

**AUSTIN  
TRANSIT**  
PARTNERSHIP

Transforming Transit Together



AUSTIN TRANSIT PARTNERSHIP

# New Recipient Submittal Package

September 21, 2023

| Category                                                 | Status | ATP New Recipient Submittal Document                                                                                      |
|----------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------|
| <b><u>New Recipient Request &amp; Planning Basis</u></b> | ●      | <u>1. New Recipient Request Letter with Explanation of Planning Basis</u>                                                 |
|                                                          | ●      | <u>2. Confirmation of SAM Registration</u>                                                                                |
| <b><u>Legal Capacity</u></b>                             | ●      | <u>3. Opinion of Counsel</u>                                                                                              |
|                                                          | ●      | <u>3A. Joint Powers Agreement (December 2021)</u>                                                                         |
|                                                          | ●      | <u>3B. Joint Powers Agreement Supplement (June 2023): Tri-Party Agreement Defining ATP Role as Direct Grant Recipient</u> |
|                                                          | ●      | <u>4. Authorizing Resolution</u>                                                                                          |
|                                                          | ●      | <u>5. Designated Recipient Documentation</u>                                                                              |
| <b><u>Financial Capacity</u></b>                         | ●      | <u>6. Response to Financial Capacity Questions (Appendix B)</u>                                                           |
|                                                          | ●      | <u>7. Current Year Operating and Capital Budgets</u>                                                                      |
|                                                          |        | <u>8. Three Years of A-133 Reports (2 years of audit reports)</u>                                                         |
|                                                          | ●      | <u>ATP Fiscal Year 2021 Audited Annual Financial Report</u>                                                               |
|                                                          | ●      | <u>ATP Fiscal Year 2022 Audited Annual Financial Report</u>                                                               |
|                                                          |        | <u>9. Policies and Procedures</u>                                                                                         |
|                                                          | ●      | <u>Grants Financial Management</u>                                                                                        |
|                                                          | ●      | <u>Procurement</u> (Adopted by ATP Board Sept 2021 and updated March 2023)                                                |
|                                                          | ●      | <u>Cash Management (Investment Policy)</u> (Adopted by ATP Board Sept 2022; updated Sept 2023)                            |
|                                                          | ●      | <u>Budget</u> (Refer to 7. Current Year Operating and Capital Budgets)                                                    |
|                                                          | ●      | <u>Accounts Payable</u>                                                                                                   |
|                                                          | ●      | <u>Payroll Processing</u>                                                                                                 |
|                                                          | ●      | <u>Period-End Procedures (General Ledger)</u>                                                                             |
|                                                          | ●      | Preventive Maintenance                                                                                                    |
|                                                          | ●      | <u>Project Management Approach</u>                                                                                        |
|                                                          | ●      | <u>Project Controls Plan</u>                                                                                              |
|                                                          | ●      | Maintaining an Infrastructure for the Development of Cost Allocation Plans (CAPS) or Indirect Cost Rate Proposals (ICRPs) |
|                                                          | ●      | Accounting for Fuel Utilizations                                                                                          |
|                                                          | ●      | Accounting Operations and Finance Operations                                                                              |
|                                                          | ●      | Fixed Assets                                                                                                              |
|                                                          | ●      | <u>10. 3-5 Year Financial Plan</u>                                                                                        |
| <b><u>Technical Capacity</u></b>                         | ●      | <u>11. Answers to Sample Technical Capacity Questions (Appendix C)</u>                                                    |
|                                                          | ●      | <u>12. Organizational Chart</u>                                                                                           |
| <b><u>Civil Rights Requirements</u></b>                  | ●      | <u>13. Title VI Plan and Required Elements</u>                                                                            |
|                                                          | ●      | <u>14. DBE Program and Goal</u>                                                                                           |
|                                                          | ●      | <u>15. EEO Program</u>                                                                                                    |
| <b><u>TrAMS Forms</u></b>                                | ●      | <u>16. TrAMS User Manager Request Form (Appendix D)</u>                                                                   |
|                                                          | ●      | <u>17. Designation of Signature Authority Letter(s)</u>                                                                   |
| <b><u>ECHO Forms</u></b>                                 | ●      | <u>18. ECHO Authorization and Certification Letter</u>                                                                    |
|                                                          | ●      | <u>19. ECHO-Web User Access / System Rules of Conduct Forms (All Users)</u>                                               |
|                                                          | ●      | <u>20. ECHO-Web ACH Payment Form</u>                                                                                      |

● Enclosed

● To be developed under future implementation phase

● Not Applicable



Click on each row to access the submission document





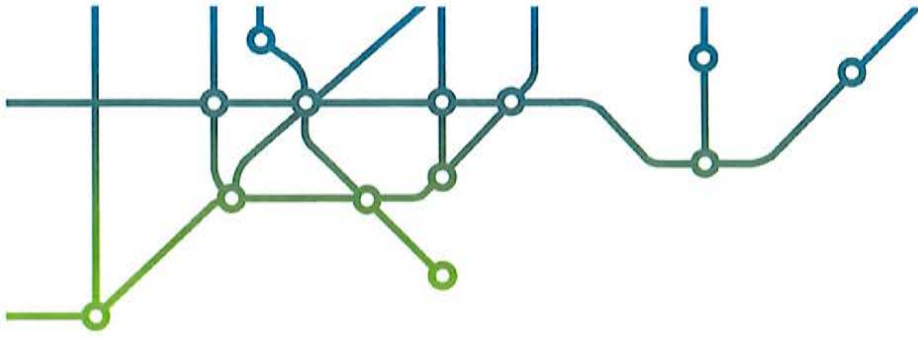
AUSTIN TRANSIT PARTNERSHIP

# New Recipient Request & Planning Basis

# 1. New Recipient Request Letter with Explanation of Planning Basis

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





September 21, 2023

Gail Lyssy  
Regional Administrator  
Region 6 Office  
Federal Transit Administration  
Fritz G. Lanham Federal Building  
819 Taylor Street, Room 14A02  
Fort Worth, TX 76102

**Re: Austin Transit Partnership Submission for FTA New Recipient process**

Dear Ms. Lyssy:

As a follow-up to my June 16, 2023 letter informing the Federal Transit Administration (FTA) Region VI of our intent to initiate the New Recipient process, and our subsequent meeting with in Fort Worth on August 1, 2023, Austin Transit Partnership (ATP) is pleased to formally submit the required documentation to attain New Recipient status.

Background

ATP is the independent [Local Government Corporation](#) (LGC) formed in December 2020 responsible for the overall implementation of the Project Connect program that includes Austin Light Rail. On June 6, 2023, the Austin City Council, CapMetro Board of Directors, and ATP Board of Directors (collectively the 'joint partnership') concurrently adopted changes to the Joint Powers Agreement (JPA) among the entities to affirm ATP's role as the Project Sponsor and federal grant recipient for light rail program projects, pending any necessary FTA concurrence.

ATP is responsible for the day-to-day implementation, planning, financing, execution and oversight of the light rail program. Austin Light Rail is managed and led by dedicated ATP staff with extensive experience in delivery of light rail capital projects with federal funding. ATP is governed by a Board of Directors, which includes three community members as well as a representative each from the Austin City Council and the CapMetro Board of Directors.

**1. Types of activities ATP will use FTA funds to support**

In June 2023, the joint partnership adopted a locally preferred alternative (LPA) for the [Austin Light Rail Implementation Plan](#). Austin Light Rail – Phase 1 is an approximately 10 mile, two-line light rail system that travels north of downtown Austin, into east Austin, and south of Lady Bird Lake. The new light rail system will serve the West Campus of the University of Texas, downtown employment and special event

destinations, connection points with high-frequency bus and commuter rail service, and diverse, growing neighborhoods. The capital costs and operating & maintenance of Austin Light Rail also will be funded by ATP using local funds (Proposition A). ATP will be looking to federal funding opportunities to support the planning, design, construction, and operations & maintenance of Austin Light Rail.

## **2. Identification of the type of FTA funds that ATP will seek**

ATP will be seeking New Starts funding under the Capital Investments Grant program to support the capital costs for the project. The local match for New Starts funding is dedicated property tax revenue authorized by City of Austin voters in 2020 – revenue that is solely dedicated to ATP. ATP is also responsible for funding the long-term operations and maintenance of light rail with this revenue. In the future, ATP may pursue federal funds to support extensions of the light rail system, capital improvements to support core capacity expansions, or sub-allocated funds for operations. It should be noted that Austin’s transit authority, CapMetro will continue to be the designated recipient for the region.

## **3. Planning basis for Austin Light Rail**

This past June, after an extensive public process, the Austin Light Rail Implementation Plan was unanimously approved by the ATP Board, the Austin City Council and the CapMetro Board. This plan includes a Phase 1 of Austin Light Rail.

Austin Light Rail is a result of analysis and community planning efforts that occurred over several years. In 2019 (and updated in 2022), the Austin City Council approved the [Austin Strategic Mobility Plan \(ASMP\)](#), which establishes a policy goal to quadruple the share of commuters who use transit by 2039, targeting a 50/50 mode share (50 percent drive-alone to work while 50 percent use other modes). The Project Connect Vision Plan is included as an integral part of the ASMP and both initiatives provide a way forward for solving future mobility challenges that the region faces.

Prior to the inception of ATP, planning activities occurred for high-capacity transit in Austin that culminated in the successful November 2020 election:

- In 2018, CapMetro adopted the [Project Connect Long Term Vision](#), which identified the future high-capacity transit corridors.
- Beginning in May 2019, an alternatives analysis was conducted to select an LPA for light rail that proposed two light rail corridors (then referred to as the Orange Line and Blue Line) to be pursued concurrently. The LPA for these corridors was adopted by CapMetro’s Board of Directors as part of the [Project Connect System Plan](#) in [June 2020](#). Capital Area Metropolitan Planning Organization (CAMPO), the Metropolitan Planning Organization, adopted its [2045 Regional Transportation Plan \(RTP\)](#) that included the Orange and Blue Line corridors as a priority transit capital investment, on May 4, 2020.
- In 2020, CapMetro completed two Planning and Environmental Linkages (PEL) studies following Federal guidance that documented the alternatives analysis, the Projects’ purpose and need, public and stakeholder outreach, and informed selection of the LPA that included separate Orange and Blue Line light rail projects.

Following the establishment of ATP in December 2020, work continued on preliminary engineering plans and associated environmental review. In spring 2022, it became clear that project costs for the full system were higher than anticipated due to inflationary pressure, real estate costs, and scope advancement. In



July 2022, ATP initiated an assessment of the implementation of the light rail program with the goal of identifying a first project phase that would meet the purpose and need for the project, reflect community goals and values, and be affordable within the financial model for the program. Ultimately ATP, CapMetro, and the City of Austin adopted the Austin Light Rail Implementation Plan as the updated LPA in June 2023.

Additional planning activities are ongoing:

- ATP is coordinating with CAMPO to incorporate the updated light rail LPA in the Regional Transportation Plan (RTP) and Transportation Improvement Program (TIP).
- Advanced conceptual engineering is occurring to support the environmental review, and we are continuing to coordinate with FTA regarding the schedule for completing the NEPA process.

#### **4. Point of Contact**

ATP's primary point of contact for FTA through this process is:

Jennifer Pyne, Executive Vice President for Planning, Community and Federal Programs  
Austin Transit Partnership  
M: 602-799-2231  
E: Jennifer.pyne@atptx.org  
A: 203 Colorado Street, Austin, TX 78701

#### **5. Legal Capacity, Financial Capacity, Technical Capacity, and Civil Rights Compliance**

The enclosed documents provide information on the legal capacity, financial capacity, technical capacity, and civil rights compliance as identified in the Region VI New Recipient Handbook and in accordance with statutory and regulatory requirements.

##### *Legal Capacity*

We have submitted an Opinion of Counsel regarding authorization to request, receive and spend FTA funds. The enclosed package includes Joint Powers Agreements between ATP, CapMetro, and the City of Austin. A Resolution of the ATP Board is enclosed that was adopted on September 20, 2023.

##### *Financial Capacity*

We have submitted information to demonstrate ATP financial policies and management systems. The enclosed package includes answers to questions outlined in the handbook (Appendix B), ATP's current budget document (which also includes financial and budget policy information), available audit reports, and applicable policies and procedures. Procurement policies have been adopted by the ATP Board and are included in the package. A Financial Plan is enclosed that reflects the current status of the program; we anticipate that this will continue to be updated as the work on Austin Light Rail advances.

ATP is at the onset of Project Development for Austin Light Rail, with the intent of pursuing New Starts funding and an FFGA. As part of our organizational readiness activities during the Project Development phase, ATP will be developing plans for future activities associated with operations and maintenance in coordination with our partners.

##### *Technical Capacity*

The enclosed package includes answers to questions outlined in the handbook (Appendix C) and information regarding the current organization of ATP as we perform Project Development activities. As

part of our organizational readiness activities, we are continuing to evaluate project delivery models for Austin Light Rail and what future staffing will be required for successful delivery.

*Civil Rights Compliance*

ATP will comply with all applicable civil rights statutes and implementing regulations. The enclosed package includes ATP's Title VI Program Plan, DBE Program Plan, and EEO Program Plan.

We look forward to working with you throughout this process. If you have any questions about the information we provided, please reach out to Ms. Pyne.

Sincerely,



Greg Canally  
Executive Director



## 2. Confirmation of SAM Registration

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



## You are now active and compliant.

Hi Sophie! Your SAM Registration is now active. Below is the information needed for your company to start accepting federal contracts. Please keep this for your records.

**Entity:** Austin Transit Partnership Local Government Corporation

**UEI:** WALQPB9P5N15

**CAGE:** 9P5P3

You now qualify for the Verified Vendor Seal. The biggest reason vendors do not get contracts is that they are not properly registered. Add the Verified Vendor Seal to your website and marketing materials to show all contracting officers you are active and properly registered for federal business. We encourage you to take the next step.

[\*\*OBTAIN MY VERIFIED VENDOR SEAL\*\*](#)

For those of you participating in the Simplified Acquisition Program (SAP), please complete your SAP worksheets. This is where you will

Helen Carter,  
USFCR Case Department



provide your capabilities, company experience, and what makes you stand out from your competition. The SAP's Online Capability Statement will boost your visibility to government buyers and get you moving down the path to success! Please complete the SAP worksheets and communicate any questions to our support team at [sapsupport@usfcr.com](mailto:sapsupport@usfcr.com).

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**Our mailing address is:**  
15950 Bay Vista Drive, Suite 150  
Clearwater, Florida 33760

This is a transactional service update and not a solicitation.  
You received this email because you are a client with US Federal Contractor Registration, Inc.



AUSTIN TRANSIT PARTNERSHIP

# Legal Capacity





## 3. Opinion of Counsel

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



## OPINION OF COUNSEL

**TO: GREG CANALLY, EXECUTIVE DIRECTOR**

**FROM: BRANDON W. CARR, SVP OF LEGAL SERVICES AND GENERAL COUNSEL**

**DATE: SEPTEMBER 20, 2023**

**CC: CASEY BURACK, EVP OF BUSINESS AND LEGAL AFFAIRS  
REBECCA GIELLO, CHIEF OF STAFF  
JENNIFER PYNE, EVP OF PLANNING AND RISK MANAGEMENT**

**RE: OPINION OF COUNSEL FOR APPLICATION FOR FEDERAL TRANSPORTATION ASSISTANCE FROM THE FEDERAL TRANSIT ADMINISTRATION**

This communication will serve as the requisite opinion of counsel to be filed with the Federal Transit Administration, United States Department of Transportation, in connection with the application of Austin Transit Partnership Local Government Corporation (“Austin Transit Partnership” or “ATP”) for federal transportation assistance authorized by 49 U.S.C. Chapter 53; Title 23, United States Code; and other federal statutes authorizing activities administered by the Federal Transit Administration.

Citations to laws and regulations establishing the legal authority of Austin Transit Partnership to carry out transportation projects for which federal assistance is sought is set forth below:

1. Austin Transit Partnership was created as a local government corporation by the City of Austin and Capital Metropolitan Transportation Authority (“CapMetro”) under Chapter 431, Subchapter D of the Texas Transportation Code, also called the [Texas Transportation Corporation Act](#). See attached. ATP is authorized to aid and act on behalf of the City and CapMetro for the financing and implementation of Project Connect, which includes the financing, design, engineering, and construction of a fixed rail and bus rapid transit system, including customer technology, park & ride hubs, on-demand neighborhood circulators, and associated improvements to roadways, bikeways, sidewalks and street lighting.
2. The authority of Austin Transit Partnership to provide funds for the local share of the project is set forth in the November 2020 Proposition A (COA Res. 20200812-001) and canvass (COA Res. No. 20201117-001) certifying that Proposition A received a majority of votes and passed. See attached.

3. The role and responsibilities of ATP for Project Connect, are further set out in the [Joint Powers Agreement](#) (entered by the Parties in December 2023), and the [Joint Powers Agreement Supplement](#) (entered by the Parties in June 2023).
4. Additionally, the ATP Board of Directors has authorized your filing of an application for this purpose pursuant to ATP Board Resolution No. ATP-2023-017 on September 20, 2023 (Authorizing Resolution).
5. I have reviewed the pertinent federal, state, and local laws, and I have concluded that there is no legal impediment to your filing an application for the project for which Austin Transit Partnership seeks assistance. Furthermore, as a result of my examination, I find that there is no pending or threatened litigation or other action that foreseeably could materially adversely affect the proposed project or the capability of Austin Transit Partnership to carry out the project.

Sincerely,

*Brandon W. Carr*

Brandon W. Carr  
SVP of Legal Services and General Counsel  
Austin Transit Partnership

*Attachments:* November 2020 Proposition A (COA Res. 20200812-001) and canvass (COA Res. No. 20200812-009)  
Authorizing Resolution (ATP Board Resolution No. ATP-2023-017)

**ORDINANCE NO. 20200812-009**

**AN ORDINANCE ORDERING A GENERAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF AUSTIN ON NOVEMBER 3, 2020, FOR THE PURPOSE OF ELECTING CITY COUNCIL MEMBERS (SINGLE MEMBER DISTRICTS) FOR DISTRICT 2, DISTRICT 4, DISTRICT 6, DISTRICT 7, AND DISTRICT 10; ORDERING A SPECIAL ELECTION FOR THE PURPOSE OF SUBMITTING A PROPOSED TAX RATE THAT EXCEEDS THE VOTER APPROVAL RATE FOR THE PURPOSE OF FUNDING AND AUTHORIZING THE PROJECT CONNECT TRANSIT SYSTEM; PROVIDING FOR THE CONDUCT OF THE MUNICIPAL GENERAL AND SPECIAL ELECTIONS; AUTHORIZING THE CITY CLERK TO ENTER INTO JOINT ELECTION AGREEMENTS WITH OTHER LOCAL POLITICAL SUBDIVISIONS AS MAY BE NECESSARY FOR THE ORDERLY CONDUCT OF THE ELECTIONS; AND DECLARING AN EMERGENCY.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** A general municipal election shall be held in the City of Austin on November 3, 2020. At the election there shall be elected by the qualified voters of the City five City Council Members (single member districts) for District 2, District 4, District 6, District 7, and District 10. The candidates for Districts 2, 4, 6, 7, and 10 shall meet all requirements, shall be residents of their respective districts, and shall be elected by majority vote of voters residing in each respective district.

**PART 2.** A special municipal election shall be held in the City on November 3, 2020, to submit to the voters of the City a proposed tax rate that exceeds the voter approval rate, for the purpose of funding and authorizing a fixed rail transit system known as Project Connect. The ballot shall be prepared to permit voting “For” or “Against” the Proposition:

**CITY OF AUSTIN PROPOSITION A**

Approving the ad valorem tax rate of \$0.5335 per \$100 valuation in the City of Austin for the current year, a rate that is \$0.0875 higher per \$100 valuation than the voter-approval tax rate of the City of Austin,



for the purpose of providing funds for a citywide traffic-easing rapid transit system known as Project Connect, to address traffic congestion, expand service for essential workers, reduce climate change emissions, decrease traffic fatalities, create jobs, and provide access to schools, health care, jobs and the airport; to include neighborhood supportive affordable housing investments along transit corridors and a fixed rail and bus rapid transit system, including associated road, sidewalk, bike, and street lighting improvements, park and ride hubs, on-demand neighborhood circulator shuttles, and improved access for seniors and persons with disabilities; to be operated by the Capital Metropolitan Transportation Authority, expending its funds to build, operate and maintain the fixed rail and bus rapid transit system; the additional revenue raised by the tax rate is to be dedicated by the City to an independent board to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to develop or expand transportation within the City, and to finance the transit-supportive anti-displacement strategies related to Project Connect. Last year, the ad valorem tax rate in the City of Austin was \$0.4431 per \$100 valuation.

**PART 3.** The elections shall be conducted between the hours of 7:00 a.m. and 7:00 p.m. The location of the main early voting polling place, the dates and hours for early voting, and the early voting clerk's official mailing address are provided in Exhibit A, attached and incorporated as a part of this ordinance.

**PART 4.** A direct electronic recording voting system, as the term is defined in Title 8 of the Texas Election Code, shall be used for early voting and for voting conducted on election day. The central counting station is established at the Travis County Elections Division, 5501 Airport Boulevard, Austin, Texas.

**PART 5.** Notice of these elections shall be given by posting and publishing a copy of this ordinance in both English and Spanish. The notice and a copy of this ordinance shall be posted, in both English and Spanish, in the office of the City Clerk and at the City Hall notice kiosk not later than the 21<sup>st</sup> day before election day. Notice of this election shall be published one time, not earlier than the 30<sup>th</sup> day before the date of the election or later than the 10<sup>th</sup> day before the date of the election, in a newspaper of general circulation in the City of Austin.

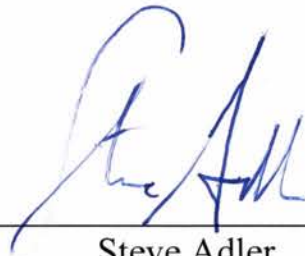
**PART 6.** In accordance with Chapter 271 of the Texas Election Code, the November 3, 2020 municipal elections may be held jointly with the various political subdivisions that share territory with the City of Austin and that are holding elections on that day. The City Clerk may enter and sign joint election agreements with other political subdivisions for this purpose, and their terms as stated in the agreements are hereby adopted.

**PART 7.** The Council finds that the need to immediately begin required preparations for these elections constitutes an emergency. Because of this emergency, this ordinance takes effect immediately on its passage for the immediate preservation of the public peace, health, and safety.

**PASSED AND APPROVED**

\_\_\_\_\_ August 13 \_\_\_\_\_, 2020

§  
§  
§



Steve Adler  
Mayor

**APPROVED:**

*Anne L. Morgan*  
Anne L. Morgan  
City Attorney  
*by*  
*N Thomas*

**ATTEST:**

*Jannette S. Goodall*  
Jannette S. Goodall  
City Clerk

## **EXHIBIT A**

### **Main Early Voting Locations, Early Voting Dates, and Early Voting Clerk Mailing Address November 3, 2020**

#### **Main Early Voting Locations**

Travis County: Travis County Airport Office, 5501 Airport Blvd., Austin, TX

Hays County: Government Center Conference Room, 712 S. Stagecoach Trail, San Marcos, TX

Williamson County: Williamson County Inner Loop Annex, 301 SE Inner Loop, Suite 104, Georgetown, TX

#### **Early Voting Dates:**

Tuesday, October 13, 2020 – Friday, October 30, 2020; times vary

#### **Early Voting Clerk Mailing Addresses**

##### **Ballots by Mail – Travis County**

By Mail voters: P.O. 149325, Austin, Texas 78714-9325

By Contract Carriers/ Fedex: 5501 Airport Blvd., Austin, Texas 78751

##### **Ballots by Mail - Hays County**

By Mail Voters: P.O. Box 907, San Marcos, TX 78666

##### **Ballots by Mail – Williamson County**

By Mail voters: P.O. Box 209, Georgetown, TX 78627



**RESOLUTION NO. 20201117-001**

**WHEREAS**, on November 3, 2020, a general municipal election was held for the purpose of electing City Council Members (single member districts) for District 2, District 4, District 6, District 7, and District 10; and on the same date special elections were held to present to the voters one proposed tax rate and Project Connect authorization proposition and one proposed bond proposition; voters were given the option of voting “for” or “against” on each measure; and

**WHEREAS**, the returns of the general election have been made to the Council and show that the votes for City Council Members were cast as follows:

**City Council Member District 2**

|                   |        |
|-------------------|--------|
| David Chincanchan | 5,084  |
| Casey Ramos       | 5,293  |
| Vanessa Fuentes   | 14,933 |
| Alex Strenger     | 1,327  |

**City Council Member District 4**

|                       |        |
|-----------------------|--------|
| Gregorio “Greg” Casar | 11,629 |
| Louis C. Herrin, III  | 4,310  |
| Ramesses II Setepenre | 1,466  |

**City Council Member District 6**

|                         |        |
|-------------------------|--------|
| James “Jimmy” Flannigan | 14,278 |
| Mackenzie Kelly         | 11,866 |
| Jennifer Mushtaler      | 6,806  |
| Dee Harrison            | 2,600  |



**City Council Member District 7**

Morgan Witt 13,353

Leslie Pool 27,423

**City Council Member District 10**

Robert Thomas 7,599

Alison Alter 15,640

Belinda Greene 1,364

Bennet Easton 847

Noel Tristan 390

Pooja Sethi 8,295

Jennifer Virden 11,637

**WHEREAS**, Vanessa Fuentes received a majority of all votes cast for the office of City Council Member District 2; and

**WHEREAS**, Gregorio “Greg” Casar received a majority of all votes cast for the office of City Council Member District 4; and

**WHEREAS**, of the two candidates who received the highest number of votes cast for the office of City Council Member District 6, those being James “Jimmy” Flannigan and Mackenzie Kelly, neither candidate received a majority of all votes cast for City Council Member District 6; and

**WHEREAS**, Leslie Pool received a majority of all votes cast for the office of City Council Member District 7; and

**WHEREAS**, of the two candidates who received the highest number of votes cast for the office of City Council Member District 10, those being Alison

Alter and Jennifer Virden, neither candidate received a majority of all votes cast for City Council Member District 10; and

**WHEREAS**, the returns of the special election have been made to the Council and show that the votes for and against the propositions were cast as follows:

**Proposition A**

For 242,457

Against 176,166

**Proposition B**

For 276,257

Against 135,730

**WHEREAS**, a majority of all votes cast in the special election were cast for Propositions A and B; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The Council finds that all of the recitals contained in this resolution are true and adopts them as findings of fact by this governing body; and

The Council finds that the results of the general election as tabulated and canvassed reflect the votes cast at the election; and

The Council accepts and approves the returns for the general election, as tabulated and received and canvassed, and declares that the following persons are declared elected and may qualify for the office indicated for terms that begin January 6, 2021:

City Council Member District 2 Vanessa Fuentes

City Council Member District 4 Gregorio "Greg" Casar

City Council Member District 7 Leslie Pool; and

In order to elect a City Council Member for District 6 and a City Council Member for District 10, the City Council shall order a runoff election as soon as is practicable and no later than the fifth day after this canvass as required by state law (Texas Election Code § 2.024).

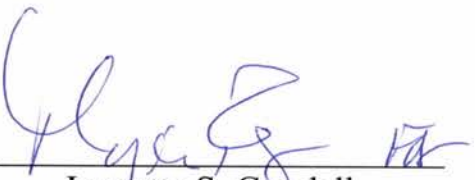
The Council finds that the results of the special election as tabulated and canvassed reflect the votes cast at the election; and

The Council accepts and approves the returns for the special election, as tabulated and received and canvassed, and declares that Proposition A and Proposition B are adopted.

With this canvass, Council is making official the precinct returns received from the counties.

**ADOPTED:** November 17, 2020

**ATTEST:**

  
\_\_\_\_\_  
Jannette S. Goodall  
City Clerk





## 3A. Joint Powers Agreement (December 2021)

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

**Joint Powers Agreement Between  
Austin Transit Partnership and  
Capital Metropolitan Transportation Authority and the City of Austin**

This Joint Powers Agreement (“Agreement”) is entered into between Austin Transit Partnership (“ATP”), a joint local government corporation created under Ch. 431 of the Texas Transportation Code, the City of Austin, Texas (the “City”), a home-rule municipality incorporated by the State of Texas, and Capital Metropolitan Transportation Authority (“Capital Metro”), a transportation authority and political subdivision for the State of Texas organized under Chapter 451 of the Texas Transportation Code, each a “Party” and collectively referred to within this Agreement as the “Parties”.

**RECITALS**

The City Council and the Capital Metro Board recognized the benefits of a high-capacity transit system and determined that implementation of the Project Connect System Plan will create an integrated transit system that addresses transit needs for safer, faster, and more reliable transportation that will improve access to essential services, such as education, health care, food access, childcare, jobs, and open space especially in historically underserved and underrepresented communities, and which will manage congestion, create jobs, improve the environment, and better connect people in our community; and

The voters of the City of Austin also recognized the benefits of Project Connect by approving a ballot measure at the November 3, 2020 special election to provide dedicated funding to an independent board to oversee the implementation of the Project Connect System Plan, including investment in transit-supportive anti-displacement strategies; and

The Capital Metro Board voted to provide the balance of its Capital Expansion Fund in the Fiscal Year 2021 and to commit certain long-term contributions to the furtherance of Project Connect upon voter approval; and

The Federal Transit Administration oversees transit and transit-supportive grant programs, providing federal grants to transit projects based on the following criteria: land use, cost effectiveness, mobility improvements, congestion relief, environmental benefits, and economic development, and the programs within the Project Connect System Plan are eligible to seek such a grant; and

The City Council and Capital Metro Board created a joint local government corporation, named Austin Transit Partnership, to serve as the independent entity responsible for the implementation of the Project Connect System Plan, including the financing of acquisition, construction, equipping, and funding operations of the expanded system; and

The City and Capital Metro must take the necessary actions to fulfill the commitments contained in the City Contract with the Voters and the Capital Metro Funding and Community Commitment, which includes entering into a Joint Powers Agreement; and

The City and Capital Metro entered into an interlocal agreement, providing that the Parties will execute a Joint Powers Agreement delineating the roles and responsibilities of all three Parties among other commitments; and

The Parties have properly authorized their agreement in accordance with Interlocal Cooperation Act, Texas Government Code Chapter 791. Through this Agreement the Parties confirm their commitment to and support of Project Connect and agree to cooperate and coordinate in good faith to assist each other in satisfying their respective obligations under this Agreement and to facilitate the timely implementation of Project Connect.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the sufficiency of which is acknowledged, the Parties agree to the terms and conditions stated in this Agreement as follows:

## **SECTION 1. DEFINITIONS**

**1.1. Terms Defined.** In this Agreement, in addition to the terms defined in the preamble to this Agreement, in the above recitals, and elsewhere in this Agreement, the following terms will have these meanings:

- 1.1.1. "Agreement" means this agreement between ATP, the City, and Capital Metro, entered into together with all Attachments thereto.
- 1.1.2. "ATP" means the Austin Transit Partnership, sometimes referred to as the Joint LGC or Corporation. ATP is a local government corporation, incorporated on December 22, 2020, created in compliance with Subchapter D, Chapter 431, Texas Transportation Code ("Chapter 431"), Chapter 394, Texas Local Government Code. ("Chapter 394"), and Chapter 22, Business Organizations Code ("Chapter 22").
- 1.1.3. "ATP Board" means the Austin Transit Partnership Board of Directors, as provided for in the Articles of Incorporation and Bylaws.
- 1.1.4. "Capital Metro Board" means the Board of Directors for the Capital Metropolitan Transportation Authority.
- 1.1.5. "City Council" means the City Council of the City of Austin, Texas.
- 1.1.6. "Executive Leadership" means the City of Austin City Manager, the Capital Metro President & CEO, and the ATP Executive Director.



