postage prepaid, and addressed as follows:

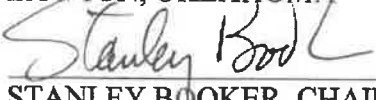
1. If to HTG:                    Mr. John Hendrickson, President  
   Hendrickson Transportation Group, LLC  
   PO Box 2032  
   Waco, Texas 76703
  
2. If to Trust:                    City Clerk  
   Lawton City Hall  
   212 SW 9th Street  
   Lawton Oklahoma 73501

or to such other address as either party shall designate by written notice.

MANAGEMENT CONTRACT FOR TRANSIT SYSTEM

IN WITNESS WHEREOF, the parties hereto have executed this Contract and Agreement on the 8th day of October, 2019.

CITY TRANSIT TRUST  
LAWTON, OKLAHOMA

  
STANLEY BOOKER, CHAIRMAN

ATTEST:  
  
SECRETARY

HENDRICKSON TRANSPORTATION  
GROUP LLC

  
JOHN HENDRICKSON, PRESIDENT

ATTEST:  
  
SECRETARY

APPROVED as to form and legality this 10<sup>th</sup> day of September, 2019.

  
ATTORNEY FOR TRUST

# MANAGEMENT FEE

# HTG

## Proposed Monthly Fee:

<b>Year 1</b>	<b>\$171,360 Annually</b> <b>\$14,280 per month</b>
<b>Year 2</b>	<b>\$171,360 Annually</b> <b>\$14,280 per month</b>
<b>Year 3</b>	<b>\$176,400 Annually</b> <b>\$14,700 per month</b>
<b>Year 4</b>	<b>\$181,680 Annually</b> <b>\$15,140 per month</b>
<b>Year 5</b>	<b>\$187,200 Annually</b> <b>\$15,600 per month</b>
<b>Option Year 1</b>	<b>\$192,000 Annually</b> <b>\$16,000 per month</b>
<b>Option Year 2</b>	<b>\$196,800 Annually</b> <b>\$16,400 per month</b>

Transition Costs are expected at \$19,120 as outlined in the Management Approach Section

**APPENDIX B**  
**Contract Clauses**

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1. Fly America Requirements
2. Charter Bus and School Bus Requirements
3. Energy Conservation Requirements
4. Clean Water Requirements
5. Access to Records and Reports
6. Federal Changes
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8. No Government Obligation to Third Parties
9. Program Fraud and False or Fraudulent Statements and Related Acts
10. Government-wide Debarment and Suspension (Nonprocurement)
11. Civil Rights Requirements
12. Disadvantaged Business Enterprises (DBE)
13. Incorporation of Federal Transit Administration (FTA) Terms
14. Drug and Alcohol Testing
15. Breaches and Dispute Resolution
16. Privacy Act
17. Lobbying
18. Certification of Compliance

**1. FLY AMERICA REQUIREMENTS****49 U.S.C. § 40118****41 CFR Part 301-10****Fly America Requirements**

HTG agrees to comply with 49 U.S.C. 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and subrecipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. HTG shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. HTG agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

## **2. CHARTER BUS REQUIREMENTS**

**49 U.S.C. 5323(d)**

**49 CFR Part 604**

**Charter Service Operations** - HTG agrees to comply with 49 U.S.C. 5323(d) and 49 CFR Part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions at 49 CFR 604.9. Any charter service provided under one of the exceptions must be "incidental," i.e., it must not interfere with or detract from the provision of mass transportation.

## **2. SCHOOL BUS REQUIREMENTS**

**49 U.S.C. 5323(F)**

**49 CFR Part 605**

**School Bus Operations** - Pursuant to 49 U.S.C. 5323(f) and 49 CFR Part 605, recipients and subrecipients of FTA assistance may not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients may not use federally funded equipment, vehicles, or facilities.

**3. ENERGY CONSERVATION REQUIREMENTS**

**42 U.S.C. 6321 et seq.**

**49 CFR Part 18**

**Energy Conservation** - HTG agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

**4. CLEAN WATER REQUIREMENTS**  
**33 U.S.C. 1251**

**Clean Water**

(1) HTG agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.* HTG agrees to report each violation to the Trust and understands and agrees that the Trust will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

(2) HTG also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

**5. ACCESS TO RECORDS AND REPORTS****49 U.S.C. 5325****18 CFR 18.36 (i)****49 CFR 633.17**

**Access to Records** - The following access to records requirements apply to this Contract:

1. HTG agrees to provide the Trust, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of HTG which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. HTG also agrees, pursuant to 49 C.F.R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.
2. HTG shall make available records related to the contract to the Trust, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
3. HTG agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
4. HTG agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case HTG agrees to maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

**6. FEDERAL CHANGES**  
**49 CFR Part 18**

**Federal Changes** - HTG shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. HTG's failure to so comply shall constitute a material breach of this contract.