- 1.1.7. "Federal Transit Administration (FTA)" means the operating administration of the U.S. Department of Transportation which oversees the Capital Investment Grant (CIG) Program and provides oversight and review of grant recipients and operators.
- 1.1.8. "Financial Model" means the September 2020 Project Connect Integrated Financial Model developed by PFM Financial Advisors, LLC which provides the cash flow model for the implementation of Project Connect.
- 1.1.9. "Fiscal Year" means that twelve-month time period between any October 1 and the next following September 30.
- 1.1.10. "Foundational Texts" means the documents that are 1) instrumental to the adoption of the Project Connect System Plan and Locally Preferred Alternatives for the Orange, Blue, Gold, Green, and MetroRapid Lines as a component of Capital Metro's long-term transit plan and the City of Austin's Strategic Mobility Plan (the transportation element of the Imagine Austin Comprehensive Plan), 2) instrumental to the corporate formation and establishment of the Austin Transit Partnership, and 3) instrumental to voter approval of Proposition A at the November 3, 2020 tax rate election which dedicated a portion of the City's property tax revenue to implementation of Project Connect. These documents include:
- 1.1.10.1. Resolutions related to the Project Connect System Plan and Locally Preferred Alternatives (LPAs): The June 10, 2020 concurrent resolutions adopting and supporting the Project Connect System Plan and Locally Preferred Alternatives for Orange, Blue, Gold, Green and MetroRapid Lines. (CMTA Res. No. AI-2020-1273, COA Res. No. 20200610-002).
  - 1.1.10.2. Articles of Incorporation: The Articles of Incorporation jointly approved by City Council and the Capital Metro Board and filed with the Secretary of State.
  - 1.1.10.3. Bylaws: The bylaws for organization and meetings of the ATP Board approved by the Capital Metro Board and City Council and adopted by ATP.
  - 1.1.10.4. Community Commitment and Contract with Voters: The August 12, 2020 concurrent resolutions that provide the funding commitments of the City and Capital Metro and direction to ATP to achieve certain

policy directives. (CMTA Res. No. AI-2020-1297, COA Res. No. 20200812-015, COA Ord. No. 20200812-009).

1.1.10.5. Creation of ATP Resolutions: The December 18, 2020 concurrent resolutions directing the creation of ATP and approving the Articles of Incorporation and Bylaws as required by TEX. TRANSP. CODE § 431.101(a). (CMTA Res. No. AI-2020-1399, COA Res. No. 20201218-002).

1.1.10.6. Election Order and Canvass: The election order (Ord. No. 20200812-009) providing for a City of Austin tax rate election held on November 3, 2020 allowing voters to approve Proposition A and canvass (COA Res. No. 20201117-001) certifying that Proposition A received a majority of votes and passed. The voter approved ballot language:

“Approving the ad valorem tax rate of \$0.5335 per \$ 100 valuation in the City of Austin for the current year, a rate that is \$0.0875 higher per \$100 valuation than the voter-approval tax rate of the City of Austin, for the purpose of providing funds for a citywide traffic-easing rapid transit system known as Project Connect, to address traffic congestion, expand service for essential workers, reduce climate change emissions, decrease traffic fatalities, create jobs, and provide access to schools, health care, jobs and the airport; to include neighborhood supportive affordable housing investments along transit corridors and a fixed rail and bus rapid transit system, including associated road, sidewalk, bike, and street lighting improvements, park and ride hubs, on-demand neighborhood circulator shuttles, and improved access for seniors and persons with disabilities; to be operated by the Capital Metropolitan Transportation Authority, expending its funds to build, operate and maintain the fixed rail and bus rapid transit system; the additional revenue raised by the tax rate is to be dedicated by the City to an independent board to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to develop or expand transportation within the City, and to finance the transit-supportive anti-displacement strategies related to Project Connect. Last year, the ad valorem tax rate in the City of Austin was \$0.4431 per \$100 valuation.”

1.1.10.7. Interlocal Cooperation Agreement, as Amended, for the Creation of a Local Government Corporation (“Initial Agreement”): The August

7, 2020 approved interlocal agreement between the City and Capital Metro which primarily provides that upon a successful election, 1) a joint local government corporation will be created and a board appointed, 2) the City and Capital Metro will provide the committed funds and support Project Connect until this joint powers agreement is finalized, 3) formally create and appoint members to a Community Advisory Committee.

- 1.1.11. "Investment Map and Associated Implementation Sequence Plan" means the approved map of infrastructure components of Project Connect and sequence plan in which they will be designed, constructed and made operational, as may be amended by the City Council and Capital Metro Board. The Investment Map and Associated Implementation Sequence Plan are provided hereto as Attachment A.

## **SECTION 2. GENERAL TERMS**

- 2.1. **Overall Objectives.** In accordance with Creation of ATP Resolutions, the objective is for ATP to "aid and act on behalf of the City and Capital Metro to accomplish a governmental purpose by implementing the Project Connect System Plan". The Articles of Incorporation provide the purpose and objective of ATP:

"The Corporation is to be the principal entity responsible for financing, designing, building, implementing, and contracting with Capital Metro to operate and maintain assets funded by the Joint LGC in a manner independent of the City and Capital Metro. The implementation of Project Connect is comprised of the financing, design, engineering, and construction of a fixed rail and bus transit system, including customer technology, park & ride hubs, on-demand neighborhood circulators, and associated improvements to roadways, bikeways, sidewalks and street lighting. Project Connect also comprises transit-supportive anti-displacement strategies for the purpose of preventing displacement and encouraging transit-oriented affordable housing along Project Connect transit corridors. The Corporation shall implement Project Connect in accordance with the Initial Investment Map and associated Implementation Sequence Plan, as modified from time to time jointly by Capital Metro and the City."

- 2.2. **Purpose and Scope.** The purpose of this Agreement is to set forth the roles and responsibilities of all three Parties in a manner that further details ATP as the principal entity responsible for implementing Project Connect in a manner independent of the City and Capital Metro. The scope of this Agreement is in accordance with the Foundational Texts.
- 2.3. **Agreement Term.** The term of this Agreement shall commence on October 29, 2021, and will terminate upon mutual consent of the Parties; provided, however, that the confidentiality provisions in the Agreement shall survive termination of this Agreement.

- 2.4. **Entire Agreement.** All oral agreements between the Parties to this Agreement relating to ATP that were made prior to the execution of this Agreement, including the applicable terms of the Agreement, have been reduced to writing and are contained in this Agreement. In accordance with the Foundational Texts, this Agreement, along with the following attachments, which are hereby incorporated, constitute the entire Joint Powers Agreement between the Parties:

**Attachment A:** The Investment Map and Associated Implementation Sequence Plan.

**Attachment B:** List of existing supplemental agreements between the Parties, as amended.

**Attachment C:** The ATP and City of Austin Interlocal Grant Agreement for Project Connect Anti-Displacement Programs.

**Attachment D:** ATP and City of Austin Interlocal Agreement to Transfer Funds to ATP.

- 2.5. **Agreement Communications.** The Parties agree that, unless otherwise designated specifically in any provision, all communication, requests, questions, or other inquiries related to this Agreement must initially be presented by and through the Executive Director of ATP, President & CEO of Capital Metro and the City Manager for the City or their designees.
- 2.6. **Amendments.** Any Party may propose an Amendment to this Agreement. Requests for alterations, additions or deletions of the terms of this Agreement will be submitted to the Executive Director of ATP for consideration and possible action by the ATP Board, President & CEO of Capital Metro for consideration and possible action by the Capital Metro Board, and to the City Manager for consideration and possible action by City Council. An Amendment to this Agreement is effective upon execution, or as otherwise mutually agreed, of a written agreement by all Parties.
- 2.7. **Supplemental Agreements.** The Parties also recognize that, in addition to this Agreement, the implementation of Project Connect will require the Parties to subsequently address a variety of matters. Therefore, supplemental agreements will be necessary to address specific interagency topics, and will be developed by the appropriate ATP, City and Capital Metro staffs, and, when necessary, approved by the governing bodies of the Parties. These supplemental agreements must be taken by the appropriate parties and may be bilateral, such as for services or functions provided by the City or Capital Metro to ATP or to address specific project issues related to policy, planning, property acquisition, financing, design, construction, operations or maintenance of the Project Connect system. The existing supplemental agreements between the Parties are listed in



Attachment B, and Executive Leadership shall ensure that staff maintains a publicly accessible list and records of such agreements and actions that relate to Project Connect.

Before final approval by the governing bodies of the parties, all proposed language, except de minimis language, in supplemental agreements related to equity and anti-displacement must be submitted to the CAC with sufficient time for the CAC to review and comment, absent emergency circumstances. The proposed language must also be made public for feedback by the community at large by following, as applicable, the Boards' public input processes and in accordance with the Community Engagement and Inclusion Commitments outlined in Section 3.2.

- 2.8. Findings.** Each of the Parties find that entering into this Agreement for the purposes in this Agreement is for the benefit of the residents of the City.

### **SECTION 3 COMMITMENTS OF THE PARTIES**

#### **3.1 Joint Commitments**

The Parties agree to the following commitments and responsibilities:

- The Parties recognize that Project Connect will bring light rail transit to Austin and truly deliver a citywide transit system with expanded services including, but not limited to, bus, neighborhood circulators, and commuter rail. As such, the nature and scale of the design and linear construction of Project Connect will be the first of its kind within Austin and differs significantly from private development and transportation and public works projects that are familiar to the Parties. The Parties further acknowledge that Project Connect is funded by public tax revenues, and the Parties are responsible for being good stewards of public funds. The Parties further acknowledge the commitment to building and implementing a system rooted in equity and the need to assess and proactively address displacement and equity concerns as stated in the Community Commitment Resolution and Contract with Voters resolutions. Therefore, the Parties commit to being equitable, innovative and holistic in the development of processes, procedures, reviews and regulations tailored to Project Connect to achieve effective decision-making and appropriate stewardship of public dollars. Executive Leadership shall spearhead these efforts and direct staff to develop such process, procedures, and regulations, and when necessary, bring an action for approval by the governing bodies of the Parties.
- The Parties commit to continuing a working relationship that will provide for the resolution of issues and the completion of Project Connect, in accordance with the Foundational Texts, this Agreement, and the Implementation Sequence Plan. Executive Leadership commits to establishing a dispute resolution process for technical issues that arise during the design, construction, and implementation of the Project Connect program.

- The Parties commit to prioritizing staff resources to support the scope, schedule, and program budgets during planning, design review, construction, and inspections for Project Connect transit projects.
- The Parties commit to prioritizing resources to ensure all permit and inspection documents are complete and permit and inspection approvals are streamlined and efficient to support the Project Connect schedules and program budgets.
- The Parties commit to identifying opportunities for efficiencies, cost sharing, reimbursement method, and other agreements, as appropriate.
- The Parties commit to working together to identify and pursue future opportunities to leverage regional, state and federal funding for Project Connect.
- The Parties commit to working on the Utility Rules of Practice (“UROP”) to serve as the methodology for analyzing, reviewing, and approving potential utility conflicts for Project Connect.
- The Parties commit to negotiating and, if necessary, bringing to the governing bodies for approval, any agreements and resolutions or ordinances required to timely implement the projects in accordance with the Implementation Sequence Plan. Any changes to the Implementation Sequence Plan and Investment Map must be brought before the City Council and Capital Metro Board for approval. The Parties commit to supporting an equitable transit system to benefit the community, recognizing that decisions made within the Project Connect program may impact equitable outcomes, including but not limited to design, accessibility, rollout, and operations.
- ATP and CapMetro commit to prioritizing staff resources towards the development and implementation of transit equity goals and metrics, in coordination with the City. These goals and metrics shall be regularly analyzed and publicly reported on. Creation of goals, metrics, and methods of analyzing and reporting shall include comprehensive opportunities for collecting and responding to feedback from transit users, community members and key stakeholder groups including the advisory committees to ATP and CapMetro. These items must be developed in a timely manner in order to impact the Project Connect program of projects.
- The Parties commit to developing an agreement outlining a process to discuss and mitigate the use and impact on parkland and historic squares, which shall be approved by the ATP Board, City Council, and the Capital Metro Board.
- The Parties commit to working together in a collaborative fashion to discuss any potential or proposed legislation related to Project Connect as early in the process as practicable.

### **3.2 Community Engagement and Inclusion Commitments**

3.2.1 Community Engagement Process. To effectively engage with members from different neighborhoods with different ethnic and racial identities, income, resource and education levels, abilities and sexual and gender identities, outreach and engagement must be designed specifically for their needs and be sensitive to cultural differences within communities. In their delivery of the Project Connect program elements, each Party will

seek to understand each community's unique history, values, priorities, concerns, and communication methods to help learn from these community members; include their feedback and guidance in project planning, development, implementation and operations; and understand the different needs of each community to improve and increase access to essential services with a direct focus on under-resourced communities. The process must also include a mechanism to report back to the community about how feedback was used, in accordance with section 3.2.3 and 3.2.4 of this document.

3.2.2 Priority Populations. The communities most likely to be impacted by Project Connect, also referred to as priority populations, that shall be prioritized in the community engagement process are the following:

- BIPOC communities (Black people, Indigenous people, and people of color);
- Women, trans, and non-binary individuals;
- Individuals with disabilities;
- Families of all kinds;
- Members of immigrant and/or undocumented communities;
- Members of the LGBTQIA+ community;
- Youth and students, especially those who are cost-burdened or severely cost-burdened, based on federal guidelines;
- People who are cost-burdened and severely cost-burdened, based on federal guidelines;
- Members from culturally and linguistically diverse communities;
- Renters and the unhoused;
- Senior homeowners;
- Healthcare workers and educational providers;
- Businesses and property owners along the routes;
- Individuals who were previously incarcerated;
- Individuals primarily dependent on transit for transportation needs;
- Small businesses owned and/or operated by BIPOC, women, people with disabilities, and members of LGBTQIA+ community;
- Community, neighborhood, creative, cultural, labor, and nonprofit organizations, particularly those serving communities most likely to be impacted by Project Connect;

3.2.3 Community Engagement Guiding Principles. The Parties shall utilize the following guiding principles in the planning and execution of community engagement work:

- Continue creating in-person and virtual opportunities for priority populations to engage meaningfully in, and provide feedback on, all aspects of the Project Connect program, including but not limited to project planning and proposed anti-displacement strategies.
- Provide greater weight to voices of priority populations in the analysis and use of community feedback.

- All information on how the community can engage shall be provided in English as well as the language of preference for the community sought for engagement. All communication shall be designed and written to be clear and accessible, including to those with hearing and visual impairments.
  - In public engagement processes, define how participants' feedback will be included as well as how participant feedback impacts decisions.
  - Opportunities shall allow time for community members to review materials, provide informed and meaningful feedback, and understand how feedback is incorporated before a decision is made.
  - Results of community engagement, including recommendations and policy/program decisions, will be transparently and accountably documented.
  - The Project Connect Community Advisory Committee shall be comprehensively consulted and involved in the process, including being regularly informed in advance of Project Connect-related equity and anti-displacement actions being brought to any of the Parties' policymaking bodies in a timely manner that allows for informed decision-making so that they can effectively assist staff with community engagement processes and create a space for community members to provide feedback on the program.
  - All public engagement opportunities shall be highlighted on a publicly available and accessible calendar and shared through various communication methods with clear information on how community members can obtain further information.
  - Project Connect program updates shall be shared with the community via digital and nondigital communications.
  - Prior to any public meeting, outreach, or engagement opportunity, the responsible party shall provide advance notice for meaningful participation to individuals, businesses, and organizations that will be impacted by the project.
- 3.2.4. **Community Engagement Reporting.** The Parties shall make a substantial effort to collect disaggregated demographic data for all participants in its outreach and engagement efforts, including public meeting solicitations and public comments, and shall report that information annually and more frequently prior to decision making related to public comments via the comprehensive Community Engagement Dashboard. The information may include, but not be limited to: race, ethnicity, age, gender, gender identity and expression, housing status (renter/owner/experiencing homelessness), income level, and ZIP code. Any participant asked to provide demographic information will not be required to provide that information as a condition for participating in any outreach or engagement effort or to provide public comment.
- 3.2.5. **Public Involvement Plans.** Throughout the program, project teams may create project-specific public participation plans for each project in the Project Connect program. The plans will be flexible and adaptable to the needs of the community throughout the given project, and the plans will, at minimum:



- Identify the communities, businesses, organizations, and other stakeholders who are impacted or potentially impacted by the project.
- Design a plan that identifies specific engagement tools and techniques to meaningfully engage stakeholders, prioritizing tools that are most appropriate to the context and community of the specific stakeholders for the project. This should include both online and on-location/in-person opportunities and tools.
- Leverage and coordinate opportunities with other engagement efforts from partner agencies, institutions, and community-based organizations.
- Allow flexibility to amend strategies to aim for greater participation from priority populations if data from outreach and engagement efforts show that priority populations are not proportionally represented.
- Identify a process to “report back” to the communities, individuals, and groups that participated, including information on how their feedback was used or, if not used, why. The online Community Engagement Dashboard shall be used to help further this direction.
- Address accessibility, including language accessibility through translation and interpretation services, diversity of in-person locations and venues, etc., and the ability of people to attend. Provide incentives and other tools to facilitate participation (e.g., food, childcare, variety of meeting times, etc.). The public participation plans shall also leverage resources already mobilized specifically for Project Connect, such as the Project Connect Community Advisory Committee, ATP Board Technical Advisory Committees, the Project Connect Advisory Network (PCAN), and Orange and Blue Line Working Groups.
- The public involvement plans shall be reviewed by the Project Connect Community Advisory Committee and the ATP Board Technical Advisory Committees.

3.2.6. Communications. The Parties shall develop communication tools and strategies to reach racially, ethnically, and geographically diverse communities regarding the Project Connect program. Communications tools will include methods designed to reach marginalized communities and people who do not have access to the internet or other forms of digital communications. These may include, but are not limited to, door-to-door canvassing, telephone canvassing, direct mail, and contracting with community-based organizations with experience serving marginalized and under-resourced communities.

ATP and Capital Metro will also utilize social media and the Project Connect website (ProjectConnect.com) as a communication tool to provide information to the community about the transit elements of the program and allow people to subscribe and receive pre-construction, construction, and operations notifications and other appropriate updates on a regular basis or as they are posted. ATP shall provide equal opportunity for such subscriptions and notifications to individuals who do not have access to the internet.

3.2.7 Community Advisory Committee. The Community Advisory Committee (CAC) was convened to assist ATP, City Council, and the Capital Metro Board in engaging the

community and advising on anti-displacement and equity matters related to Project Connect. Additionally, the CAC will assist the community and the City Council in the creation and evaluation of neighborhood-level anti-displacement strategies and priorities and the identification of Key Performance Indicators related to equity and displacement. The CAC will provide input and recommendations on program equity along with the ATP Board Technical Advisory Committees. Staff liaisons will notify CAC members of upcoming Technical Advisory Committee meetings, including providing an annual calendar of meetings and agendas, as they are prepared. The CAC may appoint delegates to attend TAC meetings on behalf of the CAC.

The recommendations made by the CAC related to displacement mitigation measures or equity issues that impact historically underserved populations must be considered at a public meeting of ATP, the City, or Capital Metro, as appropriate, in accordance with the recommendations made.

The CAC shall be composed of an odd number, at least eleven members, plus an ex-officio member, appointed by the City Council and Capital Metro Board. Five members will be appointed from the following five existing advisory groups (one member each):

- City of Austin Urban Transportation Commission
- City of Austin Mayor's Committee for People with Disabilities
- City of Austin Community Development Commission
- Capital Metro's Customer Satisfaction Advisory Committee
- Capital Metro's Access Advisory Committee

The City Council and Capital Metro Board may appoint additional members to the Committee.

The City and Capital Metro shall initiate a widely publicized nomination process for the CAC Community Members in a manner that is accessible and easy to navigate, and that promotes a large, diverse, and qualified applicant pool, reducing barriers to the application process and committee membership, including but not limited to language access, digital access, or providing information to interested community members. This nomination process shall be articulated on a public facing web page and shall allow for community engagement. To the fullest extent possible, the City shall work with community organizations/groups to ensure that historically marginalized communities most impacted by mass-transit are able to engage with the CAC selection process.

Capital Metro and the City shall form a Nominating Committee for the selection of members to the CAC. A qualified member of the community shall submit an application to the Nominating Committee. The Nominating Committee will consist of the Chairs, or a Committee Member designee of the Chair, of the City Council Housing and Planning Committee, City Council Mobility Committee, City Council Audit and Finance Committee, Capital Metro Finance, Audit and Administration Committee, and Capital Metro

Operations, Planning and Safety Committee. After review of the submitted applications, the Nominating Committee shall recommend a slate of at least six applicants based on their qualifications. The City Council and the Capital Metro Board of Directors shall, upon their joint approval of the slate, jointly appoint the CAC Members as nominated by the Nominating Committee.

The slate of candidates selected by the Nominating Committee shall provide for geographic representation as it relates to the proposed transit plans as well as a diversity of viewpoints, socio-economic status, and lived experience. Members shall be selected based on their experience as users of and/or directly impacted by public transportation and connection to community, neighborhood, and/or labor organizations. The Advisory Committee should be representative of Austin's diverse community with nominations for membership inclusive of women, families with small children, Black people, indigenous people, people of color, people from immigrant and/or undocumented populations, members of the LGBTQIA+ community, students, and workers' rights advocates, among others. A variety of interests and experience should also be considered, including community organizing, household affordability, environment and conservation, green planning and design, housing and transportation, urban planning and architecture, health and human services, accessibility, small, local and minority owned business, mobility justice, and/or other relevant topics as they relate to transit.

The CAC bylaws must be approved by the ATP Board, the City Council and Capital Metro Board. The CAC will be supported by ATP and the City staff liaisons. Staff liaisons will ensure the committee complies with the Texas Open Meetings Act, and other rules and statutory requirements. The Parties will provide staff support to help the committee prepare agendas, post meeting notices, schedule briefings, keep the committee apprised of all items being considered by the ATP Board and Technical Advisory Committees, maintain minutes, and keep attendance records for committee members. The CAC meetings shall be recorded and held in locations publicly accessible or virtually, as determined by the CAC. The City and Capital Metro shall send a courtesy copy of their CAC appointments to the ATP staff liaison.

#### **SECTION 4. ROLES AND RESPONSIBILITIES OF AUSTIN TRANSIT PARTNERSHIP**

**4.1 Authority of ATP.** ATP shall have all powers allowed by law and as defined in its Articles of Incorporation including but not limited to:

- Contract with persons, governmental entities, and with for-profit and non-profit entities, and employ individuals, for the purposes of implementing Project Connect, conducting the administrative operations of ATP, and to enter into interlocal agreements with Capital Metro for the operation and maintenance of assets constructed by the Corporation.
- Acquire and hold title to real and personal property and interests in real and personal property, and sell real and personal property;

- Procure professional and other services necessary for the design, construction, financing, and permitting of Project Connect;
- Accept funds and property appropriated by the City and Capital Metro and by other entities;
- Apply for grants of funds, services, and things of value and to accept awards of such grants;
- Accept donations of funds, services and things of value;
- Issue bonds, notes, and other debt obligations as necessary for the accomplishment of the implementation of Project Connect as stated above; and
- Engage in other lawful activities to accomplish the implementation of Project Connect as stated above.

#### **4.2 Governance of ATP.**

4.2.1 ATP Board. The management of the affairs of the ATP shall be vested in the ATP Board in accordance with the Articles of Incorporation which establishes the membership, terms and appointment process for the ATP Board.

4.2.1.1 Budget. In accordance with the Initial Agreement, the ATP Board shall develop an annual budget for each fiscal year that must be approved by the ATP Board annually.

4.2.1.2 Internal Auditor. In accordance with the Initial Agreement, the ATP Board shall engage an internal auditor to perform advanced audit and finance functions.

4.2.1.3 Financial Reports. In accordance with the Bylaws, the ATP Board shall cause to be maintained a proper and complete system of records and accounts of all transactions, business, and affairs of the corporation. Within a reasonable time after the end of each fiscal year, the ATP Board shall cause the preparation of a financial statement which shall be audited by an independent certified public accountant or firm of independent certified public accountants retained by the ATP Board for such purpose. The financial statement audit must follow generally accepted accounting principles for governments and must be submitted to the City of Austin's Controller's Office no later than January 31 each year for inclusion in the City's Annual Comprehensive Financial Report. For the fiscal year ending September 30, 2021, ATP will make every effort to meet the January 31 deadline, but will submit its audited financial statements no later than March 1, 2022.

4.2.1.4 Advisory Committees. The ATP Board may establish technical advisory committees and select members via a widely publicized and transparent application process. Each committee will have a board liaison and assigned ATP staff. ATP will work with the City and Capital Metro to provide the agenda and meeting information prior to any ATP technical advisory committee meeting to ensure their representation is included, depending on the agenda items. Membership for the

committees should be shared publicly. Board liaisons may report on committee feedback at ATP Board meetings. The ATP Board may create additional technical advisory committees as the needs of the Program evolve.

- 4.2.2 **Executive Director.** In accordance with the Bylaws, the ATP Board shall appoint an Executive Director. The ATP Board shall conclude an independent analysis to determine the appropriate leadership model for ATP no later than March 31, 2022. The independent analysis shall include a community engagement process with input from the CAC, technical advisory committees, and others. After careful consideration of such analysis, the ATP Board shall determine its leadership model in its sole discretion. Further, the ATP Board shall make any Executive Director appointments in its sole discretion. The ATP Board shall establish a community engagement process for such appointments which is appropriate for the appointment of senior leadership and similar to the process described above. The Executive Director of ATP shall be the chief executive officer of ATP and shall in general supervise and control all of the business and affairs of ATP.
- 4.2.3 **Joint Annual Meeting.** The Executive Director shall organize and provide for a Joint Annual Meeting of the Parties held at least annually to ensure continued support and engagement of all Parties for implementation of Project Connect. A Party may request additional joint meetings and those additional meetings may occur on concurrence of all three parties. The Executive Director shall present on ATP's progress in implementing Project Connect. The annual management report shall include a presentation on the project statuses, financial status of ATP, implementation of and compliance with ATP Workforce and Equity policies, and progress towards implementation of Project Connect. The report shall include any anticipated adjustments to the Implementation Sequence Plan and the scope of any projects. The Parties shall discuss and consider amendments to the JPA, as necessary, which may be brought by any Party.
- 4.3 **Commitments of ATP.** ATP recognizes equity is a core value of Project Connect. As Project Connect continues to develop, ATP's internal policies will grow to reflect this value across every stage of project development and delivery. The Community Commitment Resolution and Contract with Voters Resolutions requires ATP to approve policies that will meet all the commitments made by City Council and the Capital Metro Board to the voters. The ATP Board has taken action to either meet these commitments or ensure they will be met. ATP agrees to effectuate these policies to ensure that the vision of Project Connect as an equitable transit system is realized. ATP commits to implementing the following policies ("Workforce and Equity Policies"):
- Developing, approving, and implementing a business impact mitigation strategy that includes approaches for establishing robust business outreach and communications, supporting business access and operations, and creating effective project scheduling



and sequencing that minimizes the length of construction impacts. To further clarify the community engagement component of the business impact mitigation strategy, ATP commits that the business impact mitigation Strategy shall be reviewed by the CAC, the TACs, and available for public input prior to approval. ATP commits to reaching out to organizations and businesses located along the Project Connect corridors to seek input and guidance on the mitigation strategy.

- Developing and implementing a Disadvantaged Business Enterprise Program to meet and comply with federal regulations to ensure that maximum opportunities are available to women, minority, and small businesses, including veteran-owned businesses, to participate.
- Developing and implementing a policy that applies to ATP or any other entity implementing the Project Connect Implementation Map and Associated Sequence Plan that ensures worker protections and workforce development through participation in the Better Builder Program<sup>o</sup> or a similar program which ensures compliance with all applicable federal, state, and local safety laws and includes :
  - Completion of OSHA 10-hour training for workers;
  - Completion of OSHA 30-hour training for supervisors;
  - Receipt of personal protective equipment free-of-charge for workers in accordance with federal laws and regulations;
  - Coverage by workers' compensation insurance; and,
  - On-site monitoring independent of construction companies and their affiliates. The ATP Board must make a determination that the on-site monitors are: 1) independent of construction companies or their affiliates; and 2) not fiscally sponsored by construction companies or industry trade groups, and 3) accredited by a community organization that represents the interest of workers
- Developing and implementing a construction careers program which meets the requirements of federal law and regulations and includes City of Austin hiring goals to hire workers from apprenticeship and craft training programs, and which promotes the hiring of local workers so long as possible within the existing workforce.
- Developing and implementing a policy that ensures a living wage as established by the City of Austin or prevailing wage under the Davis-Bacon Act for all workers under the contract, ensure access to health care and paid sick leave to the extent possible. To further clarify the living wage component of the program, workers whose prevailing wage under the Davis Bacon Act is above a living wage as established by the City shall be required to be paid at least the prevailing wage under the Davis Bacon Act, as required by law. Workers whose prevailing wage under the Davis Bacon Act is below a living wage as established by the City shall be required to be paid at least the living wage as established by the City. Therefore, contracts will ensure a living wage or a

prevailing wage under Davis Bacon, depending on the classification of worker. All workers shall be paid by check. In all instances the JPA terms shall comply with state and federal wage and hour laws.

**4.4 Responsibilities of ATP.** As stated herein, it is the responsibility of ATP to implement Project Connect. ATP shall work with Capital Metro (the region's designated grant recipient) and FTA to meet the requirements for New Starts Capital Investment Grants and other grant opportunities. ATP shall work with the City and Capital Metro to comply with applicable City and Capital Metro policies and regulations. ATP shall receive funding from: (i) the City and Capital Metro, (ii) federal or other grants, and (iii) other funding sources as necessary.

**4.4.1 Financial Modeling and Planning.** The Financial Model shall not be updated or changed until the light rail project components reach 30% design. Thereafter, ATP shall update and review the cash flow model annually in concert with the Implementation Sequence Plan, and as otherwise needed to establish the financial status of ATP in implementing Project Connect.

The review should determine if the Implementation Sequence Plan requires adjustment. ATP shall present its findings and recommended actions at the Joint Annual Meeting but may also request a special-called meeting of the Parties for changes to the Implementation Sequence Plan as needed.

Annually, the ATP Executive Director shall review and make recommendations to the City and Capital Metro on options for revising the cashflow allocation plan for transit-supportive anti-displacement dollars in order to make funds available for transit-supportive anti-displacement strategies earlier in each of the three \$100-million allotments, while maintaining the transit projects' required cashflow and schedules.

**4.4.2 Funding Allocations and Procedures for Use of Funds for Transit-Supportive Anti-Displacement Strategies Related to the Implementation of Project Connect.** ATP shall follow the procedures in the ATP and City of Austin Interlocal Grant Agreement for Project Connect Anti-Displacement Programs (approved by City Council on March 25, 2021 [Item No. 35], and ATP Board on March 17, 2021 [Resolution No. ATP-2021-012; Action Item No. 3]), provided hereto as Attachment C, which requires ATP to reimburse up to \$300 million for the City to implement transit-supportive anti-displacement strategies.

**4.4.3 Utility and Right-of-Way Agreements.** Project Connect transit projects will largely be delivered within existing City of Austin right-of-way or Capital Metro right-of-way.

- ATP shall coordinate with the City and Capital Metro to align coordination between the Parties and both public and private utilities.
- ATP shall work with the City to develop a Utilities Rules of Practice, subject to final approval by the City.
- ATP shall coordinate with the City and Capital Metro for temporary and permanent use of right-of-way, with approval by City Council for permanent uses.

4.4.4 **Design Review and Permitting Standards.** In accordance with Sections 3 and 5 of this Agreement, ATP shall provide and prioritize resources to develop and provide for design review and permitting standards that support the scope, schedule, and program budgets of Project Connect.

4.4.5 **Records.** ATP shall maintain records documenting its implementation of and compliance with the policies listed in Section 4.3, and shall make such documents available to the City and Capital Metro at ATP's offices, at all reasonable times and as often as the City or Capital Metro may deem necessary during the Agreement.

4.4.6 **Funding Allocation for Project Connect Office.** ATP shall reimburse the City for staffing a Project Connect Office in accordance with the terms and conditions of an interlocal agreement between the ATP and City of Austin.

4.4.7 **Notifications.** ATP shall notify the City Manager or City Manager's designee of substantive changes to the above Workforce and Equity Policies.

## **SECTION 5. ROLES AND RESPONSIBILITIES OF THE CITY OF AUSTIN AND CAPITAL METRO**

5.1. **Joint Responsibilities of City Council and the Capital Metro Board.** The Capital Metro Board and City Council have the following duties:

- supporting ATP in the implementation of Project Connect to ensure ATP achieves the governmental purpose for which it was jointly created;
- appointing ATP Board members in accordance with the nomination and appointment process provided for in the Articles of Incorporation;
- reviewing and approving proposed amendments to the Articles of Incorporation and Bylaws as put forth by ATP; and
- modifying the Implementation Sequence Plan by joint action of both City Council and the Capital Metro Board as requested by ATP.

5.2. **City of Austin Roles and Responsibilities.**

5.2.1. **City of Austin Officials.** The principal City officials and representatives:

- 5.2.1.1. **City Council.** In addition to other responsibilities as provided in this Agreement, City Council approval is required for certain supplemental interlocal agreements, and for reviewing and approving code variances and waivers beneficial to support to support the unique nature of Project Connect design and construction.
- 5.2.1.2. **City Manager.** In addition to other responsibilities as provided in this Agreement, the City Manager shall ensure that a "City of Austin Project Connect Office" (PCO) is established for the duration of the implementation of Project Connect to the extent funding is provided by ATP and/or approved by Council, and that adequate staff resources are available to support the implementation of Project Connect. The City Manager shall direct staff to:
- interpret and apply regulations applicable to Project Connect in a manner that meets both the City of Austin's goals and furthers the equitable design and construction of Project Connect; and
  - support ATP and Capital Metro in achieving ATP's goals and schedules by reviewing all submitted plans and documents in a manner and timeframe necessary and reasonable in order to adhere to the project sequence plan in the Contract with the Voters and associated schedule and committing to combine its public and technical review processes with ATP's wherever possible, including making all plans and documents publicly available and allowing for community engagement in accordance with standard City procedures, including making all plans and documents publicly available and allowing for community engagement in accordance with City procedures; and
  - review the Fee Schedule to recommend to City Council any updates that are required to fully and accurately reflect permitting and review costs; and
  - review the City Code and provide recommendations to the City Council for approval, identifying any variances or waivers of City Code, regulations, or processes that will facilitate the unique nature of Project Connect design and construction, while still ensuring that Project Connect is designed and constructed in an equitable manner and in accordance with commonly accepted engineering and construction practices and in a manner that is cognizant of other City policies; and
  - Ensure utilities coordination and services are prioritized to facilitate program delivery and avoid construction delays.
- 5.2.1.3. **Project Connect Office (PCO).** Provided funding is available, the City, through its Project Connect Office, shall provide ATP with professional services to assist with overall coordination of input from relevant City

departments and for the design review, permitting, and inspection of Project Connect. ATP shall pay the City for the services provided on a cost reimbursement basis up to the amount included in the then-current budget, which shall align with the Interlocal Agreement approved by the City Council and ATP Board. The payments for such services shall be made in accordance with the timelines set forth in Chapter 2251 of the Texas Government Code (the "Prompt Payment Act") and shall not be unreasonably withheld. As part of the annual budget process for the Project Connect Office, the PCO staff will submit its proposed annual budget to ATP annually by April 1<sup>st</sup>. The City and ATP staff shall work to reach agreement by May 31<sup>st</sup> on a proposed budget to be submitted to the City Council and ATP Board for approval. The proposed budget shall be presented to City Council and the ATP Board for approval through each party's budget adoption process.

5.2.2. **City of Austin Responsibilities.** In accordance with the Foundational Texts, and in addition to other provisions of this Agreement, the City shall:

- transfer Project Connect tax revenue in accordance with the Community Contract with Voters and the ATP and City of Austin Interlocal Agreement to Transfer Funds to ATP, (approved by ATP Board on June 16, 2021 [Resolution No. ATP-2021-020; Action Item No. 5], and City Council on July 29, 2021 [Item 43]), attached and incorporated as Attachment D.
- utilize the \$300 million dedicated to transit-supportive anti-displacement strategies to 1) acquire real property for transit-supportive development that will preserve and/or increase the amount of affordable housing proximate to transit corridors, 2) implement financing tools for funding anti-displacement strategies related to Project Connect, and 3) implement any other anti-displacement programs related to the Project Connect, which may include, but are not limited to:
  - creating with the community, neighborhood-level prevention and mitigation strategies based on the Equity Assessment Tool, and
  - creating a publicly available key performance indicators dashboard to track progress on the strategies identified for implementation.
- Seek reimbursement from ATP in accordance with the Interlocal Grant Agreement, Attachment C and subsection 5.2.1.3 of this agreement.

5.2.3. **Capital Metro Responsibilities.** In accordance with the Foundational Texts, and in addition to other provisions of this Agreement, Capital Metro shall:

- Dedicate the balance of its Capital Expansion to the implementation of Project Connect as provided in the Community Commitment Resolution.
- Commit all estimated revenues identified in the Estimated Long-Term Contribution as provided for in the Community Commitment Resolution.



- Capital Metro (the region’s designated grant recipient) shall work with ATP and FTA to meet the requirements for New Starts Capital Investment Grants and other grant opportunities and may serve as FTA Project Sponsor, in partnership with ATP, and if applicable transfer funds received from any grants received through the Capital Investment Grants Program.
- Complete the federally required National Environmental Policy Act (“NEPA” ) Preliminary Engineering process to obtain an FTA Record of Decision for the approved Locally Preferred Alternatives approved for the Orange, Blue and Gold Lines and MetroRapid.
- Complete the MetroRapid and MetroRail program projects and obtain reimbursement from ATP.
- Enter in interlocal agreements with ATP to transfer funding to operate and maintain Project Connect assets.
- Develop operational readiness program for each project to contract, hire, and train staff and complete other requirements to prepare for revenue service operation.
- Direct, or via contract support, perform safety inspections and complete any FTA safety certification or other requirements.
- Continue to operate transit service and shall provide information to the community and customers about anticipated service changes and service change processes so they may be engaged and informed.

**SECTION 6. TERMINATION**

- 6.1 **Automatic Termination.** This Agreement will terminate upon the earlier to occur of: 1) execution of a written termination by all Parties; 2) the dissolution of the ATP; or 3) ten years, and shall automatically renew for additional ten-year terms, unless terminated by the Parties. If there is a superseding agreement put in place, all existing parties shall produce a timeline by which the superseding agreement shall be executed, which allows for community engagement.
- 6.2 **Other Reasons for Termination.** Any Party to this Agreement may terminate this Agreement if such Party is unable to comply with changes required by federal or state laws or regulations that relate directly to the purpose of this Agreement, provided however that the Party notifies the other Parties and provides at least a 30-day cure period prior to proceeding to a notice of termination.
- 6.3 **Notice of Termination.** Any Party to this Agreement may terminate this Agreement for the reasons described in this section by providing the other Party with sixty (60) days’ written notice as described in Section 7.1, below.

**SECTION 7. DEFAULT AND REMEDIES**

## 7.1 **Events of Default.**

7.1.1 A Party shall not be in breach or default under the terms of this Agreement for any act, omission, or failure to perform hereunder except as expressly provided in this Section.

7.1.2 Prior to declaring an Event of Default (as defined in Section 7.1.3 below) against another Party hereunder a Party must first deliver written notice to such other Party's executive officer (as described in Section 2.5) and general counsel, specifying the events and circumstances regarding such alleged breach and specifying any action which the notifying party desires the receiving Party to take to remedy such alleged breach ("Default Advisory Notice"). The receiving Party shall work in good faith with the notifying Party to resolve the matter within a reasonable amount of time but in any event no less than sixty (60) days.

7.1.3 If after delivering a Default Advisory Notice, the alleged breach is not resolved to the reasonable satisfaction of the notifying Party within sixty (60) days, then the notifying Party may declare an Event of Default against the receiving Party by delivering written notice thereof to the defaulting Party (a "Default Notice"); provided, however, that no Party shall be authorized to deliver a Default Notice unless the governing body of the notifying Party has taken official action declaring the defaulting Party to be in material breach under the terms of this Agreement in an open meeting (an "Event of Default") and directing staff to deliver such Default Notice to the defaulting Party. After receiving a Default Notice, the defaulting Party shall have an additional sixty (60) days to cure such Event of Default or such additional amount time as may be reasonably necessary to cure such Event of Default, but only so long as such defaulting Party is diligently seeking to cure such Event of Default the ("Cure Period").

7.2 **Limitation on Remedies.** A Party shall not be entitled to pursue any remedies (whether at law or in equity) against any other Party hereunder except with respect to an Event of Default declared in accordance with Section 7.1, and then only if the defaulting Party has failed to reasonably cure such default prior to the expiration of the Cure Period therefor. The Parties' remedies for an Event of Default shall be limited to seeking declaratory or injunctive relief against the defaulting party. No Party shall be justified or otherwise permitted, by virtue of an Event of Default of another Party, to terminate this Agreement or any Supplemental Agreement, withhold performance, or suspend performance of its obligations or responsibilities hereunder or under any Supplemental Agreement, nor shall any Party be entitled to seek punitive, actual or consequential damages.

7.3 **Effect on Other Agreements.** This Section 7 shall apply only to this Agreement, and shall not apply to any Supplemental Agreement entered into by any of the Parties prior to or following the execution and delivery of this Agreement.

## **SECTION 8. MISCELLANEOUS PROVISIONS**

8.1 **Notices.**

8.1.1 **Requirements.** Except as otherwise specifically noted herein, any notice required or permitted to be given under this Agreement by one Party the others must be in writing and will be given and deemed to have been given immediately if delivered in person to the address set forth in this section for the Party to whom the notice is given, or on the third day following mailing if placed in the United States Mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the Party at the address hereinafter specified.

8.1.2 **ATP Address.** The address of ATP for all purposes under this Agreement and for all notices:

Casey Burack (or her successor)  
General Counsel  
700 Lavaca Street  
Fourteenth Floor  
Austin, TX 78701

8.1.3 **Capital Metro Address.** The address of Capital Metro for all purposes under this Agreement and for all notices:

Ashley Glotzer (or her successor)  
Chief Counsel  
2910 E. 5th Street  
Austin, TX 78702

8.1.4 **City of Austin Address.** The address of City of Austin for all purposes under this Agreement and for all notices is the following:

Deborah Thomas (or her successor)  
Interim City Attorney  
301 W. 2nd Street  
Fourth Floor  
Austin, TX 78701

8.1.5. **Change of Address.** Each Party may change the address for notice to it by giving written notice of the change. Any change of address by a Party, including a change in the Party's authorized representative, must be reported to the other Parties within twenty (20) days of the change.

8.2 **Dispute Resolution/Mediation.** Initial disputes and unresolved questions or issues of Parties must initially be presented by submission in writing in accordance with the Notice

provisions above. If satisfactory resolution cannot be achieved between the representatives of the Parties within a reasonable time, and should mediation be acceptable to all Parties in resolving a dispute arising under this Agreement, the Parties agree to use the Dispute Resolution Center of Austin, Texas, as the provider of mediators for mediation as described in the TEX. CIV. PRAC. AND REM. CODE, Section 154.023. Unless all Parties (or if the dispute is between two Parties, both Parties) are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation shall remain confidential as described in TEX. CIV. PRAC. AND REM. CODE, Section 154.073, unless the involved Parties agree, in writing, to waive the confidentiality.

- 8.3 **Law and Venue.** This Agreement is governed by the laws of the State of Texas and all obligations under this agreement are performable in Travis County, Texas.
- 8.4 **Force Majeure.** No Party will be financially liable to the other Party for delays or failures to perform under the Agreement where such failure is caused by force majeure (i.e. those causes generally recognized under Texas law as constituting unforeseeable and impossible conditions). Such delays or failures to perform will extend the period of performance until these exigencies have been removed or until the Parties agree in writing to either amend or terminate the Agreement. The Party seeking to avail itself of this clause shall endeavor to notify the other Party or Parties within five (5) business days of the occurrence of the force majeure event , unless notification is impractical under the circumstances, in which case notification shall be done in as timely a manner as possible.
- 8.5 **Liability.** To the extent allowed by Texas law, the Parties agree that each Party is responsible for its own proportionate share of any liability for the negligent or grossly negligent acts or omissions of its employees, agents, contractors or subcontractors arising out of, connected with, or as a consequence of its performance under this Agreement. Neither Party shall be liable to the other for any indirect, special, incidental, punitive or consequential damages (including, but not limited to loss of business, revenue, profits, or other economic advantage) however it arises, whether in an action of contract, negligence or gross negligence, tort or other action, arising out of or in connection with this Agreement, even if advised of the possibility thereof.
- 8.6 **Notice of Claim.** Within five (5) business days of receiving notice of any claim, demand, suit, or any action made or brought against any Party, arising under this Agreement, the Party will give written notice to the other Party of such claim, demand, suit or other action. Said notice will include: (a) the name of the claimant; (b) the basis of the claim, action or proceeding; (c) the court, if any, where such claim, action, or proceeding was instituted; and (d) the name or names of any person or persons against whom such claim is being made.

- 8.7 **Third Party Beneficiary.** This Agreement sets out the agreements and obligations between the Parties only, and no provision in this Agreement creates any rights in any person or entity that is not a Party to this Agreement. The rights to performance in this Agreement are only enforceable by ATP, the City and Capital Metro.
- 8.8 **Legal Authority.** The person or persons signing this Agreement on behalf of each Party warrant that he, she or they have been duly authorized by their respective entities to sign this Agreement on behalf of the entity and to bind the entity validly and legally to all terms, performances, and provisions in this Agreement. Each Party warrants that the Party possesses the legal authority to enter into this Agreement and to perform the services that Party has obligated itself to perform under this Agreement.
- 8.9 **Invalid Provision.** Any clause, sentence, provision, paragraph, or article of this agreement held by a court of competent jurisdiction to be invalid, illegal, or ineffective shall not impair, invalidate, or nullify the remainder of this Agreement, but the effect thereof shall be confined to the clause, sentence, provision, paragraph or article so held to be invalid, illegal or ineffective.
- 8.10 **Public Information Act.** The Parties are subject to the Public Information Act and any information shared between the Parties may be subject to disclosure pursuant to Texas Government Code Chapter 552, as amended.
- 8.11 **Confidential Information.** Notwithstanding Section 8.10 (Public Information Act) above, the Parties may be granted access to certain of the other Party's (or Parties') or licensor's confidential information or data (including inventions, employee information, confidential know-how, confidential business information, and other information which the Parties or their licensors consider confidential) ("Confidential Information") to provide Project Connect. Confidential Information will be transmitted in writing and clearly marked "Confidential," "Proprietary," or similarly, or if disclosed orally will be reduced to writing by disclosing Party, clearly marked "Confidential," "Proprietary," or similarly, and transmitted to the receiving Party within thirty (30) days after oral disclosure. The Parties acknowledge and agree that the Confidential Information is the valuable property of the disclosing Party and its licensors, and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the non-disclosing Party and its licensors.

The Parties (including their employees, Subcontractors, agents, or representatives) agree to maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the disclosing Party, or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of a court or other governmental authority (including a Texas



Attorney General Opinion) with proper jurisdiction. In all cases, the Parties agree to promptly notify the disclosing Party before disclosing Confidential Information to permit the disclosing Party reasonable time to seek an appropriate protective order. The Parties agree to use protective measures no less stringent than the Parties use in their own business to protect their own most valuable information. In all circumstances, the Parties' protective measures must be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

- 8.12 **Order of Precedence.** To the extent there is a conflict between the terms of this Agreement and any Attachment, the following shall be the order of precedence for interpreting a conflict in terms: 1) this Agreement and any subsequent amendments to this Agreement; 2) any Attachments to this Agreement, as amended.
- 8.13 **Appropriation.** Other than as provided in Attachment C and Attachment D, all funding commitments under this Agreement are subject to annual appropriation by the City, Capital Metro, and ATP.
- 8.14 **Recitals.** The recitals contained in the preamble are not made a part of this Agreement.

In witness whereof, the Parties have caused duly authorized representatives to execute this Agreement on the dates set forth below to be effective as of the Effective Date (as defined above).

**AUSTIN TRANSIT PARTNERSHIP:**

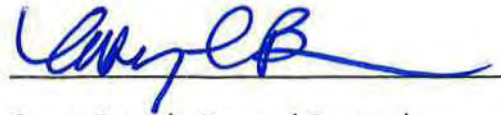
Signature: 

Printed Name: Randy Clarke

Title: Executive Director

Date: 12/17/21

Approved as to form:



Casey Burack, General Counsel

**CAPITAL METRO:**

Signature: Dottie L. Watkins

Printed Name: Dottie L. Watkins

Title: Deputy CEO

Date: 12/16/2021

Approved as to form:

Kerri L. Butcher

Kerri Butcher, Chief of Staff

**CITY OF AUSTIN:**

Signature: Gina N. Frandaca

Printed Name: Gina N. Frandaca

Title: Assistant City Manager

Date: 12/13/2021

Approved as to form:

Katherine Kuzmickas

Katherine Kuzmickas, Assistant City Attorney

**ATTACHMENTS:**

**Attachment A:** The Investment Map and Associated Implementation Sequence Plan.

**Attachment B:** List of existing supplemental agreements between the Parties, as amended.

**Attachment C:** The ATP and City of Austin Interlocal Grant Agreement for Project Connect Anti-Displacement Programs.

**Attachment D:** ATP and City of Austin Interlocal Agreement to Transfer Funds to ATP.

## 3B. Joint Powers Agreement Supplement (June 2023)

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Tri-Party Agreement Defining ATP Role as Direct Grant Recipient

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

**SUPPLEMENTAL AGREEMENT TO  
JOINT POWERS AGREEMENT**

**AMONG**

**AUSTIN TRANSIT PARTNERSHIP,  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY, AND  
THE CITY OF AUSTIN**

This Supplemental Agreement to Joint Powers Agreement (this "Supplement") is entered into by and among Austin Transit Partnership, a joint local government corporation created under Ch. 431 of the Texas Transportation Code ("ATP"); Capital Metro Transportation Authority, a transportation authority and political subdivision of the State of Texas organized under Chapter 451 of the Texas Transportation Code ("Capital Metro"); and the City of Austin ("City") to be effective as of June 6, 2023 (the "Effective Date"). Each of ATP, Capital Metro, and the City are referred to herein individually as a "Party" and collectively as the "Parties". Reference is hereby made to that certain Joint Powers Agreement entered into by the Parties and fully executed on December 17, 2021 (the "Original Agreement"). Capitalized Terms used herein and not otherwise defined shall have the meaning given in the Original Agreement.

**BACKGROUND:**

A. The Parties entered into the Original Agreement in accordance with the Interlocal Cooperation Act, Texas Government Code Chapter 791 (the "Interlocal Cooperation Act"), for purposes of confirming their commitment to and support of Project Connect, and to delineate the roles and responsibilities of all three Parties, and to establish their respective commitments and obligations relating to Project Connect.

B. Section 2.7 of the Original Agreement contemplates that the implementation of Project Connect will require the Parties to subsequently address a variety of matters that will require supplemental agreements to address specific inter-agency topics, and such supplemental agreements are subject to the approval of the governing bodies of the Parties.

C. On May 24, 2023, pursuant to ATP Resolution No. ATP-2023-011, the ATP Board requested that the City and Capital Metro adopt modifications to Project Connect and Associated Implementation Sequence Plan in accordance with the Austin Light Rail Implementation Plan, including a first phase project, as depicted in EXHIBIT A attached hereto (the "Austin Light Rail Implementation Plan").

D. On June 1, 2023, pursuant to City of Austin Resolution No. 20230601-072, City Council adopted the Austin Light Rail Implementation Plan as requested by ATP, and further authorized the City Manager to negotiate and execute an amendment to the Original Agreement to incorporate the attached EXHIBIT A to modify and supplement the Attachment A to the Original Agreement.

E. On June 2, 2023, pursuant to Capital Metro Resolution No. AI-2023-819, the Capital Metro Board of Directors adopted the Austin Light Rail Implementation Plan as requested by ATP, and further authorized the President & CEO to negotiate and execute an amendment to the Original Agreement to incorporate the attached EXHIBIT A to modify and supplement the Attachment A to the Original Agreement.



F. On June 6, 2023, the Austin Transit Partnership Board, pursuant to Resolution No. ATP-2023-012, also adopted the Austin Light Rail Implementation Plan and directed the ATP Executive Director to amend and supplement the Original Agreement to reflect the terms contained in this Supplement.

G. The Austin Light Rail Implementation Plan was developed by ATP after an extensive priority population-focused engagement feedback process, connecting with over 7,000 community members regarding the proposed modifications to Project Connect, hosting over 80 community engagement events, and connecting with more than 3,000 core transit riders at 45 unique bus stop locations.

H. The Parties desire to revise and clarify their respective roles and responsibilities regarding the financing, construction, improvement and implementation of certain components of Project Connect, specifically: (i) the light rail components approved by the Parties in the Austin Light Rail Implementation Plan ("Austin Light Rail"), and (ii) MetroRail/Red Line and Green Line (commuter rail), MetroRapid (bus rapid transit), MetroExpress (commuter bus), MetroBus, MetroAccess (ADA paratransit), MetroBike (bike share), Park & Rides, Circulators (micro transit or Pickup by CapMetro), and related operations and maintenance facilities, components of Project Connect (the "Capital Metro Components").

I. The Parties have properly authorized this Supplement in accordance with Sections 2.6 and 2.7 of the Original Agreement and the ILA Act.

ACCORDINGLY, in consideration of the foregoing and the covenants, agreements, representations and warranties set forth in this Agreement, the Parties hereby agree as follows:

**Section 1 Amendment to Joint Powers Agreement.** The Original Agreement is hereby amended, modified, and supplemented as set forth in this Supplement. All references in this Supplement and the Original Agreement to the "Joint Powers Agreement" or the "Agreement" shall hereafter mean and refer to the Original Agreement as amended, modified and supplemented by this Agreement. All terms and provisions of the Original Agreement, except and to the extent amended or superseded by this Supplement, shall continue to remain in full force and effect in accordance with the provisions thereof. In the event of a conflict between the terms of this Supplement and the terms of the Original Agreement, this Supplement shall control.

## **Section 2 Austin Light Rail.**

### **(a) *Light Rail Implementation Plan.***

- (i) Attachment A of the Original Agreement is amended by incorporating the Austin Light Rail Implementation Plan as the first phase of the light rail portion of Project Connect.
- (ii) The Parties hereby affirm that ATP shall be responsible for the overall implementation, including, planning, design, contracting, acquisition, construction, and financing, of Austin Light Rail in accordance with the Austin Light Rail Implementation Plan.

### **(b) *ATP to Serve as Direct Grant Recipient.*** As the entity responsible for the implementation of Austin Light Rail, the Parties agree, upon FTA approval or concurrence, for ATP to serve as the sole applicant and direct grant recipient for all New Starts Capital Investment Grants and other federal competitive grant opportunities for Austin Light Rail. The City and Capital Metro shall cooperate and support ATP in seeking FTA eligibility as the applicant and direct grant recipient.

### **(c) *Engineering; Ownership of Plans and Specifications.*** ATP shall be responsible for all design and engineering elements of Austin Light Rail. ATP shall maintain ownership of all plans and

specifications for Austin Light Rail, and shall hold all future contracts for the planning, design, and project management for planning, design and construction of Austin Light Rail. Capital Metro shall take all steps necessary to cause all existing plans and specifications and other instruments of service for Austin Light Rail now licensed to or owned by Capital Metro to be transferred and assigned over to ATP.

- (d) *NEPA Process.* The Parties agree that, upon any necessary FTA approval or concurrence, ATP shall serve as the lead local agency and project sponsor with respect to the completion of the NEPA environmental clearance process for Austin Light Rail and shall work diligently with FTA to obtain an FTA Record of Decision for the approved locally preferred alternatives for Austin Light Rail. ATP shall provide the City and Capital Metro with reasonable opportunities to review and comment on the draft environmental impact statements and any mitigation plan measures described therein, and shall consider comments from the City and Capital Metro in good faith. Capital Metro and the City (i) shall cooperate with ATP and participate and provide needed expertise (for example, regarding safety, operations and service planning, or utility relocation or permitting); and (ii) shall work in good faith with ATP to undertake reasonable mitigation measures, as applicable and necessary to reach an FTA Record of Decision for Austin Light Rail.
- (e) *Financing.* ATP shall be responsible for establishing any and all finance programs and securing and approving any and all financing structures that it deems necessary to finance, and sufficiently fund operations, maintenance and state of good repair, of the Austin Light Rail, including the issuance of short-term and long notes and bonds, any loans secured under federal programs; as well as necessary debt and operating reserve requirements. Obligations issued by ATP shall never constitute an indebtedness or general obligation of the City, Capital Metro, the State of Texas or any other political subdivision of the State. The parties acknowledge that the obligation of the City to transfer funds to ATP is subject to the budgetary process of the City and is subject to annual appropriation by the City in accordance with its budgetary process.
- (f) *Operation of Austin Light Rail.* Capital Metro will be the sole operator of all public transit service included in the Project Connect program. ATP, the City, and Capital Metro will enter into a separate implementation agreement(s) governing the process for the operational and safety certification, commissioning of Austin Light Rail, and for Capital Metro's operation of Austin Light Rail in accordance with FTA requirements, including state of good repair, warranties (if any), and reimbursement of these costs from ATP to Capital Metro. An agreement under this paragraph shall be designed to the extent possible to ensure that Capital Metro is able to meet its federal regulatory obligations and that CapMetro has access to any plans and specifications necessary to fulfill its obligations as operator.

### **Section 3 Capital Metro Components.**

- (a) *Generally.* The Parties also hereby affirm that Capital Metro shall be responsible for the financing, design, construction, improvement and implementation of the Capital Metro Components and that any financial contributions by ATP to fund the implementation of the Capital Metro Components will require the approval of the ATP Board. Capital Metro and ATP shall work together to ensure long-term planning for funding commitments or obligations of Capital Metro that are payable or reimbursable from ATP funds. CapMetro shall cooperate with ATP, to provide reasonable access to ATP, its consultants, and other authorized representatives shall have the right to access any books, documents, papers and records of Capital Metro concerning Capital Metro expenditures in which ATP will reimburse Capital Metro.

- (b) *Federal Grant Funding.* Capital Metro shall be the sole applicant and direct grant recipient for all federal grant opportunities for the funding of the Capital Metro Components, and for all other federal formula and competitive funds aside from Austin Light Rail. The Parties agree to cooperate, and enter into separate agreements as necessary, to credit any federal grant proceeds received for the purpose of operations of either Austin Light Rail or Capital Metro Components toward the operating expenses of the respective project or as mutually agreed.
- (c) *NEPA Process.* As the entity responsible for the implementation of the Capital Metro Components, Capital Metro shall serve as the lead local agency and project sponsor with respect to the completion of applicable NEPA environmental clearance processes for the Capital Metro Components, as necessary. Capital Metro shall provide the City and ATP with reasonable opportunities to review and comment on the draft environmental impact statements and mitigation plans and shall consider the comments of the City and ATP in good faith.

#### **Section 4 General Provisions.**

- (a) *Events of Default; Remedies.* Notwithstanding Section 7.3 of the Original Agreement to the contrary, Sections 7.1 (Events of Default) and 7.2 (Limitation on Remedies) of the Original Agreement shall apply to this Supplement in the same manner as they apply to the Original Agreement. A default under this Supplement by any Party shall constitute an "Event of Default" under the Original Agreement.
- (b) *Decision-making Framework and Dispute Resolution.* The Parties shall work cooperatively to establish a framework for partner requirements regarding implementation decisions about particular elements of Project Connect. The Parties agree to exercise good faith efforts to resolve any disputes arising under this Agreement and shall communicate regularly about the status of implementing Project Connect. In the event of a dispute, the Parties agree to attempt in good faith to resolve the dispute at the appropriate staff level. If the dispute is not resolved within 10 business days, and upon written request of any Party, the dispute shall be referred to the ATP Executive Director, the City Manager, and CapMetro's President and CEO, or their respective designees, who shall work diligently to achieve a consensus in resolving the dispute. In the event a dispute is not resolved in accordance with this section, then the Parties shall engage in the process under Section 8.2 of the Original Agreement.
- (c) *Counterparts; e-Signatures.* This Supplement may be signed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Supplement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages. The Parties agree that digital or facsimile signatures shall be given the same legal effect as original signatures, and the Parties hereby agree to accept delivery of digital signatures by e-mail in "pdf" form, or *via* DocuSign, Adobe Sign, or any similar means of digital delivery.

(Signature Page Follows)

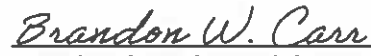
The undersigned have signed and delivered this Supplement as of the dates set forth below to be effective as of the Effective Date.