**7. CLEAN AIR**  
**42 U.S.C. 7401 et seq**  
**49 CFR Part 18**

**Clean Air**

(1) HTG agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. HTG agrees to report each violation to the Trust and understands and agrees that the Trust will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

(2) HTG also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

## **8. NO GOVERNMENT OBLIGATION TO THIRD PARTIES**

### **No Obligation by the Federal Government.**

(1) The Trust and HTG acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Trust, HTG, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(2) HTG agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

**9. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS  
AND RELATED ACTS**  
**31 U.S.C. 3801 et seq.**  
**49 CFR Part 31 18 U.S.C. 1001**  
**49 U.S.C. 5307**

**Program Fraud and False or Fraudulent Statements or Related Acts.**

(1) HTG acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, HTG certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, HTG further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on HTG to the extent the Federal Government deems appropriate.

(2) HTG also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on HTG, to the extent the Federal Government deems appropriate.

(3) HTG agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

**10. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)****Suspension and Debarment**

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, HTG is required to verify that none of HTG, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

HTG is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

## **11. CIVIL RIGHTS REQUIREMENTS**

**29 U.S.C. § 623, 42 U.S.C. § 2000**

**42 U.S.C. § 6102, 42 U.S.C. § 12112**

**42 U.S.C. § 12132, 49 U.S.C. § 5332**

**29 CFR Part 1630, 41 CFR Parts 60 et seq.**

**Civil Rights** - The following requirements apply to the underlying contract:

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, HTG agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, HTG agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, HTG agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. HTG agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, HTG agrees to comply with any implementing requirements FTA may issue.

(b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, HTG agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, HTG agrees to comply with any implementing requirements FTA may issue.

(c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, HTG agrees that it will comply with the requirements of U.S.

Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, HTG agrees to comply with any implementing requirements FTA may issue.

(3) HTG also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

**12. DISADVANTAGED BUSINESS ENTERPRISE (DBE)**  
**49 CFR Part 26**

**Disadvantaged Business Enterprises**

- a. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. The Trust's overall goal for DBE participation is **8.93%**.
- b. HTG shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. HTG shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by HTG 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 Trust deems appropriate. Each subcontract HTG signs with a subcontractor must include the assurance in this paragraph (*see* 49 CFR 26.13(b)).
- c. HTG is required to report its DBE participation obtained through race-neutral means throughout the period of performance.
- d. HTG is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after HTG's receipt of payment for that work from the Trust. In addition, HTG is required to return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to this contract is satisfactorily completed.
- e. HTG must promptly notify the Trust, whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. HTG may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of the Trust.

**13. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS**  
**FTA Circular 4220.1E**

**Incorporation of Federal Transit Administration (FTA) Terms** - The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. HTG shall not perform any act, fail to perform any act, or refuse to comply with any Trust requests which would cause the Trust to be in violation of the FTA terms and conditions.

**14. DRUG AND ALCOHOL TESTING****49 U.S.C. §5331****49 CFR Part 655**

HTG agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Part 655, produce any documentation necessary to establish its compliance with Part 655, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of Kentucky, or the Subrecipient, to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Part 655 and review the testing process. HTG agrees further to certify annually its compliance with Part 655 before December 31 and to submit the Management Information System (MIS) reports before February 15 to the Drug and Alcohol Program Manager (DAPM). To certify compliance HTG shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements," which is published annually in the Federal Register.

**15. BREACHES AND DISPUTE RESOLUTION****49 CFR Part 18****FTA Circular 4220.1E**

**Disputes** - Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided as follows.

**Performance During Dispute** - Unless otherwise directed by the Trust, HTG shall continue performance under this Contract while matters in dispute are being resolved.

**Claims for Damages** - Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefor shall be made in writing to such other party within a reasonable time after the first observance of such injury of damage.

**Remedies** - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the Trust and HTG arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State in which the Trust is located.

**Rights and Remedies** - The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the Trust or HTG shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

**16. PRIVACY ACT**  
**5 U.S.C. 552**

**Contracts Involving Federal Privacy Act Requirements** - The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

(1) The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

(2) The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

**17. LOBBYING****31 U.S.C. 1352****49 CFR Part 19****49 CFR Part 20**

The undersigned, Tom L. Henderson certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

HTG, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, HTG understands and agrees that the provisions of 31 U.S.C. 3801, *et seq.*, apply to this certification and disclosure, if any.

 Signature of HTG's Authorized Official

John L. Henderson, President Name and Title of HTG's Authorized Official

11/26/2019 Date

**18. CERTIFICATION OF COMPLIANCE**

HTG hereby certifies that it will meet the requirements of the applicable regulations in these Clauses.

Date: 11/26/2019

Signature: J. Hendrickson

Company Name: HENDRICKSON TRANSPORTATION GROUP, LLC

Title: PRESIDENT