**AUSTIN TRANSIT PARTNERSHIP, a Texas nonprofit local government corporation**

By:  \_\_\_\_\_  
63468E6810074D0  
Greg Canary, Executive Director


Date: 6/13/2023

Approved as to form:

 \_\_\_\_\_  
Brandon Carr, General Counsel


Date: 6/12/23

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY, a transportation authority and political subdivision of the State of Texas**

By:  \_\_\_\_\_  
E-SIGNED by Dottie Watkins  
on 2023-06-13 23:55:51 GMT  
Dottie L. Watkins, President & Chief Executive Officer

Date: June 13, 2023

Approved as to form:

 \_\_\_\_\_  
E-SIGNED by Brad Bowman  
on 2023-06-13 21:20:39 GMT  
Brad Bowman, Chief Counsel

Date: June 13, 2023

**CITY OF AUSTIN, a Texas home-rule municipality**

By:  \_\_\_\_\_  
Robert Goode, Interim Assistant City Manager

Date: 6/22/2023

Approved as to form:







 \_\_\_\_\_  
Sean Creegan  
Digitally signed by Sean Creegan  
DN: cn=Sean Creegan, o=City of Austin, ou=Law  
Department, email=sean.creegan@austintexas.gov, c=US  
Date: 2023.06.21 15:01:12 -0500  
Sean Creegan, Assistant City Attorney

Date: 6/21/23

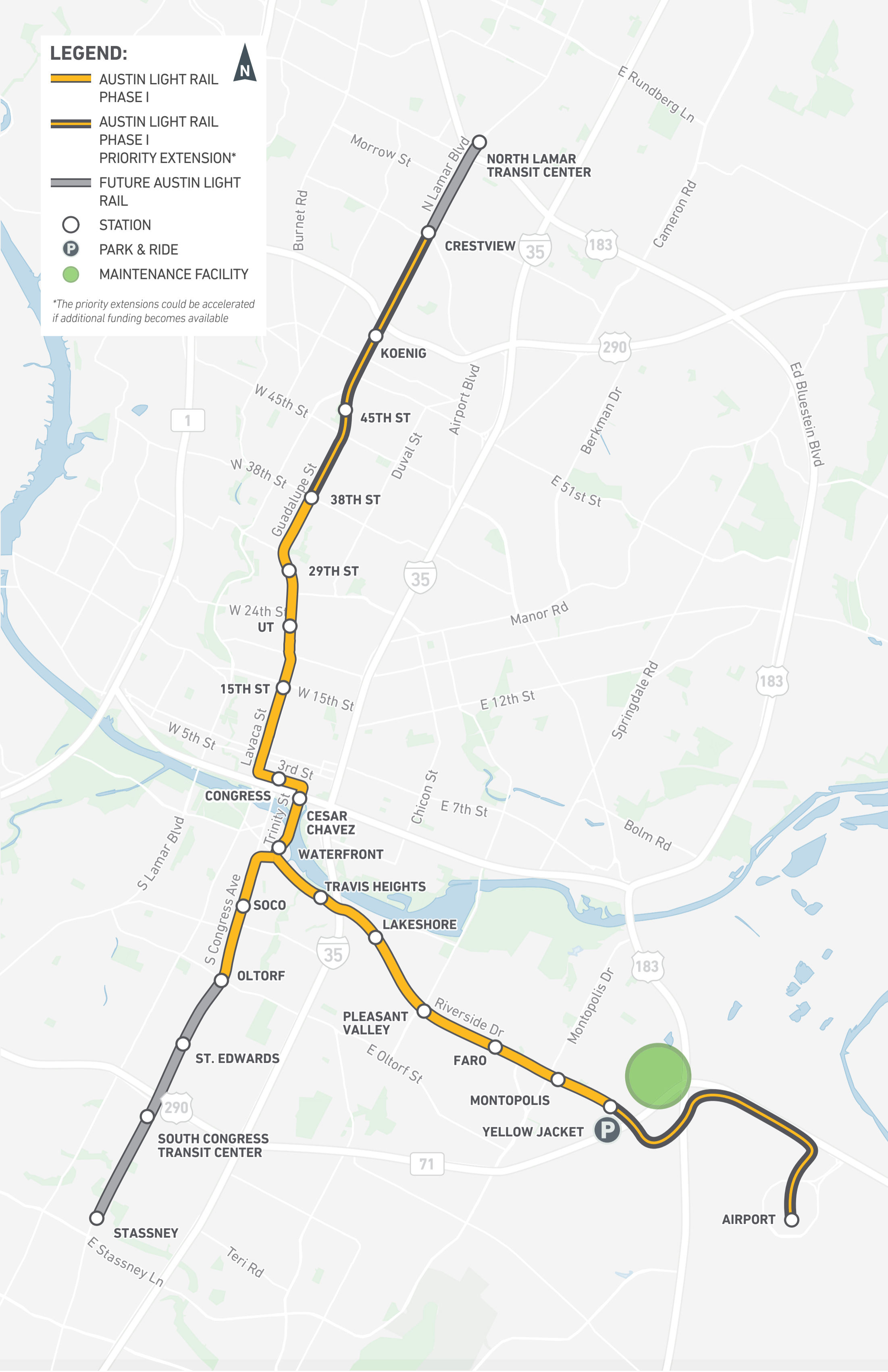
**EXHIBIT A**  
**AUSTIN LIGHT RAIL IMPLEMENTATION PLAN**

*(appears on immediately following page)*

**LEGEND:**

-  AUSTIN LIGHT RAIL PHASE I
-  AUSTIN LIGHT RAIL PHASE I PRIORITY EXTENSION\*
-  FUTURE AUSTIN LIGHT RAIL
-  STATION
-  PARK & RIDE
-  MAINTENANCE FACILITY

*\*The priority extensions could be accelerated if additional funding becomes available*





## 4. Authorizing Resolution

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



*Austin Transit Partnership Board of Directors Resolution*  
*Meeting Date: 9/20/2023*  
*ATP-2023-017*  
*Approval of a resolution authorizing ATP Federal Transit*  
*Administration Grant Recipient Status*

**Subject:** Approval of a resolution authorizing the Executive Director, or their designee, to file applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for federal transportation assistance authorized by 49 U.S.C. Chapter 53; Title 23, United States Code, or other federal statutes administered by the Federal Transit Administration.

**Fiscal Impact:** Does not apply.

**Responsible Department:** Legal.

**Executive Summary:** The Federal Transit Administration (FTA) requires new recipients of federal funds to demonstrate their authorization to request, receive, and spend FTA funds. The authority of the Executive Director, or their designee, acting on behalf of ATP as an award applicant, generally, must be demonstrated by a resolution from the governing body of the award applicant, a statute, or an ordinance showing the award applicant has authority to file an official award application, showing who has the authority to act on behalf of the applicant, and supporting the application. A certified copy of the authorizing resolution is required for all FTA recipients. The recipient must only submit the authorizing resolution to FTA prior to the award of the recipient's first application. For subsequent award applications, the FTA will rely on the annual Certifications and Assurances.

**Procurement Summary:** Does not apply.

**Disadvantaged Business Enterprise Program Summary:** Does not apply.



**RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP**

**BOARD OF DIRECTORS**

STATE OF TEXAS  
COUNTY OF TRAVIS

**Resolution ID: ATP-2023-017**

*Approval of a resolution authorizing ATP Federal  
Transit Administration Grant Recipient Status*

**WHEREAS**, the voters of the City of Austin (the "City"), in recognition of the benefits of Project Connect, approved a ballot measure ("Proposition A") at the November 3, 2020 election to provide dedicated funding to an independent board to oversee the implementation of the Project Connect System Plan ("Project Connect"), including the financing, design, engineering, and construction of a light rail system ("Austin Light Rail"); and

**WHEREAS**, the City Council and Capital Metropolitan Transportation Authority ("CapMetro") Board of Directors created Austin Transit Partnership ("ATP") to serve as the independent entity contemplated by Proposition A to implement Project Connect, including Austin Light Rail; and

**WHEREAS**, the Federal Transit Administrator has been delegated authority to award federal financial assistance for a transportation project; and

**WHEREAS**, the grant or cooperative agreement for federal financial assistance will impose certain obligations upon ATP (the "Applicant"), and may require the Applicant to provide the local share of the project cost; and

**WHEREAS**, the Applicant has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project;

**NOW, THEREFORE, BE IT RESOLVED** by the ATP Board of Directors that:

1. The Executive Director, or their designee, is authorized to execute and file an application for federal assistance on behalf of the Austin Transit Partnership with the Federal Transit Administration for federal assistance authorized by 49 U.S.C. Chapter 53, title 23, United States Code, or other federal statutes authorizing a project administered by the Federal Transit Administration.
2. The Executive Director, or their designee, is authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal

Transportation Administration requires before awarding a federal assistance grant or cooperative agreement.

3. The Executive Director, or their designee, is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of Austin Transit Partnership.



**Brandon Carr**  
**Secretary of the Board**

9/20/23

**Date**

**CERTIFICATE FOR RESOLUTION**

THE STATE OF TEXAS :  
CITY OF AUSTIN :  
AUSTIN TRANSIT PARTNERSHIP, a local government corporation :

The undersigned officers of Austin Transit Partnership ("ATP") hereby certify as follows:

1. The Board of Directors of the Corporation ("Board") convened in a CALLED MEETING ON September 20, 2023, in Board Chambers, ATP headquarters, 203 Colorado Street, Austin, Texas 78701 and the roll was called of the duly constituted members of said Board of Directors, to-wit:

Veronica Castro de Barrera  
Jeffrey Travillion  
John Langmore

Kirk Watson  
Juan Garza

Robert Goode (ex officio)

Dottie Watkins (ex officio)

**RESOLUTION STATING:**

**1. The Executive Director, or their designee, is authorized to execute and file an application for federal assistance on behalf of the Austin Transit Partnership with the Federal Transit Administration for federal assistance authorized by 49 U.S.C. Chapter 53, title 23, United States Code, or other federal statutes authorizing a project administered by the Federal Transit Administration.**

**2. The Executive Director, or their designee, is authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transportation Administration requires before awarding a federal assistance grant or cooperative agreement.**

**3. The Executive Director, or their designee, is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of Austin Transit Partnership.**

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:



AYES: 5.

NOES: 0.

ABSTENTION: 0.

2. That a true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting; that said Meeting was conducted in accordance with all applicable laws, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

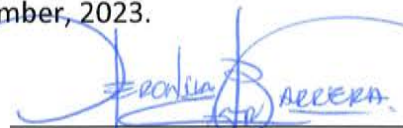
3. That said Resolution has not been modified, amended, or repealed and said Resolution remains in full force and effect as of this date.

SIGNED AND SEALED,

This 20th day of September, 2023.



Brandon Carr  
Board Secretary



Veronica Castro de Barrera  
Board Chair



Greg Canally  
Executive Director

(CORPORATE SEAL)



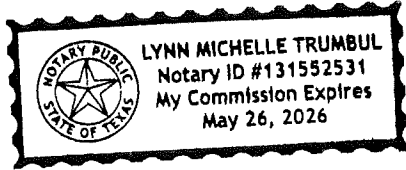
STATE OF TEXAS  
COUNTY OF TRAVIS

This instrument was acknowledged before me on September 20<sup>th</sup> 2023 by Veronica Castro de Barrera (Board Chair), Greg Canally (Executive Director) and Brandon Carr (Board Secretary and General Counsel), of ATP, a Texas local government corporation, on behalf of said corporation.

Lynn Michelle Trumbul

Notary Public's Signature

(Personalized Seal)





## 5. Designated Recipient Documentation

|                 |                |
|-----------------|----------------|
| <b>Version</b>  | 1              |
| <b>Date</b>     | 9/21/2023      |
| <b>Status</b>   | Not Applicable |
| <b>Comments</b> |                |



AUSTIN TRANSIT PARTNERSHIP

# Financial Capacity

## 6. Response to Financial Capacity Questions (Appendix B)

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

**RESPONSE TO FINANCIAL CAPACITY QUESTIONS**  
**Per FTA Region VI New Recipient Handbook, Appendix B**  
**(Version 1, January 2022)**

**1) Please provide a brief history of the transit agency.**

On November 3, 2020, Austin voters approved a referendum (Proposition A) to increase Austin's property tax rate and provide a dedicated revenue stream to fund the design, construction, operations, and maintenance of the Project Connect System Plan. The ballot measure also authorized the creation of an independent board to oversee these functions during the implementation of Project Connect. In anticipation of a successful election, CapMetro and the City of Austin (the City) authorized the execution of an interlocal agreement creating the Austin Transit Partnership (ATP).

ATP was created on December 18, 2020, as an independent [Local Government Corporation](#) (LGC); it was incorporated under the provisions of Subchapter D, [Chapter 431](#), of the Texas Transportation Code, [Chapter 394](#), of the Local Government Code and [Chapter 22](#), of the Business Organizations Code. ATP's main responsibility is to plan, design, finance, acquire, procure, and construct all the light rail elements of the Project Connect program. In addition to these responsibilities, ATP will be transferring \$300 million over a 13-year period to the City of Austin for anti-displacement initiatives and providing a fiduciary oversight function with respect to the non-light rail components of the program.

In July 2022, due to inflationary pressure, escalating real estate costs, and scope advancement, ATP initiated work to assess the initial phase of the implementation of the light rail project. This work was conducted with the goal of identifying a project that would meet the purpose and need for the infrastructure, reflect community goals and values, and be on budget within the financial construct afforded by Proposition A. The team worked over a period of 10 months, to assess project opportunities and constraints, identify options in consideration of FTA New Starts grant competitiveness, and execute a robust community engagement process. Ultimately, the joint partnership of ATP, CapMetro and the City unanimously adopted the recommended [Austin Light Rail Implementation Plan](#) in June 2023.

Concurrently, the joint partnership adopted [changes](#) to the [Joint Powers Agreement](#) (JPA), as provided in the legal capacity section, to affirm ATP's role as the project sponsor and direct federal grant recipient for light rail projects, pending any necessary FTA concurrence. ATP's intention is to pursue federal grant funding under the New Starts Capital Investments Grant (CIG) program for Austin Light Rail. ATP will be responsible for the day-to-day implementation, oversight, planning and execution of the light rail project. The light rail project is managed and led by dedicated ATP staff with extensive experience in delivery of light rail capital projects with federal funding. The ATP team was built to bring expertise to the Austin region and support the successful implementation of this exciting and transformative project.



**2) Is the prospective new recipient a “stand alone” agency with its own budget and audits, or is the agency part of another governmental agency (e.g., City or County government)? If the prospective new recipient is part of another governmental agency, please describe the relationship.**

Austin Transit Partnership is a “stand alone” independent agency known as a Local Government Corporation under the Texas Transportation Code. ATP operates with its own budget and audits, as provided separately in the financial capacity section. ATP has a financial relationship with the City of Austin; however, it is a discretely presented component unit of the City and is therefore a separate legal entity. The financial relationship between ATP and the City is outlined in the Interlocal Agreement included as Attachment D to the JPA, which establishes the transfer of property tax revenue from the City to ATP.

**3) Please describe the current financial status of the transit agency.**

ATP’s FY2023 total revenue is projected to be approximately \$163 million; the majority of which is Proposition A revenue. The FY2022-2023 budget, ATP’s second full-year budget, totals \$90.6 million and consists of equal parts operating expenses, anti-displacement investments and the establishment of a \$20 million operating reserve. As of May 31, 2023, ATP’s operating fund investment portfolio’s market value was approximately \$294 million. Separately, ATP has approximately \$92 million in its anti-displacement fund to support displacement prevention measures being advanced by the City of Austin. In its first budget year, ATP received \$156 million of property tax revenue from the City of Austin. This revenue source is projected to grow at 3.5% annually.

As the design for the light rail project advances and the project moves into construction, ATP will be leveraging the property tax revenue to issue obligations in the public market to finance the project. In addition to funding the capital cost for the light rail project, the property tax revenue will be utilized to fund the operations and maintenance cost of the light rail project.

**4) What are the recipient’s sources of non-FTA funding for operating and capital expenses?**

ATP’s primary source of non-FTA funding is Proposition A taxes (8.75 cents per \$100 valuation) levied on property within the City of Austin full purpose jurisdiction. This revenue source will serve as the local match to federal funds, be utilized to secure the debt obligations issued in the public market to finance the light rail project and fund ongoing operations and maintenance.

ATP has also received a commitment from CapMetro to contribute certain capital expansion and Project Connect funds totaling approximately \$113 million through FY2023 as well as an ongoing sales tax contribution starting at \$20 million in FY2023 growing to \$30 million by FY2027 and escalating by 3.00% annually thereafter. These CapMetro committed sources, along with certain pre-established Proposition A contributions, will be utilized to fund the various non-light rail components of Project Connect, including but not limited to MetroRapid routes, Park and Ride facilities, and the associated operations and maintenance cost for the non-light rail components.



**5) Is there any pending legislation or “sunset” provision in existing legislation that could affect the recipient’s sources of state or local funding or financial capacity?**

There are no pending legislation or “sunset” provisions in existing legislation that could affect ATP’s sources of state or local funding or financial capacity. Prop A revenues are subject to annual City appropriation.

**6) In the next few years, does the recipient anticipate any significant changes in the levels of local funding for transit, or current transit service?**

Prop A revenue is the primary, and largest, funding source for Austin Light Rail and a very stable source of funding that can be reasonably forecast over time. ATP does not anticipate any significant changes in the levels of local funding for transit or current transit service given that the revenue source for the Austin Light Rail was levied as the result of ballot measure passed by the citizens. Prop A asked voters for approval of an increase in the property tax rate by dedicating 8.75-cents of the “operations and maintenance” portion of the tax rate for the implementation of Project Connect. After Prop A was approved by the citizens of Austin, the City of Austin and ATP entered an Interlocal Agreement memorializing the percentage of the tax rate due to ATP; such percentage being 20.789%. Texas State Statute caps the annual revenue growth rate of the City’s operations and maintenance tax rate at 3.5%. Given this limitation, the Prop A revenue estimated growth rate is currently forecast at 3.5% per annum, with an additional 0.25% included for new development through 2030 (a rate which is significantly below the historical and near-term projected real estate growth within the City).

**7) Does the prospective recipient have any unfunded operating or capital deficits or liabilities? If so, what are the amounts, nature, and forecast of these deficits/liabilities?**

ATP does not have any unfunded operating or capital deficits or liabilities. The recommended Austin Light Rail Implementation Plan was established in consideration of ATP’s financial capacity to support both capital and ongoing operational needs. The plan of finance does however rely upon significant federal investment and a partnership between ATP and the FTA which assumes federal support of approximately 50% of the anticipated capital cost.

**8) Please describe how the agency is working with the State Department of Transportation and local Metropolitan Planning Organization to ensure projects are included in the Transportation Improvement Plan (TIP) and State Transportation Improvement Plan (STIP). Describe the public participation process used by the agency.**

In 2019 (and updated in 2022), the Austin City Council approved the Austin Strategic Mobility Plan (ASMP), which establishes a policy goal to quadruple the share of commuters who use transit by 2039, targeting a 50/50 mode share (50 percent drive-alone to work while 50 percent use other modes). The Project Connect Vision Plan is included as an integral part of the ASMP and both initiatives provide a way forward for solving future mobility challenges that the region faces.

At the June 6, 2023, Joint Partners Meeting, ATP, CapMetro, and the City of Austin adopted the Austin Light Rail Implementation Plan as the new LPA for the initial light rail investment. ATP is coordinating with the CAMPO to incorporate the Austin Light Rail Implementation Plan in the 2050 Regional Transportation Plan (RTP), followed by adoption into the TIP. ATP will also coordinate with CAMPO to assure the STIP is amended to reflect the Austin Light Rail Implementation Plan.

From the initial stages of planning up until today, City officials and project leaders have made a concerted effort to involve the local community in the decision-making process. The recently adopted light rail project was identified by ATP after an extensive priority population-focused<sup>1</sup> engagement feedback process, connecting with over 7,000 community members regarding the proposed modifications to Project Connect, hosting over 80 community engagement events, and connecting with more than 3,000 existing transit riders at 45 unique bus stop locations.

The community engagement efforts have taken place in multiple forms including numerous public forums, town hall meetings, and neighborhood workshops. Additionally, online platforms, social media campaigns and interactive tools have been deployed to reach a wider audience, encourage participation, and gather the necessary input to ensure the project aligns with the needs and aspirations of the Austin community. By fostering an inclusive and transparent environment, the Austin Light Rail project has successfully fostered a sense of collaborative ownership and pride among the residents, resulting in a shared vision for a sustainable and mobile interconnected city. To further formalize the community engagement process ATP, CapMetro and the City of Austin created a Community Advisory Committee (CAC) to advise them on topics related to equity around all components of Project Connect, including the efforts to mitigate displacement. Further information about the committee and its ongoing role can be found on the [Project Connect website](#).

More details on community feedback and the engagement process are summarized in the [Austin Light Rail: Community Engagement Report](#) published on the ATP website.

---

<sup>1</sup> Priority populations are the communities most likely to be impacted by Project Connect, as defined in the JPA



## 7. Current Year Operating and Capital Budgets

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



**FY2023-2024  
APPROVED  
BUDGET**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Austin Transit Partnership  
Texas**

For the Fiscal Year Beginning

**October 01, 2022**

*Christopher P. Morill*

Executive Director





# TABLE OF CONTENTS

## **INTRODUCTION..... 4**

- Message from the Executive Director .....4
- ATP Board of Directors .....5
- ATP Organization.....6
- About ATP.....7

## **BUDGET PROCESS..... 9**

- Budget Timeline .....9
- Budget Components .....9
- Fund Framework..... 10

## **BUDGET HIGHLIGHTS..... 11**

- Revenue..... 11
- Spending ..... 11
- Operating Fund ..... 12
- Austin Light Rail Capital Fund..... 13
- CapMetro Projects..... 15
- Anti-Displacement Investments ..... 16

## **DEPARTMENTAL OVERVIEW & OUTCOMES ..... 17**

- FY 2023-24 Priority Outcomes..... 17
- FY 2023-24 Department Overviews & Outcomes... 18

## **FUND SUMMARIES ..... 21**

- Operating Fund ..... 21
- Capital Funds ..... 22

## **APPENDIX ..... 25**

- Financial Policies ..... 25
- Glossary ..... 27



# INTRODUCTION

## MESSAGE FROM THE EXECUTIVE DIRECTOR

### ATP Board of Directors,

I am pleased to present the Fiscal Year 2023-24 Approved Budget for the Austin Transit Partnership (ATP). ATP was created by the voters to deliver on a transformational investment in Austin's transit future – and this budget highlights how we will advance the implementation of Austin Light Rail and other elements of the Project Connect program.

Our team celebrates the collaboration among community members and our agency partners that resulted in the adoption of the Austin Light Rail Implementation Plan this past June. We committed to create this Plan with full transparency and engagement with the Austin community. In this budget, we pledge to continue investing in community participation and involving our diverse stakeholders.

This budget prioritizes resources for planning and community participation and involvement, as we look ahead to initiating the National Environmental Protection Act (NEPA) process, of which community plays such a vital role. This budget also – with our contracting partners – allows us to advance the planning, engineering and architectural & urban design work required for NEPA, as well as the Federal Transit Administration's Capital Improvement Grant (CIG) program.

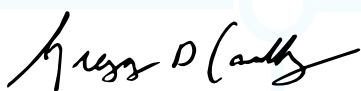
The FY24 Budget enhances transparency by simplifying our fund structure – making the budget for our expenditures more transparent to the public. We will be aligning expenses in a manner consistent with budgeting practices for large capital projects, which will help ensure eligible costs are well positioned for federal reimbursements and grant opportunities. Commitment to accountability and transparency are front and center in our continued readiness to implement Austin Light Rail. This includes investment in business services such as procurement and contract management; IT, including Enterprise Resource Planning system (ERP); communications services; legal services and human resources.

This budget maintains our personnel at 87 full-time equivalents (FTEs), the same number authorized by the Board for the current fiscal year. This past year demonstrated the dedication of our staff and the expertise critical to advancing Austin Light Rail. To that end, retaining our ATP team members is crucial for our work ahead. I am recommending a 3.5 percent wage increase for our employees and wish to express my gratitude for the hard work and service of our talented professionals.

Finally, the FY24 Approved Budget includes \$20 million in additional investments in Anti-Displacement, bringing ATP's total investment to \$120 million. We will continue to work with our City of Austin partners to ensure these funds are deployed for maximum benefit to our community.

Thank you for your leadership and service. The ATP team looks forward to the continued work ahead on your behalf – and in partnership with our community.

Sincerely,



**GREG CANALLY**

*Executive Director*

# ATP BOARD OF DIRECTORS



**VERONICA CASTRO  
DE BARRERA**  
*Chair, Community Expert In  
Architecture & Engineering*



**KIRK WATSON**  
*Vice Chair,  
Austin City Council, Mayor*



**JOHN LANGMORE**  
*Community Expert  
In Finance*



**JUAN GARZA**  
*Community Expert in Community  
Planning or Sustainability*



**JEFFREY TRAVILLION**  
*CapMetro Board of  
Directors, Chair*



**DOTTIE WATKINS**  
*Ex Officio,  
CapMetro President  
& CEO*



**ROBERT GOODE**  
*Ex Officio,  
City Of Austin Interim  
Assistant City Manager*



## ATP ORGANIZATION

### ► BUSINESS AND LEGAL AFFAIRS

**Key Services:** Procurement & Contract Administration, Legal, Real Estate, Human Resources, Board Relations, IT & Communications Services

- Supports the development and execution of the Austin Light Rail delivery and contracting strategy.
- Integrates organization with input from industry, peer agencies and consultants with global expertise.

### ► FINANCIAL SERVICES

**Key Services:** Budget, Treasury, Accounting & Grants Management

- Executes Austin Light Rail financing, as envisioned by its stakeholders.
- Guides the Project Connect investment with transparency and accountability.

### ► INTERNAL AUDIT

- Reports directly to ATP Board and provides independent, objective audit and advisory services.
- Identifies improvements for ATP's governance, controls, and risk management for transparency and accountability.

### ► ARCHITECTURE AND URBAN DESIGN

- Develops ATP processes, services and products around User Centered Design principles.
- Ensures that the built environment for Austin Light Rail is pleasant, vibrant and instills a sense of civic pride in all Austinites.

### ► ENGINEERING AND CONSTRUCTION

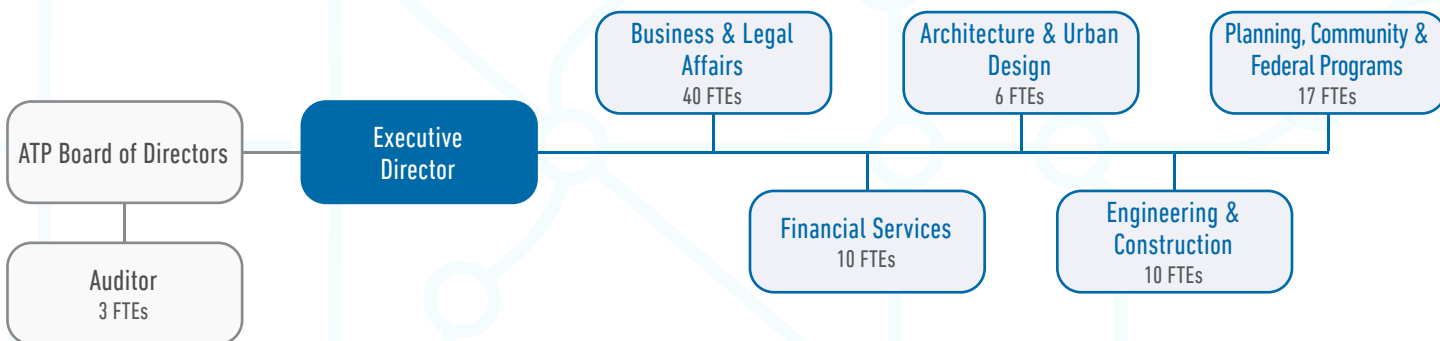
**Key Services:** Engineering & Delivery & Construction Services

- Leads light rail engineering efforts, in close coordination with the Architecture and Urban Design team.
- Oversees light rail construction, delivery preparation, and integration elements.

### ► PLANNING, COMMUNITY AND FEDERAL PROGRAMS

**Key Services:** Project Controls, Planning & Reporting

- Prepares ATP to successfully compete for funding and leads FTA coordination on federal funding opportunities.
- Oversees planning activities informed by community participation and public involvement.
- Implements scheduling, cost reporting, and document controls in compliance with federal requirements and industry best practices.







## ABOUT ATP

Austin Transit Partnership (ATP) is a local government corporation created as a requirement of the City of Austin November 2020 Proposition A tax rate election. ATP is the entity responsible for implementing Project Connect.

### ATP IS COMMITTED TO:



Delivering Austin's first light rail project



Investing in anti-displacement programs and enhanced transit options and infrastructure



Informing our work with the expertise and experiences of our diverse community and stakeholders

### WHAT IS LIGHT RAIL?

- An electric train system used in metropolitan areas with stations spaced roughly ½ mile to a mile apart.
- Serves as part of the overall transit network, connecting people to key destinations where they live, work and play to improve mobility, connectivity, affordability, and sustainability.

Station view at Pleasant Valley Rd.  
Artist Conceptual Rendering



## ► WHERE WE ARE

Following a thorough and informed community process, the Austin Light Rail Implementation Plan was unanimously approved in June 2023. The Austin Light Rail Implementation Plan recommends on-street light rail from 38th St. on Guadalupe St. to Oltorf St. on S. Congress Ave. and to Yellow Jacket Ln. on E. Riverside Dr. It also identified future priority extensions from 38th St. to Crestview and from Yellow Jacket to the Airport.

ATP is developing design for the first phase of Austin Light Rail. This work will support ATP's completion of National Environmental Policy Act (NEPA) requirements. The project will be evaluated by the Federal Transit Administration (FTA) for funding under FTA's Capital Investment Grant (CIG) program. ATP has kicked off necessary conversations to advance both of these initiatives.

As the program advances to the next stages of implementation, ATP is developing a delivery program for the series of projects that will complete Austin's first light rail project. Utilizing feedback collected through months of industry listening sessions and peer agency visits across the nation, ATP will soon begin issuing contracts that will lead to the start of construction.

# AUSTIN LIGHT RAIL IMPLEMENTATION PLAN



**9.8**  
MILES OF NEW  
LIGHT RAIL

**15**  
LIGHT RAIL  
STATIONS

### TRANSIT CONNECTIONS

METRO RAPID  
 HIGH FREQUENCY BUS  
 RED LINE  
 PROPOSED GREEN LINE

### ESTIMATED TRAVEL TIME

**23 MINS** 38TH - OLTORF  
**31 MINS** 38TH - YELLOW JACKET

### ESTIMATED AVG. # OF DAILY RIDERS SERVED (2040)

**28,500**

**20,000+**  
AFFORDABLE HOUSING UNITS SERVED  
(SUBSIDIZED)



### ACCESS TO

**136,000+** CURRENT JOBS  
**200,000+** FUTURE JOBS

### ANTICIPATED CAPITAL COST (CURRENT DOLLARS)

**\$4.5-\$4.8B**  
LOCAL AND FEDERAL DOLLARS



# BUDGET PROCESS

## BUDGET TIMELINE



### Step 1

ATP Budget Preparation



### Step 2

Presentation to Board of Directors



### Step 3

Budget Q&A Process



### Step 4

Budget Adoption

## BUDGET COMPONENTS



### ▶ ANNUAL BUDGET

- Plan for allocating resources during fiscal year
- Prepared on a modified accrual basis
- Budgetary control set at total appropriated budget, but segmented into smaller cost pools to provide greater oversight
- Funds available until end of fiscal year (Sept 30)



### ▶ CAPITAL BUDGET

- Funds are multi-year and set aside for a specific project or purpose
- Budgetary control set at the total aggregate appropriation by project
- Available until funds are spent or de-appropriated (not constrained by fiscal year)



### ▶ SPENDING PLAN

- Schedule for spending of capital appropriations
- Used for cash flow planning and determining needed additional appropriations

- Require board authorization
- Approved during annual budget process

- Components of capital project funding
- Used to inform annual budget process

### ▶ BUDGET AMENDMENTS

Once approved, the budget may be amended by the ATP Board of Directors via majority vote.

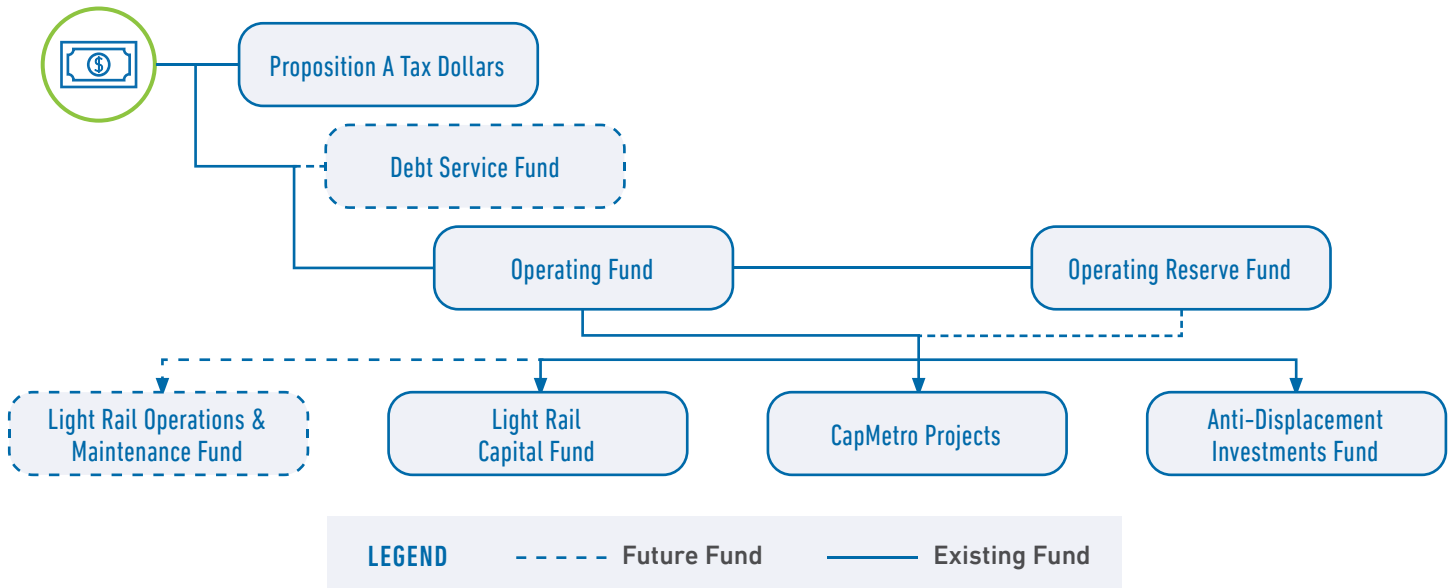


# FUND FRAMEWORK

## ► FUNDS SUBJECT TO APPROPRIATION

The Austin Transit Partnership has established a series of funds to track the expenditures of separate activities. These funds, and their relationship to each other, are detailed below.

## ► RELATIONSHIPS BETWEEN FUNDS SUBJECT TO APPROPRIATION



### PROPOSITION A TAX DOLLARS

On November 3, 2020, Austin voters approved Proposition A, which provided a dedicated revenue stream through an increase in the property tax rate to fund a rapid transit system.

### DEBT SERVICE FUND

Debt service funds are utilized to account for the accumulation of resources for, and the payment of short- and long-term debt.

### OPERATING FUND

Net of funds deposited in the Debt Service Fund and appropriated annually, the Operating Fund collects the remaining agency revenues and disburses them to their respective functions.

### OPERATING RESERVE FUND

The Operating Reserve Fund was established by financial policy to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and will maintain a reserve of at least 180 days of administrative expenses net of transfers.

### LIGHT RAIL CAPITAL FUND

Capital project funds are used to account for financial resources to be used for the acquisition or construction of Austin Light Rail. Unlike an operating budget, capital budget funds are available until expended, typically over multiple years.

### CAPMETRO PROJECTS FUND

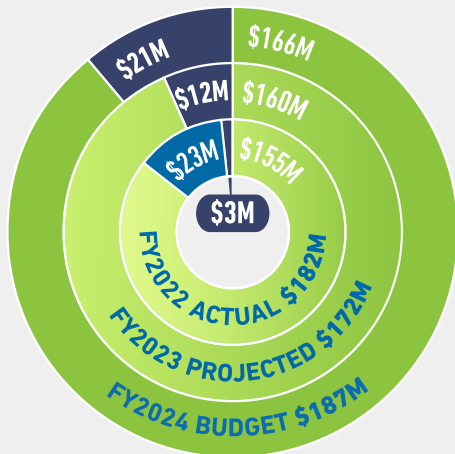
In addition to Light Rail, Project Connect investments include MetroRapid Bus Lines, Commuter Rail, and Park and Ride facilities. Funding for CapMetro-led delivery elements will be appropriated via budget amendment alongside governing interlocal agreements approved by both the CapMetro and ATP Boards.

### ANTI-DISPLACEMENT INVESTMENTS FUND

The funding approved on November 3, 2020 via Proposition A included \$300 million to mitigate transportation investment-related displacement and ensure people of different incomes can benefit from the transportation investment. Per an interlocal agreement between ATP and the City of Austin, funds will be provided to the City of Austin on a reimbursement basis to administer and implement the Project Connect Anti-Displacement Programs.

# BUDGET HIGHLIGHTS

## REVENUE



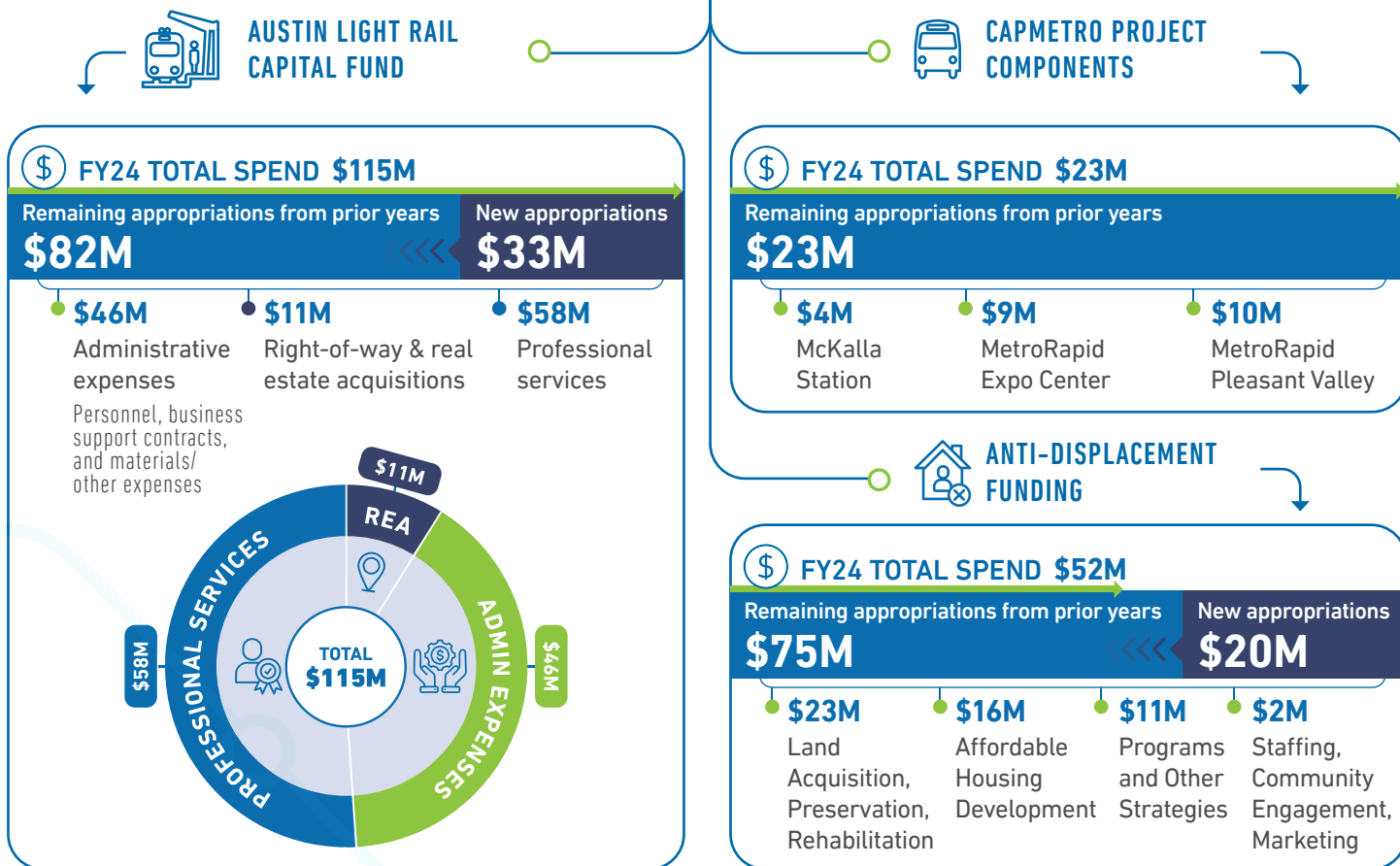
| FUNDING SOURCE             | FY22 ACTUAL | FY23 PROJECTED | FY24 BUDGET |
|----------------------------|-------------|----------------|-------------|
| Prop A Property Tax        | \$155M      | \$160M         | \$166M      |
| Investment & Other Revenue | \$3M        | \$12M          | \$21M       |
| CapMetro Contributions     | \$23M       | -              | -           |

### ▶ FUTURE FUNDING SOURCES

Debt Proceeds **\$0M**      Grant Funding **\$0M**

## SPENDING

### EXPENDITURE BUDGET





Station View at 3rd St & Congress Ave  
Artist Conceptual Rendering

## OPERATING FUND

The Proposition A property tax revenue represents approximately 21% of the total operations and maintenance (O&M) property tax collected by the City of Austin and is ATP's primary revenue source. These revenues generally grow at 3.5% annually, per state statute. Current year estimates and budget year projections are provided to ATP by City of Austin.

### ▶ OPERATING FUND SUMMARY

|                                                 | FY22 ACTUAL            | FY23 BUDGET          | FY23 ESTIMATE        | FY24 BUDGET          |
|-------------------------------------------------|------------------------|----------------------|----------------------|----------------------|
| <b>Beginning Fund Balance</b>                   | <b>\$211,992,931</b>   | <b>\$19,855,174</b>  | <b>\$65,668,705</b>  | <b>\$147,964,834</b> |
| <b>Revenues</b>                                 |                        |                      |                      |                      |
| Prop A Property Tax                             | \$155,386,024          | \$158,970,567        | \$160,000,000        | \$166,000,000        |
| CapMetro <sup>1</sup>                           | \$23,366,128           | \$30,000,000         | -                    | -                    |
| Investments & Other Income                      | \$2,832,991            | \$3,924,235          | \$12,000,000         | \$21,000,000         |
| <b>Total Revenues</b>                           | <b>\$181,585,143</b>   | <b>\$192,894,802</b> | <b>\$172,000,000</b> | <b>\$187,000,000</b> |
| <b>Expenditures</b>                             |                        |                      |                      |                      |
| Administrative Expenses <sup>2</sup>            | \$21,101,804           | \$35,552,489         | \$24,000,000         | -                    |
| Transfer to Prop A Revenue Reserve              | -                      | \$20,000,000         | \$20,000,000         | -                    |
| Transfer to Anti-Displacement Fund              | \$65,000,000           | \$35,000,000         | \$35,000,000         | \$20,000,000         |
| Transfer to Light Rail Capital Fund             | \$169,207,681          | -                    | -                    | \$33,000,000         |
| Transfer to CapMetro Projects Fund <sup>3</sup> | \$72,599,884           | \$10,703,871         | \$10,703,871         | -                    |
| <b>Total Expenditures</b>                       | <b>\$327,909,369</b>   | <b>\$101,256,360</b> | <b>\$89,703,871</b>  | <b>\$53,000,000</b>  |
| <b>Total Revenues Less Expenditures</b>         | <b>(\$146,324,226)</b> | <b>\$91,638,442</b>  | <b>\$82,296,129</b>  | <b>\$134,000,000</b> |
| <b>Future Project Commitment Reserve</b>        | <b>\$65,668,705</b>    | <b>\$111,493,616</b> | <b>\$147,964,834</b> | <b>\$281,964,834</b> |
| <b>Operating Reserve</b>                        | <b>-</b>               | <b>\$20,000,000</b>  | <b>\$20,000,000</b>  | <b>\$20,000,000</b>  |

1 CapMetro committed revenue will still be utilized for Project Connect projects but will remain with CapMetro.

2 To maximize ATP's allowable reimbursements from federal partners, administrative expenses will be charged to Capital Projects instead of the Operating Fund in FY24.

3 CapMetro-led Project Connect projects will be appropriated via budget amendments along with interlocal agreements approved by both the CapMetro and ATP Boards.





Station view at Pleasant Valley Rd.  
Artist Conceptual Rendering

## AUSTIN LIGHT RAIL CAPITAL FUND

The cornerstone of Project Connect is a new light rail system. The light rail project continues to progress through project development in partnership with CapMetro, the City of Austin, and other stakeholders.

### ▶ BOARD-APPROVED LIGHT RAIL APPROPRIATIONS

| YEAR         | APPROPRIATIONS |
|--------------|----------------|
| FY21         | \$36M          |
| FY22         | \$169M         |
| FY23         | -              |
| FY24         | \$33M          |
| <b>Total</b> | <b>\$238M</b>  |

### ▶ LIGHT RAIL CAPITAL SPEND

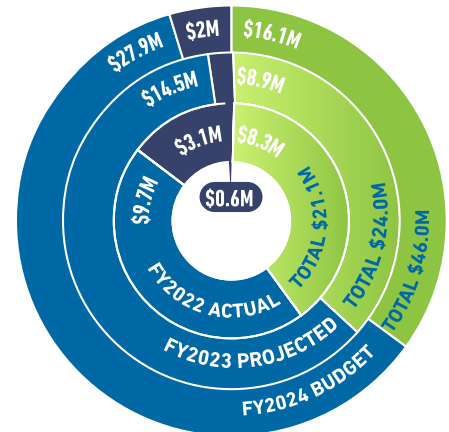
| YEAR             | SPEND         |
|------------------|---------------|
| FY21             | \$36M         |
| FY22             | \$48M         |
| FY23 (Projected) | \$39M         |
| FY24 (Projected) | \$115M        |
| <b>Total</b>     | <b>\$238M</b> |

### ▶ AUSTIN LIGHT RAIL FY24 SPENDING

FY24 planned spending totals \$115 million, which includes funding for professional service contracts to continue environmental analysis, advanced conceptual engineering, and program management support. In FY24, administrative expenses will be charged to Capital Projects instead of the Operating Fund to maximize ATP's allowable reimbursements from federal partners. Administrative expenses total \$46 million and include administrative costs associated with light rail management and oversight, such as labor, rent, utilities, IT expenses, and staff development, as well as legal, financial and risk/procurement advisory services. Also included is costs related to employee benefits, business insurance, information technology infrastructure, and expedited permit reviews.

### ▶ ADMINISTRATIVE EXPENSES BY FISCAL YEAR

| EXPENSE                       | FY22 ACTUAL    | FY23 ESTIMATE  | FY24 BUDGET    |
|-------------------------------|----------------|----------------|----------------|
| Personnel                     | \$8.3M         | \$8.9M         | \$16.1M        |
| Business Support Contracts    | \$9.7M         | \$14.5M        | \$27.9M        |
| Materials & Staff Development | \$3.1M         | \$0.6M         | \$2.0M         |
| <b>Total</b>                  | <b>\$21.1M</b> | <b>\$24.0M</b> | <b>\$46.0M</b> |





## ► STAFFING

The FY24 budget maintains the FY23 authorized staffing level of 87 positions, but strategically realigns some functions and positions to best support the organization's needs. It includes priority positions in procurement, quality assurance, safety, scheduling, document controls, and environmental planning.

As the delivery framework is solidified, additional staffing needs would require mid-year budget amendment approval from the Board.

## ► FY24 PAY & BENEFITS

ATP's interdisciplinary team brings a diverse range of expertise committed to the mission of the organization and responsive and accountable to our partners, both locally and federally. In order to recruit and retain this level of expertise, ATP offers a robust benefits packet that includes, but is not limited to, health care with vision and dental benefits, a 401(k) retirement plan that includes employer contributions, paid time off (to include paid parental leave), and tuition reimbursement.

## ► STAFFING COMPARISON, FY23-FY24<sup>1</sup>

| DEPARTMENT                             | FY23      | FY24      |
|----------------------------------------|-----------|-----------|
| Architecture & Urban Design            | 8         | 6         |
| Business & Legal Affairs               | 30        | 41        |
| Engineering & Construction             | 12        | 10        |
| Financial Services                     | 7         | 10        |
| Planning, Community & Federal Programs | 27        | 17        |
| Internal Audit                         | 3         | 3         |
| <b>Total</b>                           | <b>87</b> | <b>87</b> |



### CONTRACT PARTNERS PROVIDING SUPPORT

- HDR
- AECOM
- HNTB
- HUG (HKS, UNstudio & Gehl)
- Ernst & Young

<sup>1</sup> Communications and Community Engagement activities have been realigned to Business & Legal Affairs and Planning, Community & Federal Programs, respectively.







McKalla Station construction

## CAPMETRO PROJECTS

The ATP Board of Directors approved investments in CapMetro-led Project Connect elements, which include two MetroRapid bus lines and commuter rail. These three elements, MetroRapid Expo Center and Pleasant Valley routes and McKalla Rail Station, are fully appropriated and construction is underway. Funding for additional CapMetro-led projects will be appropriated via budget amendment alongside interlocal agreements approved by both the CapMetro and ATP Boards.

### ► CAPMETRO PROJECTS FUND SUMMARY

| CAPMETRO PROJECTS          | PRIOR YEAR APPROPRIATIONS | EST. SPEND THROUGH PRIOR YEAR | FY24 PROJECTED SPEND |
|----------------------------|---------------------------|-------------------------------|----------------------|
| McKalla Station            | \$25.0M                   | \$21.5M                       | \$3.5M               |
| MetroRapid Expo Center     | \$17.7M                   | \$8.8M                        | \$8.9M               |
| MetroRapid Pleasant Valley | \$18.0M                   | \$7.7M                        | \$10.3M              |
| <b>Total</b>               | <b>\$60.6M</b>            | <b>\$38.0M</b>                | <b>\$22.6M</b>       |

### ► MCKALLA STATION

McKalla Station is a new regional rail transit station being constructed as part of Project Connect and will provide increased transit options for the North Burnet area and at Q2 Stadium, Austin’s Major League Soccer stadium. The station will be located on the MetroRail Red Line between Braker Lane and Rutland Drive, along the east side of Q2 Stadium.

### ► NEW METRORAPID LINES

Plans for MetroRapid include an all-electric expanded bus service, newly designed stations, and an improved customer experience. MetroRapid Expo Center and Pleasant Valley routes will serve some of the highest ridership corridors in the CapMetro system. The Expo Center and Pleasant Valley routes are under construction and anticipated to open in 2025.

#### METRORAPID EXPO CENTER

- Approx. 12-mile route along Trinity St., San Jacinto Blvd., Manor Rd., and Loyola Ln.
- 44 stations served
- Local funding match of \$17.7 million fully appropriated via FY22 budget amendment

#### METRORAPID PLEASANT VALLEY

- Approx. 15-mile route along E. William Cannon, Pleasant Valley Rd., and Airport Blvd. corridors
- 43 stations served
- Local funding match of \$18.0 million appropriated via FY22 budget amendment



# ANTI-DISPLACEMENT INVESTMENTS

Proposition A includes \$300 million to prevent transportation investment-related displacement. Per an interlocal agreement (ILA) between ATP and the City, the City will be reimbursed for administration and implementation of the Project Connect Anti-Displacement Programs.

The City will use the funds:

- To acquire property for transit supportive development that preserves and/ or increases the amount of affordable housing near to the transit corridors.
- For financing tools and other anti-displacement strategies related to the implementation of Project Connect.

## ▶ ANTI-DISPLACEMENT ANTICIPATED EXPENDITURES

| EXPENDITURE                                    | FY23           | FY24           |
|------------------------------------------------|----------------|----------------|
| Land Acquisition, Preservation, Rehabilitation | \$13.5M        | \$23.0M        |
| Affordable Housing Development                 | \$5.5M         | \$16.0M        |
| Programs and Other Strategies                  | \$5.0M         | \$11.0M        |
| Staffing, Community Engagement, Marketing      | \$1.4M         | \$1.5M         |
| <b>Total Anticipated Spend</b>                 | <b>\$25.4M</b> | <b>\$51.5M</b> |

## ▶ ANTI-DISPLACEMENT UPDATES



**\$34M+**

Project Connect funds awarded<sup>1</sup>

<sup>1</sup> Through Austin Housing Finance Corporation (subsidiary)

**7 DEVELOPMENTS**



with

**986** INCOME RESTRICTED UNITS

in gentrifying areas near Project Connect

**IN CONSTRUCTION NOW**  
**LIBERTAD AUSTIN AT GARDNER**  
 a 198-unit multifamily development



**50 UNITS**

of Permanent Supportive Housing for families experiencing homelessness, in partnership with Caritas of Austin



**JUNE 2025**

est. completion date

## ▶ ANTI-DISPLACEMENT FUND SUMMARY

|                                         | FY22 ACTUAL  | FY23 BUDGET   | FY23 ESTIMATE | FY24 BUDGET    |
|-----------------------------------------|--------------|---------------|---------------|----------------|
| <b>Beginning Fund Balance</b>           | -            | \$65,000,000  | \$65,000,000  | \$74,600,000   |
| <b>Revenues</b>                         |              |               |               |                |
| <b>Transfer from Operating Fund</b>     | \$65,000,000 | \$35,000,000  | \$35,000,000  | \$20,000,000   |
| <b>Total Revenues</b>                   | \$65,000,000 | \$35,000,000  | \$35,000,000  | \$20,000,000   |
| <b>Expenditures</b>                     |              |               |               |                |
| <b>Services</b>                         | -            | \$41,000,000  | \$25,400,000  | \$51,500,000   |
| <b>Total Expenditures</b>               | -            | \$41,000,000  | \$25,400,000  | \$51,500,000   |
| <b>Total Revenues Less Expenditures</b> | \$65,000,000 | (\$6,000,000) | \$9,600,000   | (\$31,500,000) |
| <b>Reserved for Future Investments</b>  | \$65,000,000 | \$59,000,000  | \$74,600,000  | \$43,100,000   |

# DEPARTMENTAL OVERVIEW & OUTCOMES

## FY 2023-24 PRIORITY OUTCOMES

In FY24, ATP's strategic objectives encompass Federal Process, Design, and Community-focused outcomes, with a primary emphasis on solidifying the partnership with the Federal Transit Administration (FTA), advancing design and engineering efforts, and enhancing community engagement. This work will be completed mainly leveraging existing resources with HDR, HNTB, AECOM, Ernst & Young Infrastructure Advisors, HUG Joint Venture, which have all been previously approved by the ATP Board.

### ► FEDERAL PROCESS

FY24 will be primarily focused on continuing to advance the work needed to solidify ATP's partnership with the Federal Transit Administration (FTA). This includes the following:

- Completing the FTA's required steps for recognition as a federal grant recipient.
- Initiating the environmental analysis required by the National Environmental Policy Act (NEPA).
- Entering the Capital Improvement Grant (CIG) process to continue the path towards a Full Funding Grant Agreement for Austin Light Rail Phase 1.

### ► DESIGN

ATP will advance engineering and architectural efforts by leveraging the ATP Board-approved contracts for HDR, AECOM, HNTB, and HUG. This work will inform the environmental analysis to determine right of way needs and provide additional cost information to the ATP Board and staff.

### ► COMMUNITY

The FY24 Budget also includes new resources to enhance public involvement and community engagement efforts. A key focus by ATP will be to inform design principles with human centered design and user experiences as it relates to the transit environment.





## FY 2023-24 DEPARTMENT OVERVIEWS & OUTCOMES

### ► BUSINESS & LEGAL AFFAIRS

Business and Legal Affairs encompasses several key services and divisions of ATP, including Procurement and Contract administration, Real Estate, Legal Services, IT and Communications Services, Human Resources, and Board Relations.

#### DEPARTMENT OUTCOMES

- Recruit and retain the personnel necessary to deliver light rail in Austin.
- Finalize delivery and contracting strategy and develop the initial procurements.
- Complete and implement governance reforms recommended by the Board's governance assessment.
- Solicit and contract local communications resources to position Austin Light Rail for implementation with a priority on transparency and access to public information.

### ► ARCHITECTURE & URBAN DESIGN

Architecture and Urban Design's core mission is to ensure that ATP processes, services and products are developed around User Centered Design principles and ensures that the built environment for Austin Light Rail is pleasant, vibrant and instills a sense of civic pride in all Austinites.

#### DEPARTMENT OUTCOMES

- Advanced Concept Design for Stations and Typical System-wide Elements, including traction powered substations and communications facilities.
- Design Development of typical System design elements for a prototypical modular station design as well as iterations that can be applied to various stations in the system.
- Develop Sustainability Design Criteria, Guidelines, and an interactive toolkit to ensure implementation through project delivery and achieve agency goals.

#### BUSINESS & LEGAL AFFAIRS BUDGET

| COST CATEGORY              | FY23                | FY24                |
|----------------------------|---------------------|---------------------|
| Personnel                  | \$3,085,137         | \$7,156,820         |
| Business Support Contracts | \$10,164,090        | \$11,596,200        |
| Materials & Other Expenses | \$637,322           | \$1,112,810         |
| <b>Total Budget</b>        | <b>\$13,886,549</b> | <b>\$19,875,830</b> |
| FTE Count                  | 30                  | 41                  |

#### ARCHITECTURE & URBAN DESIGN BUDGET

| COST CATEGORY              | FY23               | FY24               |
|----------------------------|--------------------|--------------------|
| Personnel                  | \$971,748          | \$1,207,918        |
| Business Support Contracts | -                  | -                  |
| Materials & Other Expenses | \$79,600           | \$84,100           |
| <b>Total</b>               | <b>\$1,051,348</b> | <b>\$1,292,018</b> |
| FTE Count                  | 8                  | 6                  |





## ► ENGINEERING & CONSTRUCTION

Engineering and Construction leads all phases of light rail engineering efforts and will manage light rail construction with ATP's contracting partners. Engineering and Construction also manages integration of light rail program elements including design coordination; planning and design for operations and maintenance facilities; systems and vehicles planning; third party and utilities agreements; and program contract management.

### DEPARTMENT OUTCOMES

- Advance engineering and design to support activities related to NEPA and CIG, including the following:
  - » LRT design, including guideway, systems, and stations;
  - » Utility relocations; and
  - » Concept of operations planning to inform design requirements.

## ► FINANCIAL SERVICES

ATP's primary financial goal is to implement Austin Light Rail, as envisioned by its stakeholders, as efficiently and as effectively as possible. The Financial Services team is comprised of Budget, Treasury, Accounting, and Grant Management functions, all of which work in partnership to manage the public investment with transparency and accountability throughout the program.

### DEPARTMENT OUTCOMES

- Successfully establish ATP's credit profile, enhancing ATP's financial credibility and reliability. This will facilitate access to short- and long-term funding programs, enabling ATP to meet its financial requirements and objectives more effectively.
- Maintain a commitment to transparent reporting on the allocation and utilization of funds received by ATP.
- Provide consistent and satisfactory customer service to both internal and external stakeholders, promptly addressing needs.

### ENGINEERING & CONSTRUCTION BUDGET

| COST CATEGORY              | FY23               | FY24               |
|----------------------------|--------------------|--------------------|
| Personnel                  | \$1,874,008        | \$2,495,216        |
| Business Support Contracts | -                  | \$100,000          |
| Materials & Other Expenses | \$491,900          | \$110,300          |
| <b>Total</b>               | <b>\$2,365,908</b> | <b>\$2,705,516</b> |
| <b>FTE Count</b>           | 12                 | 10                 |

### FINANCIAL SERVICES BUDGET

| COST CATEGORY              | FY23               | FY24                |
|----------------------------|--------------------|---------------------|
| Personnel                  | \$1,044,243        | \$1,691,607         |
| Business Support Contracts | \$4,106,678        | \$10,161,303        |
| Materials & Other Expenses | \$66,450           | \$110,950           |
| <b>Total</b>               | <b>\$5,217,371</b> | <b>\$11,963,860</b> |
| <b>FTE Count</b>           | 7                  | 10                  |



## ► PLANNING, COMMUNITY & FEDERAL PROGRAMS

Planning, Community and Federal Programs comprise several key functions. The Program Controls team implements scheduling, cost reporting, and document controls. The Planning team leads environmental regulatory compliance and coordination to integrate transit service planning, land use planning, and equity, informed by public involvement. A key focus of the planning team is coordination with FTA on federal funding opportunities. The community participation and public involvement team works across the organization and in stride with ATP’s planning efforts for community-informed decision-making throughout light rail implementation.

### PLANNING, COMMUNITY & FEDERAL PROGRAMS BUDGET

| COST CATEGORY              | FY23               | FY24               |
|----------------------------|--------------------|--------------------|
| Personnel                  | \$2,027,944        | \$2,997,219        |
| Business Support Contracts | \$68,000           | \$625,000          |
| Materials & Other Expenses | \$587,600          | \$542,610          |
| <b>Total</b>               | <b>\$2,683,544</b> | <b>\$4,164,829</b> |
| FTE Count                  | 27                 | 17                 |

### DEPARTMENT OUTCOMES

- Successfully work with FTA to affirm grant eligibility, as first step of the federal funding process.
- Build on the community participation and public involvement program to provide transparency through regular information and opportunities for timely, meaningful input into the process.
- Complete environmental analysis on advanced conceptual engineering for public review.

## ► INTERNAL AUDIT

Internal Audit aims to help improve ATP’s governance, control, and risk management by providing objective audit and advisory services. Organizationally independent of ATP management, Internal Audit reports directly to the ATP Board and aims to strengthen ATP’s transparency and accountability for stewardship of government resources and the achievement of community goals.

### INTERNAL AUDIT BUDGET

| COST CATEGORY              | FY23             | FY24             |
|----------------------------|------------------|------------------|
| Personnel                  | \$276,445        | \$585,460        |
| Business Support Contracts | \$252,000        | \$120,000        |
| Materials & Other Expenses | \$29,210         | \$18,260         |
| <b>Total</b>               | <b>\$557,655</b> | <b>\$723,720</b> |
| FTE Count                  | 3                | 3                |

### DEPARTMENT OUTCOMES

- Enhance accountability and transparency by conducting constructive and helpful performance audits.
- Help build an ethical, community-driven, and improvement-focused culture by operating ATP’s ethics hotline and providing resources, guidance, and training to ATP staff.
- Continue to build an internal audit function and annual risk assessment process to address ATP’s critical risks and the Board’s expectations in adherence with the ATP Internal Audit Charter and quality standards mandated by the International Professional Practices Framework promulgated by the Institute of Internal Auditors.



# FUND SUMMARIES

## OPERATING FUND

|                                                                                                  | FY22 ACTUAL SPEND    | FY23 BUDGETED SPEND  | FY23 ESTIMATED SPEND | FY24 BUDGETED SPEND  |
|--------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Beginning Fund Balance</b>                                                                    | <b>\$211,992,931</b> | <b>\$19,855,174</b>  | <b>\$65,668,705</b>  | <b>\$147,964,834</b> |
| <b>Revenues</b>                                                                                  |                      |                      |                      |                      |
| Prop A Property Tax                                                                              | \$155,386,024        | \$158,970,567        | \$160,000,000        | \$166,000,000        |
| CapMetro <sup>1</sup>                                                                            | \$23,366,128         | \$30,000,000         | -                    | -                    |
| Investments & Other Income                                                                       | \$2,832,991          | \$3,924,235          | \$12,000,000         | \$21,000,000         |
| <b>Total Revenues</b>                                                                            | <b>\$181,585,143</b> | <b>\$192,894,802</b> | <b>\$172,000,000</b> | <b>\$187,000,000</b> |
| <b>Total Available Funds:</b>                                                                    | <b>\$393,578,074</b> | <b>\$212,749,976</b> | <b>\$237,668,705</b> | <b>\$334,964,834</b> |
| <b>Expenditures &amp; Transfers</b>                                                              |                      |                      |                      |                      |
| Administrative Expenses <sup>2</sup>                                                             | \$21,101,804         | \$35,552,489         | \$24,000,000         | -                    |
| Transfer to Operating Reserve                                                                    | -                    | \$20,000,000         | \$20,000,000         | -                    |
| Transfer to Anti-Displacement Fund                                                               | \$65,000,000         | \$35,000,000         | \$35,000,000         | \$20,000,000         |
| Transfer to Light Rail Capital Fund                                                              | \$169,207,681        | -                    | -                    | \$33,000,000         |
| Transfer to CapMetro Projects Fund <sup>3</sup>                                                  | \$72,599,884         | \$10,703,871         | \$10,703,871         | -                    |
| <b>Total Expenditures &amp; Transfers</b>                                                        | <b>\$327,909,369</b> | <b>\$101,256,360</b> | <b>\$89,703,871</b>  | <b>\$53,000,000</b>  |
| <b>Reserved for Future Project Needs</b><br>(Total Available Funds Net Expenditures & Transfers) | <b>\$65,668,705</b>  | <b>\$111,493,616</b> | <b>\$147,964,834</b> | <b>\$281,964,834</b> |
| <b>Operating Reserve</b>                                                                         | <b>-</b>             | <b>\$20,000,000</b>  | <b>\$20,000,000</b>  | <b>\$20,000,000</b>  |

- <sup>1</sup> CapMetro committed revenue will still be utilized for Project Connect projects but will remain with CapMetro.
- <sup>2</sup> To maximize ATP's allowable reimbursements from federal partners and grant opportunities, administrative expenses will be charged to Capital Projects instead of the Operating Fund in FY24.
- <sup>3</sup> CapMetro-led Project Connect projects will be appropriated via budget amendments along with interlocal agreements approved by both the CapMetro and ATP Boards.

# CAPITAL FUNDS

Funds appropriated within the Capital Funds (Light Rail Capital Fund, CapMetro Projects Fund and Anti-Displacement Investments Fund) are multi-year. The appropriated funds are available until either the funds are utilized or de-appropriated, which typically takes place at the end of the project lifecycle. The following Fund Summaries reflect appropriated dollars and expected spend within the respective fund.

## ► LIGHT RAIL CAPITAL FUND

|                                                                                                  | FY22 ACTUAL SPEND         | FY23 BUDGETED SPEND  | FY23 ESTIMATED SPEND | FY24 BUDGETED SPEND  |
|--------------------------------------------------------------------------------------------------|---------------------------|----------------------|----------------------|----------------------|
| <b>Beginning Fund Balance</b>                                                                    | -                         | \$121,679,548        | \$121,679,548        | \$82,000,000         |
| <b>New Appropriations</b>                                                                        |                           |                      |                      |                      |
| Transfer from Operating Fund                                                                     | \$169,207,681             | -                    | -                    | \$33,000,000         |
| <b>Total New Appropriations</b>                                                                  | <b>\$169,207,681</b>      | <b>-</b>             | <b>-</b>             | <b>\$33,000,000</b>  |
| <b>Total Available Appropriations</b>                                                            | <b>\$169,207,681</b>      | <b>\$121,679,548</b> | <b>\$121,679,548</b> | <b>\$115,000,000</b> |
| <b>Expenditures</b>                                                                              |                           |                      |                      |                      |
| Professional Services                                                                            | \$47,528,133 <sup>1</sup> | \$50,000,000         | \$39,679,548         | \$58,000,000         |
| Project Management                                                                               | \$26,445,521              | \$20,000,000         | \$23,529,548         | \$29,000,000         |
| Environmental Analysis                                                                           | -                         | \$0                  | \$1,850,000          | \$5,600,000          |
| Engineering Services                                                                             | \$19,657,906              | \$23,000,000         | \$6,000,000          | \$9,900,000          |
| Architectural Services                                                                           | -                         | \$3,000,000          | \$7,800,000          | \$7,600,000          |
| ROW/REA Consulting                                                                               | -                         | \$4,000,000          | \$500,000            | \$5,900,000          |
| Right-of-Way & Real Estate Acquisitions                                                          | -                         | -                    | -                    | \$11,000,000         |
| Pre-Acquisition Activities                                                                       | -                         | -                    | -                    | \$11,000,000         |
| Administrative Expenses <sup>2</sup>                                                             | -                         | -                    | -                    | \$46,000,000         |
| Personnel                                                                                        | -                         | -                    | -                    | \$16,134,240         |
| Business Support Contracts                                                                       | -                         | -                    | -                    | \$27,876,730         |
| Materials & Other Expenses                                                                       | -                         | -                    | -                    | \$1,989,030          |
| <b>Total Expenditures</b>                                                                        | <b>\$47,528,133</b>       | <b>\$50,000,000</b>  | <b>\$39,679,548</b>  | <b>\$115,000,000</b> |
| <b>Reserved for Future Project Needs</b><br>(Total Available Funds Net Expenditures & Transfers) | <b>\$121,679,548</b>      | <b>\$71,679,548</b>  | <b>\$82,000,000</b>  | <b>-</b>             |

1 Certain costs incurred under the Commercial, Risk and Project Delivery Advisory Services contract were capitalized and moved to the Light Rail Capital Fund as part of the year-end FY22 audit.

2 To maximize ATP's allowable reimbursements from federal partners and grant opportunities, administrative expenses will be charged to Capital Projects instead of the Operating Fund in FY24.

► **CAPMETRO PROJECTS FUND**

|                                                                                                  | <b>FY22 ACTUAL SPEND</b> | <b>FY23 BUDGETED SPEND</b> | <b>FY23 ESTIMATED SPEND</b> | <b>FY24 BUDGETED SPEND</b> |
|--------------------------------------------------------------------------------------------------|--------------------------|----------------------------|-----------------------------|----------------------------|
| <b>Beginning Fund Balance</b>                                                                    | -                        | \$60,263,134               | \$60,263,134                | \$40,475,187               |
| <b>New Appropriations</b>                                                                        |                          |                            |                             |                            |
| Transfer from Operating Fund                                                                     | \$72,599,884             | \$10,703,871               | \$10,703,871                | -                          |
| <b>Total New Appropriations</b>                                                                  | <b>\$72,599,884</b>      | <b>\$10,703,871</b>        | <b>\$10,703,871</b>         | <b>-</b>                   |
| <b>Total Available Appropriations</b>                                                            | <b>\$72,599,884</b>      | <b>\$70,967,005</b>        | <b>\$70,967,005</b>         | <b>\$40,475,187</b>        |
| <b>Expenditures</b>                                                                              |                          |                            |                             |                            |
| MetroRapid Expansion                                                                             | \$8,834,295              | \$24,799,301               | \$12,947,038                | \$19,135,976               |
| Red Line Improvements                                                                            | \$3,478,710              | -                          | \$15,327,252                | \$3,509,874                |
| Other CapMetro Projects                                                                          | \$23,745                 | -                          | \$2,217,528                 | -                          |
| <b>Total Expenditures</b>                                                                        | <b>\$12,336,750</b>      | <b>\$24,799,301</b>        | <b>\$30,491,818</b>         | <b>\$22,645,850</b>        |
| <b>Reserved for Future Project Needs</b><br>(Total Available Funds Net Expenditures & Transfers) | <b>\$60,263,134</b>      | <b>\$46,167,704</b>        | <b>\$40,475,187</b>         | <b>\$17,829,337</b>        |

► ANTI-DISPLACEMENT INVESTMENTS FUND

|                                                                                                  | FY22 ACTUAL SPEND   | FY23 BUDGETED SPEND  | FY23 ESTIMATED SPEND | FY24 BUDGETED SPEND |
|--------------------------------------------------------------------------------------------------|---------------------|----------------------|----------------------|---------------------|
| Beginning Fund Balance                                                                           | -                   | \$65,000,000         | \$65,000,000         | \$74,600,000        |
| <b>New Appropriations</b>                                                                        |                     |                      |                      |                     |
| Transfer from Operating Fund                                                                     | \$65,000,000        | \$35,000,000         | \$35,000,000         | \$20,000,000        |
| <b>Total New Appropriations</b>                                                                  | <b>\$65,000,000</b> | <b>\$35,000,000</b>  | <b>\$35,000,000</b>  | <b>\$20,000,000</b> |
| <b>Total Available Appropriations</b>                                                            | <b>\$65,000,000</b> | <b>\$100,000,000</b> | <b>\$100,000,000</b> | <b>\$94,600,000</b> |
| <b>Expenditures</b>                                                                              |                     |                      |                      |                     |
| Anti-Displacement Services                                                                       | -                   | \$41,000,000         | \$25,400,000         | \$51,500,000        |
| <b>Total Expenditures</b>                                                                        | <b>-</b>            | <b>\$41,000,000</b>  | <b>\$25,400,000</b>  | <b>\$51,500,000</b> |
| <b>Reserved for Future Project Needs</b><br>(Total Available Funds Net Expenditures & Transfers) | <b>\$65,000,000</b> | <b>\$59,000,000</b>  | <b>\$74,600,000</b>  | <b>\$43,100,000</b> |

# APPENDIX

## FINANCIAL POLICIES

The Government Finance Officers Association considers the adoption of financial policies to be a best practice in that they “are central to a strategic, long-term approach to financial management.” Well-written policies can institutionalize good financial management practices, help the organization avoid unnecessary risk, support favorable bond ratings to reduce the cost of borrowing, and clearly communicate the policy framework within which staff is working.

### ► ACCOUNTING POLICIES

1. ATP will establish accounting practices that conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) for governmental entities.
2. ATP’s annual financial report will be audited by an independent certified public accounting firm and will be issued no later than six months following the end of the fiscal year. The annual report will include a government-wide Statement of Net Position and a government-wide Statement of Activities, which are accounted for on a full-accrual accounting basis and an economic-resources focus, using accounting methods similar to those used by private-sector companies. ATP’s annual report will also include fund financial statements that provide more detailed information about ATP’s most significant funds, rather than for the entity as a whole.
3. The audit firm will report the results of the annual audit to ATP’s Finance and Risk Advisory Committee within 60 days after the issuance of the annual report. The Chief Financial Officer will ensure the timely resolution of audit recommendations as applicable.
4. The internal Auditor shall be responsible for conducting financial and performance audits. The Executive Director shall be responsible for establishing a process to ensure timely resolution of audit recommendations.
5. Only assets with a value of at least \$10,000 and a life of at least four years shall be capitalized. Capital assets shall be recorded at cost and depreciated over their useful lives using the straight-line method.
6. All grants and other federal and state funds will be managed to comply with grantor’s laws, regulations, and guidance.
7. Grant revenue will be recognized when all eligibility requirements have been met. The grantor will retain a reversionary interest in the capital asset over the estimated useful life of that asset.

Station view near University of Texas campus  
Artist Conceptual Rendering







## ► BUDGET POLICIES

1. A five-year financial forecast will be prepared in advance of construction, projecting revenue and expenditures. The forecast will be used as a planning tool in developing the following year's budget.
2. The Board shall adopt an annual budget no later than its September board meeting immediately preceding the start of the fiscal year. The approved budget will be made available for public review at least 21 days prior to the board meeting.
3. Budget accountability rests primarily with individual departments. Department EVPs will review budget variances on a quarterly basis with ATP's Financial Services Manager. Significant budget variances will be further evaluated by the Financial Services Manager and the responsible EVP to determine whether remedial action is required. If remedial action is required, the Financial Services Manager will make recommendations to the Chief Financial Officer to address the variance.
4. Quarterly reports on year-to-date spending compared to budget will be provided to the Board; such reports will be reported no later than 45 days after the close of each quarter, with the 4th Quarter report reported no later than 60 days after the close of the year.

## ► RESERVE & CONTINGENCY POLICIES

1. A Revenue Reserve of at least 180 days of administrative expenses shall be budgeted annually and used for unanticipated events that reduce or delay revenue collection. Funds shall be allocated from the Revenue Reserve by the ATP Board through a budget amendment. Funds shall be allocated each year in the budget process to replace any use of the Revenue Reserve during the preceding fiscal year to maintain the balance of the Revenue Reserve at the level set above.
2. Reserves and contingencies may be set aside periodically for specific future purposes. These funds are to be used at the discretion of the Chief Financial Officer.

## ► DEBT MANAGEMENT POLICIES

1. ATP shall establish a sinking fund to ensure that cash is available to make timely debt service payments.
2. Refunding of outstanding debt obligation should produce overall positive net present value savings of at least approximately 4.25% of the refunded par.
3. ATP shall issue debt by selling bonds competitively, by negotiated sale, or through private placements. The method of sale shall be determined prior to the issuance of debt and will be dependent on market conditions.
4. ATP shall use competitive procurement methods to select professional firms in the bond issuance process.
5. The term of debt obligations issued by ATP should be equal to or less than the useful life of the item being financed.
6. ATP may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable state and federal laws.



Station View at Oltorf  
Artist Conceptual Rendering

## GLOSSARY

**APPROPRIATION:** The legal device by which a governing body authorizes the spending of government funds for specific purposes. Operating appropriations are approved for a single fiscal year, but capital improvement appropriations are multi-year and remain in place until exhausted.

**BOND:** A debt instrument that requires repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate.

**BOND ISSUANCE:** The process where a taxing entity sells bonds as a means of borrowing capital for projects. The taxing entity then repays this debt to the lender over a period of time similar to the manner in which a homeowner pays a mortgage.

**CAPITAL BUDGET:** A plan of proposed projects or investments for fixed assets (primarily infrastructure) and the means of financing them. The annual capital budget is the primary means by which most of the acquisition and construction activities for facilities and major improvements of a government occur.

**EXPENDITURE:** A decrease in net financial resources. They include current operating expenses that require the current or future use of net current assets, debt service, and capital outlay.

**FISCAL YEAR (FY):** A 12-month period for which an organization plans the use of its funds, which does not necessarily correspond to a calendar year. The fiscal year adopted by Austin Transit Partnership is from October 1 through September 30.

**FULL-TIME EQUIVALENT (FTE):** A position converted to the decimal equivalent of a full-time position based on a 2,080-hours-per-year work schedule.

**FUND BALANCE:** Fund Balance is the cash on hand used to pay monthly operating costs, such as salaries, staff health costs, fuel, supplies, utilities, and other expenses.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):** The established standards that guide how financial statements are prepared and presented, such as what items should be recognized, what amounts should be reported for each of the elements, what line items should be included, how items should be aggregated, and what specific information is most important.

**GRANT:** Revenue from another government body or organization, usually in support of a specific program or function.

**INTERLOCAL AGREEMENT (ILA):** A contractual agreement between two or more governmental entities to provide a governmental function or service that each party to the contract is authorized to perform individually. Governed by Chapter 791 of the Texas Government Code.

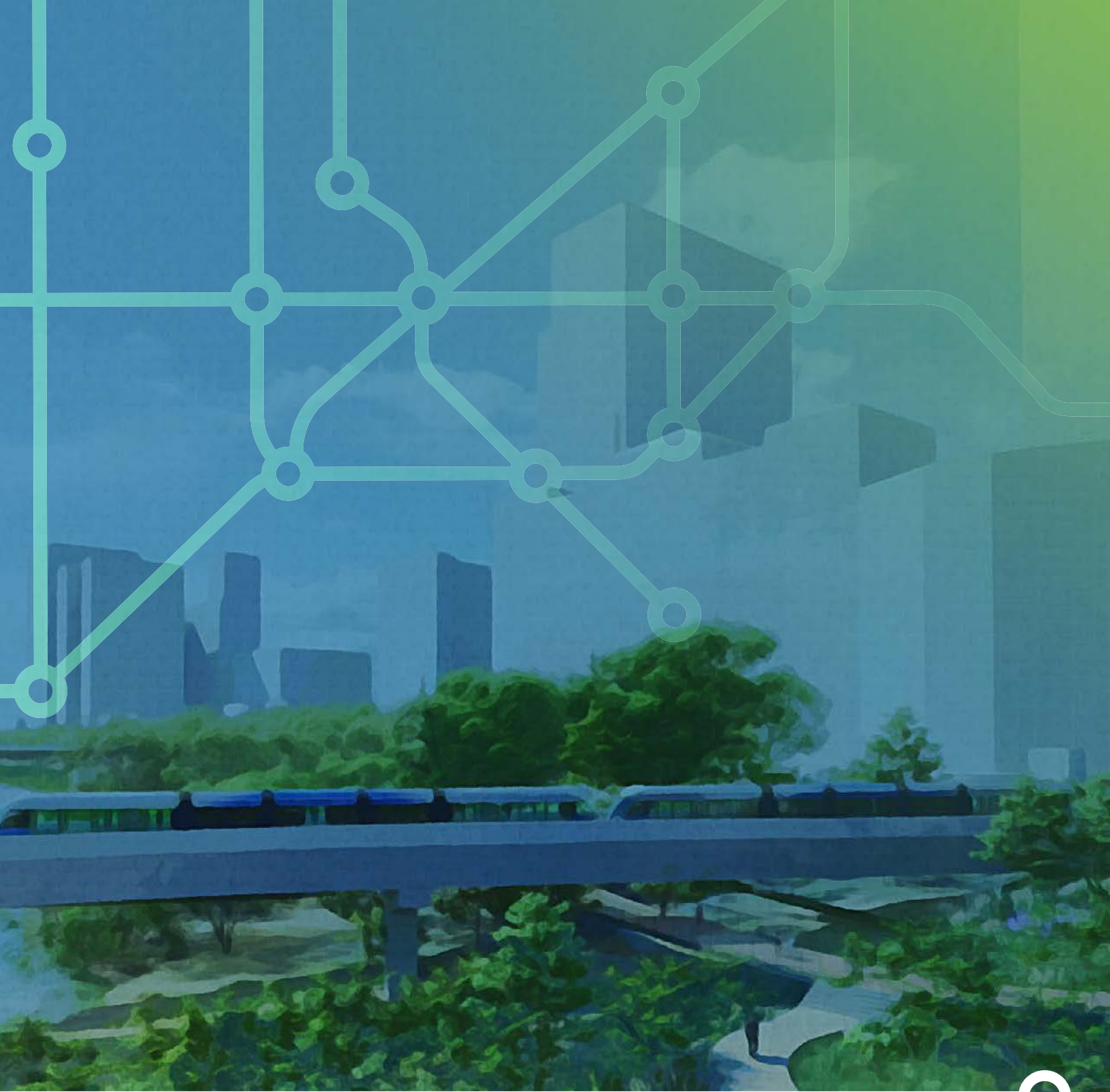
**LOCAL GOVERNMENT CORPORATION (LGC):** A local government corporation may be created under Texas Transportation Code Chapter 431 to aid and act on behalf of one or more local governments to accomplish any governmental purpose of those local governments. A local government corporation has the powers of a transportation corporation authorized for creation by the Texas Transportation Commission, which among other powers, includes the power to issue bonds and notes.

**RESERVE:** An account in which a portion of the fund balance is set aside for a future use and which is, therefore, not available for further appropriation or expenditure.

**REVENUE:** The income generated from taxes, fees, payments, grants, and other revenue. Also includes transfers from other governmental entities.

**TRANSFER:** The authorized exchange of cash or other resources between funds, departments, accounts, or other entities. Must include a revenue-to-expense transaction.





**AUSTIN  
TRANSIT**  
PARTNERSHIP

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*Austin Transit Partnership Board of Directors Resolution*  
*Meeting Date: 9/20/2023*  
*ATP-2023-016*  
*Resolution Approving the ATP Fiscal Year 2024 Budget*

**Subject:** Approval of a resolution adopting the Fiscal Year 2024 Budget.

**Fiscal Impact:** Establishes the FY2024 Budget at \$115,000,000 with new appropriations totaling \$53,000,000 and authorizes 87.0 full-time equivalent employees.

**Responsible Department:** Finance.

**Executive Summary:** Austin Transit Partnership (“ATP”) requires an approved budget for FY2024 to authorize expenditures necessary to oversee and finance the acquisitions, construction, equipping, and operations and maintenance of Austin’s rapid transit system. The ATP FY2024 budget totals \$115,000,000, comprised of \$58,000,000 for professional services, \$11,000,000 for right-of-way and real estate pre-acquisition activities, and \$46,000,000 for administrative expenses, which includes funding for 87.0 full-time equivalent positions. \$82,000,000 remains available from prior year capital appropriations, so this budget includes \$33,000,000 in new appropriations to fully fund the \$115,000,000 light rail budget. This budget also approves new appropriations totaling \$20,000,000 for transit-supportive anti-displacement investments.

**Procurement Summary:** None.

**Disadvantaged Business Enterprise Program Summary:** Does not apply.



**RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP  
BOARD OF DIRECTORS**

STATE OF TEXAS  
COUNTY OF TRAVIS

**Resolution ID: ATP-2023-016**

***Resolution Approving the ATP Fiscal Year 2024 Budget***

**WHEREAS**, Austin Transit Partnership staff has developed a budget for Fiscal Year 2024 to fund the expenditures necessary to oversee and finance the acquisition, construction, equipping, and operations and maintenance of Project Connect during the next fiscal year;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of ATP that the ATP Fiscal Year 2024 budget is hereby adopted, including amendments, attached hereto as Exhibit A.

A handwritten signature in blue ink, appearing to read "Brandon Carr", written over a horizontal line.

**Brandon Carr  
Secretary of the Board**

A handwritten date "9/20/23" in blue ink, written over a horizontal line.

**Date**



## 8. Three Years of A-133 Reports

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ATP Fiscal Year 2021 Audited Annual Financial Report

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

ATP New Recipient Submittal Package



**To:** Austin Transit Partnership Board  
**From:** Greg Canally, Chief Financial Officer/Chief Development Officer  
**Date:** March 21, 2022  
**Subject:** ATP Fiscal Year 2021 Audited Annual Financial Report

---

Attached you will find Austin Transit Partnership's (ATP) Fiscal Year 2021 Audited Annual Financial Report. As noted on page 4 the Auditor, RSM US LLP, expressed the opinion that ATP's financial statements are presented fairly in all material aspects. As per our Financial Policy, the Auditor will present the results of the audit to the Finance and Risk Committee on May 10, 2022.

Completion of the first set of financial statements is a significant milestone for ATP. As you know, these statements let stakeholders, such as potential grantors and investors, better understand ATP's financial situation and are essential to their decision-making process. I want to acknowledge the effort of Bryan Rivera, ATP Treasurer, and Diane Siler, ATP Budget Director, to ensure this Audit was completed.

As required by the Proposition A Property Tax Interlocal-Agreement with the City of Austin, this report is also being shared with the City.

If you have any questions regarding the report, please feel free to reach out to myself, Diane, or Bryan.

xc: Randy Clarke, Executive Director



(A Component Unit of the City of Austin, Texas)

# ANNUAL FINANCIAL REPORT

September 30, 2021

# TABLE OF CONTENTS

|         |                                                                                                                                                   |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 03..... | BOARD OF DIRECTORS                                                                                                                                |
| 04..... | INDEPENDENT AUDITOR'S REPORT                                                                                                                      |
| 06..... | MANAGEMENT'S DISCUSSION AND ANALYSIS                                                                                                              |
| 13..... | BASIC FINANCIAL STATEMENTS                                                                                                                        |
| 14..... | STATEMENT OF NET POSITION                                                                                                                         |
| 15..... | STATEMENT OF ACTIVITIES                                                                                                                           |
| 16..... | GOVERNMENTAL FUNDS BALANCE SHEET                                                                                                                  |
| 17..... | RECONCILIATION OF THE GOVERNMENTAL<br>FUNDS BALANCE SHEET TO THE<br>STATEMENT OF NET POSITION                                                     |
| 18..... | GOVERNMENTAL FUNDS STATEMENT OF<br>.....REVENUES, EXPENDITURES AND CHANGES<br>..... IN FUND BALANCES                                              |
| 19..... | RECONCILIATION OF THE STATEMENT OF<br>REVENUES, EXPENDITURES AND CHANGES IN<br>FUND BALANCE TO THE STATEMENT OF<br>ACTIVITIES                     |
| 20..... | NOTES TO FINANCIAL STATEMENTS                                                                                                                     |
| 33..... | REQUIRED SUPPLEMENTARY INFORMATION                                                                                                                |
| 34..... | SCHEDULE OF REVENUES, EXPENDITURES<br>.....AND CHANGES IN FUND BALANCE—<br>..... BUDGET TO ACTUAL—GENERAL FUND                                    |
| 35..... | SCHEDULE OF REVENUES, EXPENDITURES<br>.....AND CHANGES IN FUND BALANCE—<br>..... BUDGET TO ACTUAL—ANTI-DISPLACEMENT<br>..... SPECIAL REVENUE FUND |

# BOARD OF DIRECTORS



**Veronica Castro  
de Barrera  
Board Chair**



**Dr. Colette  
Pierce Burnette  
Vice Chair**



**Mayor  
Steve Adler  
Board Member**



**Eric Stratton  
Board Member**



**Tony Elkins  
Board Member**



**Gina Fiandaca  
Ex-Officio**





RSM US LLP

Board of Directors  
Austin Transit Partnership

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Austin Transit Partnership (ATP), a component unit of the City of Austin, as of and for the nine months ended September 30, 2021, and the related notes to the financial statements, which collectively comprise ATP's basic financial statements, as listed on the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ATP's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ATP's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of ATP as of September 30, 2021, and the respective changes in its financial position for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As described in Note 1, effective January 1, 2021, ATP began operations and the financial statements reflect nine months of operations. Our opinions are not modified with respect to this matter.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget to Actual—General Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget to Actual—Anti-Displacement Special Revenue Fund, as listed in the table of contents, as required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*RSM US LLP*

Austin, Texas  
February 25, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the financial statements of the Austin Transit Partnership (ATP) offers a narrative overview and analysis of the financial activities for the nine-month period ended September 30, 2021. The information contained within Management's Discussion and Analysis (MD&A) should be considered only part of a greater whole. The reader of these statements should take time to read and evaluate all sections of this report, including the footnotes and other supplementary information that is provided in addition to this MD&A.

## INTRODUCTION

On November 3, 2020, City of Austin (City) voters approved Proposition A, which provides a dedicated revenue stream through an increase in the City's property tax rate to fund Project Connect, a transformative transit expansion plan for Austin and its neighbors. Proposition A also authorized the creation of an independent board to oversee and finance the acquisitions, construction, equipment, and operations and maintenance of Project Connect. In anticipation of a successful election, the City and the Capital Metro Transportation Authority (Capital Metro) authorized the execution of an interlocal agreement creating the Austin Transit Partnership. ATP's Articles of Incorporation were signed by the Secretary of State on December 23, 2020, establishing ATP as an independent local government corporation, whose operations began on January 1, 2021.

The bylaws of ATP, as approved by the City and Capital Metro, established a five-member board jointly appointed by members of the City Council and the Capital Metro board. The Austin City Council and the Capital Metro board each appoint one representative, and the remaining three members will be community experts in the fields of finance, engineering and construction, and community planning or sustainability, appointed jointly by the City Council and the Capital Metro board. The ATP board will be responsible for oversight of the design, construction, financing and implementation of Project Connect, in partnership with the City and Capital Metro.

The financial statements included in this report are ATP's initial activities as a start-up organization that cover the first nine months of operations, from January 1, 2021 through September 30, 2021.

## Financial Highlights

ATP's initial activities during this nine-month period has focused on project development including engaging the community, establishing protocols for the construction of Project Connect, working with partners and contractors on the design of all elements of the plan, overseeing project management contracts, preparing documentation necessary to apply for Federal Transit Authority funding, refining cost estimates, and developing vehicle specifications in anticipation of solicitations.

- Net position was \$204.7 million as of September 30, 2021 (Table A-1)
- For the nine-month period ended September 30 2021, intergovernmental revenue was \$215.7 million. (Table A-2)
- Operating expenses were \$11.0 million for the nine-month period ended September 30, 2021 (Table A-2)
- Capital assets increased to \$35.8 million as of September 30, 2021 (Table A-2)

ATP's capital budget, as approved in the fiscal year 2021 budget, totaled \$59.7 million of which \$19.0 million will be spent in future years. As the design phase of light rail lines enters into the 30% design completion category, the cost for those lines will be published. As required per Section 4.4.1 of the Joint Power Agreement, executed by the City, Capital Metro and the ATP, a joint meeting shall be convened to review the implementation Sequence Plan based on the 30% design cost figures and it shall be discussed whether the implementation Sequence Plan requires adjustments.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to ATP's basic financial statements. ATP's basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

## **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities provide a broad overview of ATP's overall financial status. The Statement of Net Position presents financial information on all ATP's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in an entity's net position could be one indicator of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how ATP's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. These financial statements are prepared on the accrual basis of accounting and include capital assets, accounts receivable and payable, and long-term liabilities activity which should be considered to assess the financial health of ATP.

## **Fund Financial Statements**

The fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures, and Change in Fund Balance focus on how activities were financed in the short term, as well as what remains for future spending. Such information may be useful in assessing a government's near-term financing requirements. Capital assets and long-term liabilities are not reported in the governmental fund statements as they are not current resources and uses of funds, nor are unavailable general revenues.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the entity's near-term financing decisions. Both the fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



## Notes to Financial Statements

The notes to financial statements are an integral part of the government-wide and fund financial statements and provide essential information necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

### Required Supplementary Information

This Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget to Actual—General Fund represents financial information which provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Change in Net Position

Total net position may serve, over time, as a useful indicator of an entity's financial position. The total net position of ATP increased \$204.6 million for the nine-month period ended September 30, 2021.

Total asset balance is \$253.0 million as of September 30, 2021, due primarily to general revenue from interlocal agreements and the construction-related activity of Project Connect, which includes the design phase of the Blue and Orange light rail lines along with the related project management of the projects.

Total liabilities balance is \$48.4 million as of September 30, 2021, due primarily to accrued liabilities related to the ongoing construction in the amount of \$46.2 million.

**Statement of Net Position (Table A-1)**  
**September 30, 2021**

|                                             |                       |
|---------------------------------------------|-----------------------|
| <b>Assets</b>                               |                       |
| Current assets:                             |                       |
| Current and other assets                    | \$ 217,195,135        |
| Capital assets—nondepreciable               | 35,847,334            |
| <b>Total assets</b>                         | <u>\$ 253,042,469</u> |
| <br>                                        |                       |
| <b>Liabilities</b>                          |                       |
| Liabilities:                                |                       |
| Accounts payable                            | \$ 2,103,560          |
| Intergovernmental payable                   | 46,252,317            |
| <b>Total liabilities</b>                    | <u>\$ 48,355,877</u>  |
| <br>                                        |                       |
| <b>Net position</b>                         |                       |
| Investment in capital assets                | \$ 35,847,334         |
| Restricted for anti-displacement activities | 23,000,000            |
| Unrestricted                                | 145,839,258           |
| <b>Total net position</b>                   | <u>\$ 204,686,592</u> |

The following table represents the Statement of Activities and reflects the change in net position for the nine-month period ended September 30, 2021. The change in net position is primarily due to intergovernmental revenue. The intergovernmental revenue is made up of multiple interlocal agreements executed with the City of Austin and Capital Metro, which provided for combined interlocal agreement revenue of \$215.7 million. The total revenue was offset by expenses of \$11.0 million.

**Statements of Activities (Table A-2)**  
**For the Nine Months From January 1, 2021 Through September 30, 2021**

|                                                |                       |
|------------------------------------------------|-----------------------|
| <b>Revenue</b>                                 |                       |
| Program revenues                               | \$ 23,000,000         |
| General revenues                               |                       |
| Interlocal agreement revenue                   | 192,726,586           |
| Other income                                   | 6,690                 |
| Total operating revenue                        | <u>215,733,276</u>    |
| <br>                                           |                       |
| <b>Expenses</b>                                |                       |
| Austin Transit Partnership Services            | 6,191,027             |
| MetroRapid expansion                           | 2,386,526             |
| Redline improvements                           | 2,296,129             |
| Neighborhood circulators                       | 173,002               |
| Total expenses                                 | <u>11,046,684</u>     |
| <br>                                           |                       |
| <b>Change in net position</b>                  | 204,686,592           |
| <br>                                           |                       |
| <b>Net position at the beginning of period</b> | -                     |
| <b>Net position at the end of period</b>       | <u>\$ 204,686,592</u> |

ATP was created on December 18, 2020, and financial activity started as of January 1, 2021; accordingly, comparative amounts for the prior year have not been presented.

## GOVERNMENTAL FUND FINANCIAL ANALYSIS

The focus of the ATP's general fund is to provide information on near-term inflows, outflows, and balances of spendable resources.

As of the end of the current fiscal year, ATP's governmental fund reported ending fund balance of \$168.8 million. This change in fund balance increase is due to increased interlocal agreement revenue with the City and Capital Metro net of expenditures for ATP services and capital outlay. The fund balance includes \$23.0 million as restricted for anti-displacement program as required by the Interlocal Grant Agreement between the City and ATP related to Project Connect Anti-Displacement Program Expenditures.

## BUDGETARY HIGHLIGHTS

In the table below, budgeted revenues and expenditures are compared with actual figures (budgetary basis) for the current fiscal year. Revenue realized for fiscal year 2021 was \$6.0 million higher than budget largely due to higher-than-expected new property growth and a lower-than-expected delinquency rate. The majority of the variance between budget and actual for expenditures was due to spending on capital projects not occurring as quickly as anticipated.

**Schedule of Revenues, Expenditures and Changes in Fund Balances—  
Budget to Actual—General Fund  
For the Nine Months From January 1, 2021 Through September 30, 2021**

|                         | <b>Final Budget</b>   | <b>Actual Amounts</b> | <b>Variance</b>      |
|-------------------------|-----------------------|-----------------------|----------------------|
| Total revenue           | \$ 186,700,746        | \$ 192,733,276        | \$ 6,032,530         |
| Total expenditures      | 73,890,649            | 46,894,019            | 26,996,630           |
| Change in fund balances | <u>\$ 112,810,097</u> | <u>\$ 145,839,257</u> | <u>\$ 33,029,160</u> |

## CAPITAL ASSETS

At the end of 2021, the ATP reported \$35.8 million in invested in capital assets, see Note 4 for additional capital asset information. During nine-month period ended September 30, 2021, ATP started the design for the Orange and Blue light rail lines. Additionally, the capital budget also allows for specific enhancements to the Capital Metro transit system, as defined in the Project Connect System Plan.

## CONTACTING ATP'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of ATP's finances, comply with finance-related laws and regulations, and demonstrate ATP's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Austin Transit Partnership at 203 Colorado Street, Austin, Texas 78701.

# FINANCIAL STATEMENTS



**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Statement of Net Position**  
**September 30, 2021**

|                                             | <b>Governmental<br/>Activities</b> |
|---------------------------------------------|------------------------------------|
| <b>Assets</b>                               |                                    |
| Current assets:                             |                                    |
| Cash and cash equivalents                   | \$ 215,437,882                     |
| Other receivables                           | 295,013                            |
| Prepaid expenses                            | 1,349,760                          |
| Deposits held by others                     | 112,480                            |
| Capital assets—nondepreciable               | 35,847,334                         |
| <b>Total assets</b>                         | <b>\$ 253,042,469</b>              |
| <b>Liabilities</b>                          |                                    |
| Current liabilities:                        |                                    |
| Accounts payable                            | \$ 2,103,560                       |
| Intergovernmental payable                   | 46,252,317                         |
| <b>Total liabilities</b>                    | <b>48,355,877</b>                  |
| <b>Net position</b>                         |                                    |
| Investment in capital assets                | \$ 35,847,334                      |
| Restricted for anti-displacement activities | 23,000,000                         |
| Unrestricted                                | 145,839,258                        |
| <b>Total net position</b>                   | <b>\$ 204,686,592</b>              |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Statement of Activities**

For the Nine Months From January 1, 2021 Through September 30, 2021

|                                                | Expenses      | Charges for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Net (Expenses)<br>Revenue and<br>Change in Net<br>Position |
|------------------------------------------------|---------------|-------------------------|---------------------------------------------|-------------------------------------------|------------------------------------------------------------|
| <b>Functions/Programs</b>                      |               |                         |                                             |                                           |                                                            |
| Austin Transit Partnership Services            | \$ 6,191,027  | \$ -                    | \$ -                                        | \$ -                                      | \$ (6,191,027)                                             |
| Anti-displacement services                     | -             | -                       | 23,000,000                                  | -                                         | 23,000,000                                                 |
| MetroRapid expansion                           | 2,386,526     | -                       | -                                           | -                                         | (2,386,526)                                                |
| Redline improvements                           | 2,296,129     | -                       | -                                           | -                                         | (2,296,129)                                                |
| Neighborhood circulators                       | 173,002       | -                       | -                                           | -                                         | (173,002)                                                  |
| <b>Total</b>                                   | \$ 11,046,684 | \$ -                    | \$ 23,000,000                               | \$ -                                      | 11,953,316                                                 |
| <b>General revenues</b>                        |               |                         |                                             |                                           |                                                            |
| Interlocal agreement revenue                   |               |                         |                                             |                                           | 192,726,586                                                |
| Other income                                   |               |                         |                                             |                                           | 6,690                                                      |
| Total general revenues                         |               |                         |                                             |                                           | 192,733,276                                                |
| <b>Change in net position</b>                  |               |                         |                                             |                                           | 204,686,592                                                |
| <b>Net position at the beginning of period</b> |               |                         |                                             |                                           | -                                                          |
| <b>Net position at the end of period</b>       |               |                         |                                             |                                           | \$ 204,686,592                                             |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Governmental Funds Balance Sheet**  
**September 30, 2021**

|                                             | <b>Major Funds</b>    |                             | <b>2021</b>           |
|---------------------------------------------|-----------------------|-----------------------------|-----------------------|
|                                             | <b>General Fund</b>   | <b>Special Revenue Fund</b> |                       |
| <b>Assets</b>                               |                       |                             |                       |
| Current assets                              |                       |                             |                       |
| Cash and cash equivalents                   | \$ 192,437,882        | \$ 23,000,000               | \$ 215,437,882        |
| Other receivables                           | 295,013               | -                           | 295,013               |
| Prepaid expenses                            | 1,349,760             | -                           | 1,349,760             |
| Deposits held by others                     | 112,480               | -                           | 112,480               |
| Total current assets                        | <u>194,195,135</u>    | <u>23,000,000</u>           | <u>217,195,135</u>    |
| Total assets                                | <u>194,195,135</u>    | <u>23,000,000</u>           | <u>217,195,135</u>    |
| <b>Liabilities</b>                          |                       |                             |                       |
| Current liabilities:                        |                       |                             |                       |
| Accounts payable                            | 2,103,560             | -                           | 2,103,560             |
| Intergovernmental payable                   | 46,252,317            | -                           | 46,252,317            |
| Total current liabilities                   | <u>48,355,877</u>     | <u>-</u>                    | <u>48,355,877</u>     |
| Total liabilities                           | <u>48,355,877</u>     | <u>-</u>                    | <u>48,355,877</u>     |
| <b>Fund Balances</b>                        |                       |                             |                       |
| Nonspendable:                               |                       |                             |                       |
| Prepays                                     | 1,349,760             | -                           | 1,349,760             |
| Restricted for anti-displacement activities | -                     | 23,000,000                  | 23,000,000            |
| Unrestricted                                | 144,489,498           | -                           | 144,489,498           |
| Total fund balances                         | <u>145,839,258</u>    | <u>23,000,000</u>           | <u>168,839,258</u>    |
| Total liabilities and fund balances         | <u>\$ 194,195,135</u> | <u>\$ 23,000,000</u>        | <u>\$ 217,195,135</u> |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**September 30, 2021**

|                                                                                                                             |                              |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Total fund balances—total governmental funds                                                                                | \$ 168,839,258               |
| Capital assets used in governmental activities are not financial resources<br>and, therefore, are not reported in the funds | <u>35,847,334</u>            |
| Total net position—governmental activities                                                                                  | <u><u>\$ 204,686,592</u></u> |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances**  
**For the Nine Months From January 1, 2021 Through September 30, 2021**

|                                                             | <b>Major Funds</b>    |                             | <b>2021</b>           |
|-------------------------------------------------------------|-----------------------|-----------------------------|-----------------------|
|                                                             | <b>General Fund</b>   | <b>Special Revenue Fund</b> |                       |
| <b>Revenue</b>                                              |                       |                             |                       |
| City of Austin interlocal agreement                         | \$ 125,976,837        | \$ 23,000,000               | \$ 148,976,837        |
| Capital Metropolitan Transit Authority interlocal agreement | 66,749,749            | -                           | 66,749,749            |
| Other income                                                | 6,690                 | -                           | 6,690                 |
| Total revenue                                               | <u>192,733,276</u>    | <u>23,000,000</u>           | <u>215,733,276</u>    |
| <b>Expenditures</b>                                         |                       |                             |                       |
| ATP services                                                |                       |                             |                       |
| Professional services                                       | 3,152,425             | -                           | 3,152,425             |
| Salary and wages                                            | 2,260,602             | -                           | 2,260,602             |
| Leases and other                                            | 334,559               | -                           | 334,559               |
| Employee benefits                                           | 281,595               | -                           | 281,595               |
| Materials and supplies                                      | 99,985                | -                           | 99,985                |
| Other operating                                             | 32,188                | -                           | 32,188                |
| Casualty and liability                                      | 29,673                | -                           | 29,673                |
| MetroRapid expansion                                        | 2,386,526             | -                           | 2,386,526             |
| Redline improvements                                        | 2,296,129             | -                           | 2,296,129             |
| Neighborhood circulators                                    | 173,002               | -                           | 173,002               |
| Capital outlay                                              | 35,847,334            | -                           | 35,847,334            |
| Total expenditures                                          | <u>46,894,018</u>     | <u>-</u>                    | <u>46,894,018</u>     |
| <b>Change in fund balances</b>                              | 145,839,258           | 23,000,000                  | 168,839,258           |
| <b>Fund balances at the beginning of the period</b>         | -                     | -                           | -                     |
| <b>Fund balances at the end of period</b>                   | <u>\$ 145,839,258</u> | <u>\$ 23,000,000</u>        | <u>\$ 168,839,258</u> |

The accompanying notes are an integral part of the financial statements.



**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Nine Months From January 1, 2021 Through September 30, 2021**

|                                                          |                              |
|----------------------------------------------------------|------------------------------|
| Net change in fund balances—governmental funds           | \$ 168,839,258               |
| Governmental fund report capital outlays as expenditures | <u>35,847,334</u>            |
| Change in net position—governmental activities           | <u><u>\$ 204,686,592</u></u> |

The accompanying notes are an integral part of the financial statements.

# NOTES TO FINANCIAL STATEMENTS

## Note 1. Organization

**Reporting entity:** Austin Transit Partnership (ATP), a component unit of the City of Austin, Texas (the City), was created on December 18, 2020, pursuant to action taken by the City and the Capital Metropolitan Transportation Authority (Capital Metro). ATP was incorporated under the provisions of Subchapter D, Chapter 431, of the Texas Transportation Code, Chapter 394, of the Texas Local Government Code and Chapter 22, of the Business Organizations Code. ATP was established to complete Project Connect, a high-capacity transit system that ATP will design, construct, and implement in a manner independent of the City of Austin and Capital Metro. ATP will contract with the Capital Metro to operate and maintain assets funded by ATP. As reflected in Article IV (1-8) of the Articles of Incorporation, ATP has broad authority to accomplish the functions discussed above. Further, as provided by Resolution 20201218-002 approved by the City Council and Resolution AI-2020-1399 as approved by the Capital Metro board of directors, ATP and its corporate existence shall continue until the ATP board has determined by resolution that all its liabilities and bonds have been paid in full or such liabilities and bonds have otherwise been discharged and the purpose for which ATP was formed has been substantially met.

ATP is governed by a five-member board of directors consisting of one representative each from the City Council and Capital Metro board of directors and three community expert members appointed jointly by the City and Capital Metro.

To perform the function for which it was established, throughout fiscal year 2021, ATP utilized Capital Metro services and employees for certain functions. ATP reimbursed Capital Metro for these incurred costs.

ATP is presented as a discretely presented component unit of the City (legally separate from the City).

## Note 2. Summary of Significant Accounting Policies

This summary of significant accounting policies of ATP is presented to assist in understanding ATP's financial statements. The financial statements and notes are representations of ATP's management who is responsible for its integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Basis of presentation:** The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of ATP. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include (1) revenue generated by the ad valorem taxes levied by the City for ATP purposes and provided to ATP through an interlocal agreement with the City and funds contributed by Capital Metro through an interlocal agreement for the purposes of advancing Project Connect, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Measurement focus/basis of accounting:** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ATP considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Intergovernmental revenue/property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, except to the extent amounts are not collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by ATP. Charges for services consist of rental revenue and security services revenue which are recognized when earned.

**Intergovernmental Revenue**—As part of an Interlocal Agreement between the City and ATP, and pursuant to the Ballot Proposition put forth before the voters on November 3, 2020, \$0.0875 of the fiscal year 2021 voter approved tax rate of \$0.5335, per \$100 value, has been assigned to ATP to be used as a dedicated funding source for the ATP (such revenue is hereinafter referred to as the “Project Connect Tax Revenue”). Future year Project Connect Tax Revenue allocations will be determined pursuant to the Interlocal Agreement entered into with the City. The Project Connect Tax Revenue is for the development and implementation of Project Connect, including funding for transit-supportive anti-displacement strategies, and for the purpose of providing funding for a fixed rail system. The amount of intergovernmental revenue from the City totaled \$148,976,837 for 2021.

As part of the Interlocal Agreement, Capital Metro will support and provide certain funds to support Project Connect. The amount of intergovernmental revenue from Capital Metro totaled \$66,749,749 for 2021.

**Interlocal Agreement Expenditures**—As part of the Interlocal Agreement, the City agreed to provide ATP with the professional technical services necessary to assist with execution and implementation of Project Connect. Additionally, Capital Metro will also provide professional services including support functions in connection with the operation, implementation and maintenance of the assets funded by ATP and to perform certain other project-related services. At September 30, 2021, ATP Interlocal Agreement expenditures with the City and Capital Metro totaled \$115,943 and \$46,778,076 respectively.

**Fund accounting:** The accounts of ATP are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled.

ATP has the following major governmental funds:

General Fund – the general fund is the general operating fund of ATP. The fund is used to account for all financial resources that have been restricted for use by Project Connect except those required to be accounted for in another fund.

Special Revenue Fund – the special revenue fund is used to account for financial resources restricted for transit supportive anti-displacement activities.

**Cash, cash equivalents and investments:** For financial statement purposes, all highly liquid investments with original maturities of three months or less are considered cash equivalents. Investment income is allocated by specifically identifying amounts attributable to ATP.

**Intergovernmental receivable:** Funds generated as part of an Interlocal Agreement between the City and ATP, and pursuant to the Ballot Proposition put forth before the voters on November 3, 2020, are restricted for use by ATP are all considered collectible by management. The City must remit designated interlocal revenue, as defined in the Agreement, to ATP by November 20 and the Agreement encompasses the designated ad valorem taxes collected through September 30 for the current fiscal year.

**Prepaid expenses:** Prepaid expenses include prepaid rent and other miscellaneous prepaid expenses under operating agreements.

**Construction in progress:** ATP's mission is to implement the Project Connect System Plan, as more particularly described in the City's Resolution No. 20200610-02 and Capital Metro's Resolution No. AI-2020-1273. To accomplish its mission, ATP may apply for grants and issue bonds to finance various activities related to the construction and renovation projects for Project Connect to which ATP will construct. All Project Connect construction projects are recorded and reflected on the Statement of Net Position.

Other capital assets purchased or acquired by ATP (equipment and vehicles) with a value over \$5,000 are recorded at historical cost. Contributed assets are recorded at estimated acquisition value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred including improvements, renovations, and personal property included in lease agreements.

Depreciation on capital assets will be calculated on the straight-line basis over the estimated useful lives. As of September 30, 2021, ATP did not have any depreciable capital assets.



**Deferred outflows/inflows of resources:** In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. ATP does not have any qualified items that should be reported in this category in the government-wide Statement of Net Position for fiscal year 2021.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. ATP does not have any qualified items that should be reported in this category in the government-wide Statement of Net Position for fiscal year 2021.

**Long-term obligations:** In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. As of fiscal year 2021, ATP did not have any outstanding long-term obligations to report. As stipulated in ATP's Articles of Incorporation, ATP will be issuing bonds to finance the various cost with implementing Project Connect.

**Compensated leave:** Substantially all employees of ATP are eligible to receive compensation for vacations, holidays, illness and certain other qualifying leave. For certain kinds of leave, the number of days compensated is generally based on length of service. Vacation leave, which has been earned and vested, but not paid, has been accrued in the accompanying financial statements. Earned and vested sick leave for ATP administrative employees has been accrued at a maximum of 240 hours for those employees with five (5) continuous years of service.

**Income taxes:** ATP is an instrumentality of the state of Texas. As such, income earned in the exercise of its essential government functions is exempt from federal income taxes.

**Net position:** In the government-wide financial statements, net position represents the difference between total assets and total deferred outflows of resources, and total liabilities.

**Restricted net position:** Restricted net position consists of net position with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Fund balance:** As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance classifications are based primarily on the extent to which ATP is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances are classified as follows:

*Nonspendable:* Assets that are legally or contractually required to be maintained or are not in spendable form, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

*Restricted:* Assets with externally imposed constraints, such as those mandated by creditors, grantors, contributors, or laws and regulations. Restricted fund balance as of September 30, 2021, includes the funds for transit supportive anti-displacement strategies to be implemented by the City's Housing and Planning Department, as required per the ballot language approved by voters and the funds to be used for construction of Project Connect capital projects.

*Committed:* Amounts that can be used only for the specific purposes determined by a formal action, by way of board resolution, of ATP board of directors (ATP's highest level of decision-making authority).

*Assigned:* Comprises amounts that are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Directors have the authority to assign specific amounts for specific purposes.

*Unassigned:* This is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

ATP's policy is to fund outlays for a particular purpose from unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. ATP considers committed fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Use of estimates:** Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates employed.

### Note 3. Cash and Cash Equivalents

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes ATP to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity; addresses investment diversification, yield, and maturity; and addresses the quality and capability of investment personnel. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code.

ATP's Investment Policy was approved by the board of directors on December 15, 2021. As of September 30, 2021, ATP did not hold any investments.

Cash and cash equivalents held consisted of the following as of September 30, 2021:

- Cash deposits—\$215.4 million

**Custodial credit risk, deposits:** In the case of deposits, this is the risk that in the event of a bank failure, ATP's deposits may not be returned to it. Pursuant to the Investment Policy approved by the ATP board of directors on December 15, 2021, the policy requires any institution serving as a depository and/or safekeeping agent to enter into an agreement with ATP documenting the rights to the collateral in the event of default, bankruptcy, or closure. As of September 30, 2021, ATP's pooled deposits were not exposed to custodial credit risk since all were either covered by federal depository insurance or the collateral was held by ATP's agent in ATP's name.

#### Note 4. Capital Assets

ATP did not have any depreciable capital assets. The non-depreciable capital assets reported on the Statement of Net Position reflects work-in-progress for the Orange and Blue light rail lines, as defined in the Project Connect System Plan. As of September 30, 2021, the projects incurred \$35,847,334 in expenses related to preliminary design.

#### Note 5. Leases

ATP entered into a sublease agreement for administrative space on July 26, 2021, for a 66-month term. Additionally, a separate sublease agreement was entered into for furnished administrative space on August 8, 2021, for a 24-month term. This lease was entered into to allow for ATP to move into the space immediately while longer-term administrative space was being readied for occupancy. Future minimum payments on these operating leases are as follows:

Fiscal Years Ending September 30:

|      |    |           |
|------|----|-----------|
| 2022 | \$ | 1,158,086 |
| 2023 |    | 1,527,175 |
| 2024 |    | 1,419,093 |
| 2025 |    | 1,451,093 |
| 2026 |    | 1,847,200 |
| 2027 |    | 369,440   |

## Note 6. Risk Management

ATP is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. ATP maintains separate policies for directors and officers, employment practice liability, crime and property.

ATP is listed as an additional covered party under Capital Metro's General Liability and Workers' Compensation policies. Any coverage/claim expenses will apply to Capital Metro as the named covered party. The policy is provided by a commercial insurer purchased from independent third parties and through the Texas Municipal League ("TML") Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool (the "Pool") is considered a self-sustaining risk pool that provides coverage for its members. The self-insurance retention levels provide up to \$25,000 per occurrence for workers' compensation risks and up to \$3,000,000 per occurrence for general liability risks.

## Note 7. Pending Governmental Accounting Standards

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments.

This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Provisions of this statement are effective for financial statements for ATP fiscal year ending September 30, 2022. ATP is currently evaluating the impact this pronouncement will have on the financial statements

## Note 8. Commitments and Contingent Liabilities

**Capital Metro and City of Austin Interlocal Agreement (ILA):** ATP is designated as a joint local government corporation tasked with the responsibility to finance, design, build and implement the Project Connect System (Project Connect). To allow for the execution of Project Connect, ATP has executed various Interlocal Agreements with the City of Austin and Capital Metro.

**Capital Metro Shared Services ILA:** The agreement requires Capital Metro to provide support functions in connection with the operation, implementation, and maintenance of the assets funded by ATP and further to perform certain projects described in the agreement which may be periodically updated. For the nine-months ended September 30, 2021, Capital Metro provided professional services which included corporate support functions in the amount of \$6.2 million. Capital Metro has been tasked with implementing the MetroRapid, Red Line and Neighborhood Circulators projects as related to the Project Connect System Plan and has executed various contracts to fulfill this task. As related to the light rail lines, the Project Manager Owner Representative (PMOR) and design firm contracts for the Orange and Blue lines have been executed and entered into by Capital Metro. ATP provides reimbursement to Capital Metro for any charges incurred as it relates to these particular contracts. ATP has an associated intergovernmental payable to Capital Metro of \$46.2 million as of September 30, 2021.

**City of Austin Anti-Displacement ILA:** As listed in the Ballot measure approved by the voters, a major task of the project was to "...finance transit-supportive anti-displacement strategies related to Project Connect." An ILA was entered into with the City of Austin which requires for ATP to provide the City with \$300 million for Project Connect Anti-displacement programs. The IAL allows for funds to be used on projects consistent with the Ballot measure approved by the voters, which include, but are not limited to, implementing a displacement mitigation strategy, creating an Equity Assessment Tool, and acquiring land in gentrifying areas to preserve and expand affordable housing. The funding is to be provided the next 13 years as follows in increments of \$100 million in years 1-3, years 4-8, and years 9-13. ATP has a restricted fund balance of \$23 million for its commitment to the Anti Displacement Program as of September 30, 2021.



**City of Austin Project Connect Office ILA:** In addition to the Anti-Displacement ILA that was entered into with the City, an additional IAL was entered with the City to provide support functions to ATP. The City agreed to provide ATP with the professional technical services necessary to assist with the design review and permitting for the Project Connect System Plan as part of the National Environmental Policy Act ("NEPA") environmental review process. The professional services covered the following areas: permitting, utility coordination, design, equity, real estate, and environmental in lieu of standard City permitting procedure. The agreement established the initial amount not to exceed for \$400,000 for fiscal year 2021. Throughout fiscal year 2021, a total of \$115,943 in expenses were incurred.

### Note 9. Contingency

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the U.S., the State, and the City. Following the widespread release and distribution of various COVID-19 vaccines beginning in December 2020 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment except possibly in counties with an "area with high hospitalizations," where a county judge may impose COVID-19 related mitigation strategies.

Travis, Williamson, and Hays Counties are not currently “area[s] with high hospitalizations.” The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this document.

With the decrease in the number of active COVID-19 cases and the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that economic activity will continue or increase at the same rate, especially if there are future outbreaks of COVID-19. The COVID-19 pandemic may result in lasting changes in some businesses and social practices, which could affect business activity and revenues collected by the City and paid from ad valorem taxes. ATP cannot predict the long-term economic effect of COVID-19 or the effect of any future outbreak of COVID-19 or a similar virus on ATP’s operations or financial condition.

# REQUIRED SUPPLEMENTARY INFORMATION

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget to Actual—General Fund**  
**For the Nine Months From January 1, 2021 Through September 30, 2021**

|                                                             | <b>Final Budget</b>   | <b>Actual Amounts</b> | <b>Variance</b>      |
|-------------------------------------------------------------|-----------------------|-----------------------|----------------------|
| <b>Revenue</b>                                              |                       |                       |                      |
| City of Austin interlocal agreement                         | \$ 121,700,746        | \$ 125,976,837        | \$ 4,276,091         |
| Capital Metropolitan Transit Authority interlocal agreement | 65,000,000            | 66,749,749            | 1,749,749            |
| Other income                                                | -                     | 6,690                 | 6,690                |
| Total revenue                                               | <u>186,700,746</u>    | <u>192,733,276</u>    | <u>6,032,530</u>     |
| <b>Expenditures</b>                                         |                       |                       |                      |
| ATP services                                                |                       |                       |                      |
| Professional services                                       | 5,986,267             | 3,152,425             | 2,833,842            |
| Salary and wages                                            | 4,153,989             | 2,260,602             | 1,893,387            |
| Leases and other                                            | 1,186,909             | 334,559               | 852,350              |
| Employee benefits                                           | 931,150               | 281,595               | 649,555              |
| Materials and supplies                                      | 96,201                | 99,985                | (3,784)              |
| Other operating                                             | 1,689,667             | 32,188                | 1,657,479            |
| Casualty and liability                                      | 100,000               | 29,673                | 70,327               |
| Capital outlay                                              | 59,746,466            | 40,702,991            | 19,043,475           |
| Total expenditures                                          | <u>73,890,649</u>     | <u>46,894,018</u>     | <u>26,996,631</u>    |
| <b>Change in fund balance</b>                               | 112,810,097           | 145,839,258           | 33,029,161           |
| <b>Fund balance at the beginning of the period</b>          | -                     | -                     | -                    |
| <b>Fund balance at the end of period</b>                    | <u>\$ 112,810,097</u> | <u>\$ 145,839,258</u> | <u>\$ 33,029,161</u> |

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget to Actual—Anti-Displacement Special Revenue Fund**  
**For the Nine Months From January 1, 2021 Through September 30, 2021**

|                                                    | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance</u>      |
|----------------------------------------------------|---------------------|-----------------------|----------------------|
| <b>Revenue</b>                                     |                     |                       |                      |
| City of Austin interlocal agreement                | \$ 23,000,000       | \$ 23,000,000         | \$ -                 |
| Total revenue                                      | <u>23,000,000</u>   | <u>23,000,000</u>     | <u>-</u>             |
| <b>Expenditures</b>                                |                     |                       |                      |
| Anti-displacement initiatives                      | 23,000,000          | -                     | 23,000,000           |
| Total expenditures                                 | <u>23,000,000</u>   | <u>-</u>              | <u>23,000,000</u>    |
| <b>Change in fund balance</b>                      | -                   | 23,000,000            | 23,000,000           |
| <b>Fund balance at the beginning of the period</b> | -                   | -                     | -                    |
| <b>Fund balance at the end of period</b>           | <u>\$ -</u>         | <u>\$ 23,000,000</u>  | <u>\$ 23,000,000</u> |

## 8. Three Years of A-133 Reports

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ATP Fiscal Year 2022 Audited Annual Financial Report

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

ATP New Recipient Submittal Package





(A Component Unit of the City of Austin, Texas)

# ANNUAL FINANCIAL REPORT

September 30, 2022

# TABLE OF CONTENTS

|    |                                                                                                                                  |
|----|----------------------------------------------------------------------------------------------------------------------------------|
| 03 | BOARD OF DIRECTORS                                                                                                               |
| 04 | INDEPENDENT AUDITOR'S REPORT                                                                                                     |
| 06 | MANAGEMENT'S DISCUSSION AND ANALYSIS                                                                                             |
| 14 | BASIC FINANCIAL STATEMENTS                                                                                                       |
| 15 | STATEMENT OF NET POSITION                                                                                                        |
| 16 | STATEMENT OF ACTIVITIES                                                                                                          |
| 17 | GOVERNMENTAL FUNDS BALANCE SHEET                                                                                                 |
| 18 | RECONCILIATION OF THE GOVERNMENTAL<br>FUNDS BALANCE SHEET TO THE<br>STATEMENT OF NET POSITION                                    |
| 19 | GOVERNMENTAL FUNDS STATEMENT OF<br>REVENUES, EXPENDITURES AND CHANGES<br>IN FUND BALANCES                                        |
| 20 | RECONCILIATION OF THE STATEMENT OF<br>REVENUES, EXPENDITURES AND CHANGES IN<br>FUND BALANCE TO THE STATEMENT OF<br>ACTIVITIES    |
| 21 | NOTES TO FINANCIAL STATEMENTS                                                                                                    |
| 37 | REQUIRED SUPPLEMENTARY INFORMATION                                                                                               |
| 38 | SCHEDULE OF REVENUES, EXPENDITURES<br>AND CHANGES IN FUND BALANCE—<br>BUDGET TO ACTUAL—GENERAL FUND                              |
| 39 | SCHEDULE OF REVENUES, EXPENDITURES<br>AND CHANGES IN FUND BALANCE—<br>BUDGET TO ACTUAL—ANTI-DISPLACEMENT<br>SPECIAL REVENUE FUND |

# BOARD OF DIRECTORS

Veronica Castro de Barrera, Board  
Chair

Mayor Steve Adler, Board  
Member

Tony Elkins, Board Member

Jeffrey Travillion, Board Member

Dottie Watkins, Ex-Officio

Gina Fiandaca, Ex Officio



RSM US LLP

Board of Directors  
Austin Transit Partnership

### ***Opinions***

We have audited the financial statements of the governmental activities, and each major fund of Austin Transit Partnership (ATP), a component unit of the City of Austin, Texas as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise ATP's basic financial statements, as listed on the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ATP as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ATP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ATP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ATP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ATP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget to Actual—General Fund and the Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget to Actual—Anti-Displacement Special Revenue Fund, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*RSM US LLP*

Austin, Texas  
February 23, 2023

# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2022 (UNAUDITED)

ATP Management's Discussion and Analysis ("MD&A") is designed to provide a narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2022. Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished as listed on the table of contents, financial statements, related footnotes and other supplementary information that is provided in addition to this MD&A.

## Financial Highlights

ATP's initial activities during the year ending September 30, 2022 has focused on project development including engaging the community, establishing protocols for the construction of Project Connect, working with partners and contractors on the design of all elements of the plan, overseeing project management contracts, preparing documentation necessary to apply for Federal Transit Authority funding, refining cost estimates, and developing vehicle specifications in anticipation of solicitations.

- Assets exceeded liabilities at the close of the most recent fiscal year by \$351.3 million as net position. \$205.2 million of this amount, is unrestricted and may be used to meet ATP's ongoing obligations to citizens and creditors in accordance with ATP's fund designation and fiscal policies. (Table A-1)
- Total net position increased by \$146.6 million from fiscal year 2022 operations. (Table A-2)
- Operating expenses were \$34.9 million for the period ended September 30, 2022 (Table A-2)
- Capital assets and construction in progress, net of depreciation, increased from \$42.9 million to \$93.3 million as of September 30, 2022 (Table A-1). The beginning balance was restated by \$7.1 million due to the implementation of new accounting standard.



- Governmental funds reported combined ending fund balances of \$265.4 million. Approximately 24% of this amount, \$63.6 million is available for spending at ATP's discretion and in accordance with its overall mission to Project Connect (unassigned fund balance).
- The operating fund unassigned fund balance was \$63.6 million, or 76% of the operating fund's expenditures.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to ATP's basic financial statements. ATP's basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

## Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of ATP's financial status in a manner similar to a private-sector business. Both of these statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows.

The Statement of Net Position presents information on all of ATP's assets and liabilities, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, increases or decreases in net position could be one indicator of whether its financial health is improving or deteriorating. Other indicators of ATP's financial position should be taken into consideration, including the change in City of Austin's property tax base, as it directly affects ATP's proposition A revenues, in order to more accurately assess ATP's overall financial condition.

The Statement of Activities presents information showing how ATP's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods like earned but unused compensated absences. The statement includes all current year revenues and expenses and it focuses on both the gross and net costs of the ATP's various activities and thus summarizes the cost of providing specific programs.

The Statement of Net Position and Statement of Activities are prepared using the accrual basis of accounting, as opposed to the modified accrual basis, and include capital assets, accounts receivable and payable, and long-term liabilities activity which should be considered to assess the financial health of ATP.

The government-wide financial statements distinguish functions that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Interlocal Agreement revenues with the City of Austin (Proposition A funds) and Capital Metro provide the majority of ATP's financing.

## Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. ATP, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements such as state law or bond covenants.

In fiscal year 2022, ATP had two governmental funds and no proprietary or fiduciary funds;

- **General Operating Fund:** ATP as an entity was created with a specific purpose: to oversee and finance the acquisition, construction, equipping, and operations and maintenance for the rapid transit system; and finance the transit-supporting anti-displacement strategies related to Project Connect. This fund is used to track ATP's operating costs including general and administrative costs directly related to the corporate office and costs associated with the management and overseeing of the Project Connect rapid transit projects. They include labor, rent, utilities, computer software and maintenance, supplies, equipment, staff development, and professional services. Also included are reimbursements to Capital Metro and the City of Austin for support with marketing, information technology, grant requirements, and the expediting of permit reviews.
- **Anti-Displacement Fund:** This fund is a special revenue fund used to track monies dedicated to Project Connect's anti-displacement efforts. ATP funding approved on November 3, 2020 via Proposition A included \$300 million to prevent transportation investment-related displacement and ensure people of different incomes can benefit from the transportation investment. Per an ILA between ATP and the City, funds will be provided to the City on a reimbursement basis to administer and implement the Project Connect Anti-Displacement Programs. The City will use the funds:

- To acquire real property for transit supportive development that will preserve and/ or increase the amount of affordable housing proximate to the transit corridors, or
- For financing tools and other anti-displacement strategies related to the implementation of Project Connect.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures, and Change in Fund Balance focus on how activities were financed in the short term, as well as what remains for future spending. Such information may be useful in assessing a government's near-term financing requirements. Capital assets and long-term liabilities are not reported in the governmental fund statements as they are not current resources and uses of funds, nor are unavailable general revenues. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions.

Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## **Notes to Financial Statements**

The notes to financial statements are an integral part of the government-wide and fund financial statements and provide essential information necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

## Required Supplementary Information

This Management’s Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget to Actual—General Fund represents financial information which provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Change in Net Position

As noted earlier, net position may serve, over time, as a useful indicator of an entity’s financial position. The total net position of ATP increased \$146.6 million for the period ended September 30, 2022.

Total asset balance is \$384.6 million as of September 30, 2022, due primarily to general revenue from interlocal agreements and the construction-related activity of Project Connect, which includes the design phase of the Blue and Orange light rail lines along with the related project management of the projects.

Total liabilities balance is \$33.2 million as of September 30, 2022, due primarily to accrued liabilities related to the ongoing construction in the amount of \$24.4 million.

#### Statement of Net Position (Table A-1)

September 30, 2022

| <b>Assets</b>                               | <b>2022</b>           | <b>2021</b>           |
|---------------------------------------------|-----------------------|-----------------------|
| Current and other assets                    | \$ 291,588,943        | \$ 217,195,135        |
| Capital assets—nondepreciable               | 83,375,467            | 35,847,333            |
| Capital assets—depreciable                  | 9,665,180             | -                     |
| <b>Total assets</b>                         | <b>384,629,590</b>    | <b>253,042,468</b>    |
| <b>Liabilities:</b>                         |                       |                       |
| Accounts payable                            | 3,193,123             | 2,103,560             |
| Intergovernmental payable                   | 24,441,437            | 46,252,317            |
| Noncurrent liabilities                      | 5,642,128             | -                     |
| <b>Total liabilities</b>                    | <b>33,276,688</b>     | <b>48,355,877</b>     |
| <b>Net position</b>                         |                       |                       |
| Net investment in capital assets            | 77,395,350            | 35,847,334            |
| Restricted for anti-displacement activities | 65,000,000            | 23,000,000            |
| Unrestricted                                | 208,957,552           | 145,839,257           |
| <b>Total net position</b>                   | <b>\$ 351,352,902</b> | <b>\$ 204,686,591</b> |

The following table represents the Statement of Activities and reflects the change in net position for the period ended September 30, 2022. The change in net position is primarily due to intergovernmental revenue. The intergovernmental revenue is made up of multiple interlocal agreements executed with the City of Austin and Capital Metro, which provided for combined interlocal agreement revenue of \$181.6 million. The total revenue was offset by expenses of \$35.5 million.

**Statements of Activities (Table A-2)**  
**Year Ended September 30, 2022**

| <b>Revenue</b>                               | <b>2022</b>           | <b>2021</b>           |
|----------------------------------------------|-----------------------|-----------------------|
| Program revenues                             | \$ 42,000,000         | \$ 23,000,000         |
| General revenues                             |                       |                       |
| Interlocal agreement revenue                 | 136,816,152           | 192,726,586           |
| Investment income                            | 1,989,753             | -                     |
| Other service income                         | 843,238               | 6,690                 |
| Total operating revenue                      | <u>181,649,143</u>    | <u>215,733,276</u>    |
| <b>Expenses</b>                              |                       |                       |
| Austin Transit Partnership Services          | 22,646,082            | 6,191,028             |
| MetroRapid expansion                         | 8,834,295             | 2,386,526             |
| Redline improvements                         | 3,478,710             | 2,296,129             |
| MetroExpress                                 | 21,454                | -                     |
| Neighborhood circulators                     | 2,291                 | 173,002               |
| Total expenses                               | <u>34,982,832</u>     | <u>11,046,685</u>     |
| <b>Change in net position</b>                | 146,666,311           | 204,686,591           |
| <b>Net position at the beginning of year</b> | 204,686,591           | -                     |
| <b>Net position at the end of year</b>       | <u>\$ 351,352,902</u> | <u>\$ 204,686,591</u> |

ATP was created on December 18, 2020, and financial activity started as of January 1, 2021; accordingly, comparative amounts for the prior year presented a nine month period.

## GOVERNMENTAL FUND FINANCIAL ANALYSIS

The focus of the ATP's general fund is to provide information on near-term inflows, outflows, and balances of spendable resources.

As of the end of the current fiscal year, ATP's governmental fund reported ending fund balance of \$265.4 in support of its overall mission on Project Connect. The General fund account for all financial resources for use by Project Connect except for the dedicated funds for Anti-displacement. General Fund and the Special Revenue Fund total revenue exceeded total expenditures by \$54. 5 million and \$42 million, respectively. The increase in both funds is attributable to lower-than-

expected capital outlay and expenditures for its displacement program. The funding provided to the General Fund and Special Revenue Fund is due to the dedicated interlocal agreement revenue with the City and Capital Metro. The fund balance includes \$65.0 million as restricted for anti-displacement program as required by the Interlocal Grant Agreement between the City and ATP related to Project Connect Anti-Displacement Program Expenditures.

## BUDGETARY HIGHLIGHTS

ATP’s capital budget, as approved in the fiscal year 2022 budget, totaled \$241.8 million. As the design phase of light rail lines enters into the 30% design completion category, the cost for those lines will be published. As required per Section 4.4.1 of the Joint Power Agreement, executed by the City, Capital Metro and the ATP, a joint meeting shall be convened to review the implementation Sequence Plan based on the 30% design cost figures and it shall be discussed whether the implementation Sequence Plan requires adjustments.

In the table below, budgeted revenues and expenditures are compared with actual figures (budgetary basis) for the current fiscal year. Revenue realized for fiscal year 2022 was \$3.4 million higher than budget largely due to higher-than-expected new property growth and a lower-than-expected delinquency rate. The majority of the variance between budget and actual for expenditures was due to spending on capital projects not occurring as quickly as anticipated.

**Schedule of Revenues, Expenditures and Changes in Fund Balances—  
Budget to Actual—General Fund  
Year Ended September 30, 2022**

|                         | <b>Final Budget</b>     | <b>Actual Amounts</b> | <b>Variance</b>       |
|-------------------------|-------------------------|-----------------------|-----------------------|
| Total revenue           | \$ 136,147,547          | \$ 139,585,143        | \$ 3,437,596          |
| Total expenditures      | (277,508,650)           | (84,994,560)          | 192,514,090           |
| Change in fund balances | <u>\$ (141,361,103)</u> | <u>\$ 54,590,583</u>  | <u>\$ 195,951,686</u> |

## CAPITAL ASSETS

At the end of 2022, the ATP reported \$83.3 million in construction in progress. See Note 4 for additional capital asset information. During period ended September 30, 2022, ATP started the design for the Orange and Blue light rail lines. Additionally, the capital budget also allows for specific enhancements to the Capital Metro transit system, as defined in the Project Connect System Plan.



## LONG TERM LIABILITIES

As of September 30, 2022 ATP's total outstanding liabilities of \$5.6 million which consisted of lease payable and compensated absences of \$4.6 million and \$1.0 million, respectively.

## FUTURE ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The FY 2023 Budget reflects the continued effort on ATP's total commitment to the advancement of the Project Connect Program and Anti-displacement Program. The FY 2022–23 Budget, ATP's second full-year budget, totals \$90.6 million, with 39% of the funding, or \$35.0 million, budgeted for transit-supportive anti-displacement investments, 22% million to seed a new operating reserve with \$20.0 million, and the remaining 39% funding operating expenses. ATP's FY2023 total revenue is projected to be \$192.9 million. The interlocal agreement revenue represents approximately 20% of total O&M of the City of Austin property tax collected by the City of Austin (\$159 million) and Capital Metro contributions of \$30 million.

## CONTACTING ATP'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of ATP's finances, comply with finance-related laws and regulations, and demonstrate ATP's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Austin Transit Partnership at 203 Colorado Street, Austin, Texas 78701.



# FINANCIAL STATEMENTS

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Statement of Net Position**  
**September 30, 2022**

|                                                  | <b>Governmental<br/>Activities</b> |
|--------------------------------------------------|------------------------------------|
| <b>Assets</b>                                    |                                    |
| Current assets:                                  |                                    |
| Cash and cash equivalents                        | \$ 20,434                          |
| Intergovernmental and other receivables          | 175,774                            |
| Prepaid expenses                                 | 54,443                             |
| Noncurrent assets:                               |                                    |
| Investments                                      | 291,338,292                        |
| Capital assets—nondepreciable                    |                                    |
| Construction in Progress                         | 83,375,467                         |
| Capital assets—depreciable                       |                                    |
| Leases and leasehold improvements                | 10,700,759                         |
| Furniture and fixtures                           | 597,597                            |
| Accumulated amortization—leases and improvements | (1,618,947)                        |
| Accumulated depreciation                         | (14,229)                           |
| <b>Total assets</b>                              | <b>\$ 384,629,590</b>              |
| <b>Liabilities</b>                               |                                    |
| Current liabilities:                             |                                    |
| Accounts payable                                 | \$ 3,193,123                       |
| Intergovernmental payable                        | 24,441,437                         |
| Noncurrent liabilities                           |                                    |
| Due within one year                              | 1,633,250                          |
| Due more than one year                           | 4,008,878                          |
| <b>Total liabilities</b>                         | <b>33,276,688</b>                  |
| <b>Net position</b>                              |                                    |
| Net investment in capital assets                 | \$ 77,395,350                      |
| Restricted for anti-displacement activities      | 65,000,000                         |
| Unrestricted                                     | 208,957,552                        |
| <b>Total net position</b>                        | <b>\$ 351,352,902</b>              |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Statement of Activities**  
**Year Ended September 30, 2022**

|                                              | <b>Program Revenues</b> |                             |                                           |                                         |                                                          |
|----------------------------------------------|-------------------------|-----------------------------|-------------------------------------------|-----------------------------------------|----------------------------------------------------------|
|                                              | <b>Expenses</b>         | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> | <b>Net (Expenses) Revenue and Change in Net Position</b> |
| <b>Functions/Programs</b>                    |                         |                             |                                           |                                         |                                                          |
| Austin Transit Partnership Services          | \$ 22,646,082           | \$ -                        | \$ -                                      | \$ -                                    | \$ (22,646,082)                                          |
| Anti-displacement services                   | -                       | -                           | 42,000,000                                | -                                       | 42,000,000                                               |
| MetroRapid expansion                         | 8,834,295               | -                           | -                                         | -                                       | (8,834,295)                                              |
| Redline improvements                         | 3,478,710               | -                           | -                                         | -                                       | (3,478,710)                                              |
| MetroExpress                                 | 21,454                  | -                           | -                                         | -                                       | (21,454)                                                 |
| Neighborhood circulators                     | 2,291                   | -                           | -                                         | -                                       | (2,291)                                                  |
| <b>Total</b>                                 | <b>\$ 34,982,832</b>    | <b>\$ -</b>                 | <b>\$ 42,000,000</b>                      | <b>\$ -</b>                             | <b>7,017,168</b>                                         |
| <b>General revenues</b>                      |                         |                             |                                           |                                         |                                                          |
| Interlocal agreement revenue                 |                         |                             |                                           |                                         | 136,816,152                                              |
| Investment income                            |                         |                             |                                           |                                         | 1,989,753                                                |
| Other service income                         |                         |                             |                                           |                                         | 843,238                                                  |
| Total general revenues                       |                         |                             |                                           |                                         | 139,649,143                                              |
| <b>Change in net position</b>                |                         |                             |                                           |                                         | 146,666,311                                              |
| <b>Net position at the beginning of year</b> |                         |                             |                                           |                                         | 204,686,591                                              |
| <b>Net position at the end of year</b>       |                         |                             |                                           |                                         | \$ 351,352,902                                           |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Governmental Funds Balance Sheet**  
**September 30, 2022**

|                                             | <b>Major Funds</b>  |                                 | <b>Total<br/>Governmental<br/>Funds</b> |
|---------------------------------------------|---------------------|---------------------------------|-----------------------------------------|
|                                             | <b>General Fund</b> | <b>Special Revenue<br/>Fund</b> |                                         |
| <b>Assets</b>                               |                     |                                 |                                         |
| Cash and cash equivalents                   | \$ 20,434           | \$ -                            | \$ 20,434                               |
| Investments                                 | 226,338,292         | 65,000,000                      | 291,338,292                             |
| Intergovernmental and other receivables     | 175,775             | -                               | 175,775                                 |
| Prepaid expenses                            | 1,472,840           | -                               | 1,472,840                               |
| Deposits held by others                     | 121,060             | -                               | 121,060                                 |
| Total assets                                | 228,128,401         | 65,000,000                      | 293,128,401                             |
| <b>Liabilities</b>                          |                     |                                 |                                         |
| Current liabilities:                        |                     |                                 |                                         |
| Accounts payable                            | 3,193,123           | -                               | 3,193,123                               |
| Intergovernmental payable                   | 24,441,437          | -                               | 24,441,437                              |
| Total current liabilities                   | 27,634,560          | -                               | 27,634,560                              |
| Total liabilities                           |                     |                                 |                                         |
| <b>Deferred Inflows of Resources</b>        |                     |                                 |                                         |
| Unavailable - other revenue                 | 64,000              | -                               | 64,000                                  |
| <b>Fund Balances</b>                        |                     |                                 |                                         |
| Nonspendable:                               |                     |                                 |                                         |
| Prepays                                     | 1,472,840           | -                               | 1,472,840                               |
| Restricted for anti-displacement activities | -                   | 65,000,000                      | 65,000,000                              |
| Committed for Project Connect               | 134,761,134         | -                               | 134,761,134                             |
| Unassigned                                  | 64,195,867          | -                               | 64,195,867                              |
| Total fund balances                         | 200,429,841         | 65,000,000                      | 265,429,841                             |
| Total liabilities and fund balances         | \$ 228,128,401      | \$ 65,000,000                   | \$ 293,128,401                          |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**September 30, 2022**

|                                                                                                                          |           |                    |
|--------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| Total fund balances—total governmental funds                                                                             | \$        | 265,429,841        |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds |           |                    |
| Construction in Progress                                                                                                 |           | 83,375,467         |
| Leases and leasehold improvements                                                                                        |           | 10,700,759         |
| Furniture and fixtures                                                                                                   |           | 597,597            |
| Accumulated amortization—leases and improvements                                                                         |           | (1,618,947)        |
| Accumulated depreciation                                                                                                 |           | (14,229)           |
| Prepaid rent made to lessor capitalized as right to use asset                                                            |           | (1,539,458)        |
| Other long term asset not available to pay current period expenditures                                                   |           | 64,000             |
| Long term liabilities are not due and payable in the current period and, therefore, are not reported in the funds        |           |                    |
| Lease payable                                                                                                            |           | (4,697,931)        |
| Compensated absences                                                                                                     |           | (944,197)          |
| Total net position—governmental activities                                                                               | <u>\$</u> | <u>351,352,902</u> |

The accompanying notes are an integral part of the financial statements.



**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Year Ended September 30, 2022**

|                                                             | <b>Major Funds</b>    |                             | <b>2022</b>           |
|-------------------------------------------------------------|-----------------------|-----------------------------|-----------------------|
|                                                             | <b>General Fund</b>   | <b>Special Revenue Fund</b> |                       |
| <b>Revenue</b>                                              |                       |                             |                       |
| City of Austin interlocal agreement                         | \$ 113,386,024        | \$ 42,000,000               | \$ 155,386,024        |
| Capital Metropolitan Transit Authority interlocal agreement | 23,366,128            | -                           | 23,366,128            |
| Investment income                                           | 1,989,753             | -                           | 1,989,753             |
| Other services                                              | 843,238               | -                           | 843,238               |
| Total revenue                                               | <u>139,585,143</u>    | <u>42,000,000</u>           | <u>181,585,143</u>    |
| <b>Expenditures</b>                                         |                       |                             |                       |
| ATP services                                                |                       |                             |                       |
| Professional services                                       | 8,901,000             | -                           | 8,901,000             |
| Salary and benefits                                         | 8,212,705             | -                           | 8,212,705             |
| Facilities                                                  | 2,183,286             | -                           | 2,183,286             |
| Materials and supplies                                      | 207,371               | -                           | 207,371               |
| Other operating                                             | 564,755               | -                           | 564,755               |
| Casualty and liability                                      | 3,397                 | -                           | 3,397                 |
| Debt service                                                |                       |                             |                       |
| Principal                                                   | 873,649               | -                           | 873,649               |
| Interest                                                    | 30,513                | -                           | 30,513                |
| MetroRapid expansion                                        | 8,834,295             | -                           | 8,834,295             |
| Redline improvements                                        | 3,478,710             | -                           | 3,478,710             |
| MetroExpress                                                | 21,454                | -                           | 21,454                |
| Neighborhood circulators                                    | 2,291                 | -                           | 2,291                 |
| Capital outlay                                              | 51,681,134            | -                           | 51,681,134            |
| Total expenditures                                          | <u>84,994,560</u>     | <u>-</u>                    | <u>84,994,560</u>     |
| <b>Change in fund balances</b>                              | 54,590,583            | 42,000,000                  | 96,590,583            |
| <b>Fund balances at the beginning of the year</b>           | 145,839,258           | 23,000,000                  | 168,839,258           |
| <b>Fund balances at the end of year</b>                     | <u>\$ 200,429,841</u> | <u>\$ 65,000,000</u>        | <u>\$ 265,429,841</u> |

The accompanying notes are an integral part of the financial statements.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**Year Ended September 30, 2022**

|                                                                                                                                                                                                                                                              |           |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------|
| Net change in fund balances—governmental funds                                                                                                                                                                                                               | \$        | 96,590,583         |
| The effect of long term obligations including compensated absences                                                                                                                                                                                           |           | (944,196)          |
| Governmental fund report capital outlays as expenditures. The statement of activities reports the cost of these assets as depreciation expense over their estimated useful lives. This is the amount by which capital outlays exceeded depreciation expenses |           |                    |
| Capital outlay                                                                                                                                                                                                                                               |           | 51,681,134         |
| Amortization leasehold improvements                                                                                                                                                                                                                          |           | (134,166)          |
| Depreciation expense                                                                                                                                                                                                                                         |           | (14,229)           |
| The effect of lease related activity                                                                                                                                                                                                                         |           |                    |
| Lease asset amortization                                                                                                                                                                                                                                     |           | (1,484,781)        |
| Principal payments on lease                                                                                                                                                                                                                                  |           | 873,649            |
| Prepaid lease payments for right to use asset used at the fund level                                                                                                                                                                                         |           | 34,317             |
| Unavailable revenue not available to pay for current period expenditures                                                                                                                                                                                     |           | 64,000             |
| Change in net position—governmental activities                                                                                                                                                                                                               | <u>\$</u> | <u>146,666,311</u> |

The accompanying notes are an integral part of the financial statements.

# NOTES TO FINANCIAL STATEMENTS

## Note 1. Organization

**Reporting entity:** Austin Transit Partnership (ATP), a component unit of the City of Austin, Texas (the City), was created on December 18, 2020, pursuant to action taken by the City and the Capital Metropolitan Transportation Authority (Capital Metro). ATP was incorporated under the provisions of Subchapter D, Chapter 431, of the Texas Transportation Code, Chapter 394, of the Texas Local Government Code and Chapter 22, of the Business Organizations Code. ATP was established to complete Project Connect, a high-capacity transit system that ATP will design, construct, and implement in a manner independent of the City of Austin and Capital Metro. ATP will contract with the Capital Metro to operate and maintain assets funded by ATP. As reflected in Article IV (1-8) of the Articles of Incorporation, ATP has broad authority to accomplish the functions discussed above. Further, as provided by Resolution 20201218-002 approved by the City Council and Resolution AI-2020-1399 as approved by the Capital Metro board of directors, ATP and its corporate existence shall continue until the ATP board has determined by resolution that all its liabilities and bonds have been paid in full or such liabilities and bonds have otherwise been discharged and the purpose for which ATP was formed has been substantially met.

ATP is governed by a five-member board of directors consisting of one representative each from the City Council and Capital Metro board of directors and three community expert members appointed jointly by the City and Capital Metro.

To perform the function for which it was established, throughout fiscal year 2022, ATP utilized Capital Metro services and employees for certain functions. ATP reimbursed Capital Metro for these incurred costs.

ATP is presented as a discretely presented component unit of the City (legally separate from the City).

## Note 2. Summary of Significant Accounting Policies

This summary of significant accounting policies of ATP is presented to assist in understanding ATP's financial statements. The financial statements and notes are representations of ATP's management who is responsible for its integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Basis of presentation:** The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of ATP. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include (1) revenue generated by the ad valorem taxes levied by the City for ATP purposes and provided to ATP through an interlocal agreement with the City and funds contributed by Capital Metro through an interlocal agreement for the purposes of advancing Project Connect, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Measurement focus/basis of accounting:** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ATP considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures such as compensated absences, claims, and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Intergovernmental revenue/property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, except to the extent amounts are not collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by ATP. Charges for services consist of rental revenue and security services revenue which are recognized when earned.

**Intergovernmental Revenue**—As part of an Interlocal Agreement between the City and ATP, and pursuant to the Ballot Proposition put forth before the voters on November 3, 2020, \$0.0875 of the fiscal year 2021 voter approved tax rate of \$0.5335, per \$100 value, has been assigned to ATP to be used as a dedicated funding source for the ATP (such revenue is hereinafter referred to as the “Project Connect Tax Revenue”). Future year Project Connect Tax Revenue allocations will be determined pursuant to the Interlocal Agreement entered into with the City. The Project Connect Tax Revenue is for the development and implementation of Project Connect, including funding for transit-supportive anti-displacement strategies, and for the purpose of providing funding for a fixed rail system. The amount of intergovernmental revenue from the City totaled \$155.3 million for 2022.

As part of the Interlocal Agreement, Capital Metro will support and provide certain funds to support Project Connect. The amount of intergovernmental revenue from Capital Metro totaled \$23.3 million for 2022.

**Interlocal Agreement Expenditures**—As part of the Interlocal Agreement, the City agreed to provide ATP with the professional technical services necessary to assist with execution and implementation of Project Connect. Additionally, Capital Metro will also provide professional services including support functions in connection with the operation, implementation and maintenance of the assets funded by ATP and to perform certain other project-related services. At September 30, 2022, ATP Interlocal Agreement expenditures with the City and Capital Metro totaled \$2.1 million and \$1.7 million, respectively.

**Fund accounting:** The accounts of ATP are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled.

ATP has the following major governmental funds:

**General Fund** – the general fund is the general operating fund of ATP and its mission is to execution and implementation of Project Connect. The fund is used to account for all financial resources that have been committed to Project Connect except those required to be accounted for in another fund.

**Special Revenue Fund** – the special revenue fund is used to account for financial resources restricted for transit supportive anti-displacement activities. The anti-displacement activities have been budgeted but not started as of September 30, 2022.

**Cash, cash equivalents and investments:** For financial statement purposes, all highly liquid investments with original maturities of three months or less are considered cash equivalents. Investment income is allocated by specifically identifying amounts attributable to ATP.

**Investments:** ATP participates in TexPool and the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). Texas CLASS was created as a local



government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

The Texas Legislature authorized the State Treasurer to incorporate a special-purpose trust corporation in 1986 called the Texas Treasury Safekeeping Trust Company (Texas Trust). The Texas Trust created the Texas Local Government Investment Pool Prime (TexPool Prime) as a public funds investment pool. The operations of the State Treasury, including the Texas Trust, were merged with the State Comptroller of Public Accounts (State Comptroller). The administrative and investment services to TexPool Prime are provided by Federated Hermes, Inc. (Federated Hermes) under an agreement with the Texas Trust

In accordance with the Governmental Accounting Standard Board (GASB) Statement No. 79 *Accounting Standards Codification on Accounting and Financial Reporting for Certain Investments for External Investment Pools* and pool participants have the option to measure these investment pools at amortized cost rather than fair value if certain criteria are met. TexPool opted to report at amortized cost and Texas CLASS measure their investments at fair value using NAV.

**Intergovernmental receivable:** Funds generated as part of an Interlocal Agreement between the City and ATP, and pursuant to the Ballot Proposition put forth before the voters on November 3, 2020, are restricted for use by ATP are all considered collectible by management. The City must remit designated interlocal revenue, as defined in the Agreement, to ATP by November 20 and the Agreement encompasses the designated ad valorem taxes collected through September 30 for the current fiscal year.

**Prepaid expenses:** Prepaid expenses include prepaid rent and other miscellaneous prepaid expenses under operating agreements.

**Construction in progress:** ATP’s mission is to implement the Project Connect System Plan, as more particularly described in the City’s Resolution No. 20200610-02 and Capital Metro’s Resolution No. AI-2020-1273. To accomplish its mission, ATP may apply for grants and issue bonds to finance various activities related to the construction and renovation projects for Project Connect to which ATP will construct. All Project Connect construction projects are recorded and reflected on the Statement of Net Position.

Other capital assets purchased or acquired by ATP (equipment and vehicles) with a value over \$5,000 are recorded at historical cost. Contributed assets are recorded at estimated acquisition value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred including improvements, renovations, and personal property included in lease agreements.

Depreciation and amortization on capital assets will be calculated on the straight-line method over the following estimated useful lives.

| <u>Assets</u>           | <u>Governmental<br/>Activities</u> |
|-------------------------|------------------------------------|
| Furniture and fixtures  | 5-7                                |
| Leases and improvements | 4-5                                |

**Intergovernmental Payable:** ATP is designated as a joint local government corporation tasked with the responsibility to finance, design, build and implement the Project Connect System (Project Connect). To allow for the execution of Project Connect, ATP has executed various Interlocal Agreements with the City of Austin and Capital Metro.

**Deferred outflows/inflows of resources:** In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. ATP does not have any qualified items that should be reported in this category in the government-wide Statement of Net Position for fiscal year 2022.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. ATP does not have any qualified items that should be reported in this category in the government-wide Statement of Net Position for fiscal year 2022 but included amounts at the fund level which are reported as deferred inflows due to the availability of the revenue.

**Leases:** Effective with the year ended September 30, 2022, ATP adopted GASB Statement No. 87, *Leases* which defines ATP's criteria for the reporting of leasing arrangement as the right to use an underlying asset as a Lessor or Lessee.

As lessee, ATP recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset as defined by the Standard. The right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. ATP calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

As a lessee or lessor, ATP does not consider variable lease payments in the lease liability and lease receivable calculations but are recognized as outflows of resources in the period in which the obligation was incurred. For lease contracts that are short-term, ATP recognizes short-term lease payments as outflows of resources (expenses) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

**Long-term obligations:** In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. As of fiscal year 2022, outstanding long-term liabilities consist of lease payable and compensated absences. As stipulated in ATP's Articles of Incorporation, ATP will be issuing bonds to finance the various cost with implementing Project Connect.

**Compensated leave:** Substantially all employees of ATP are eligible to receive compensation for vacations, holidays, illness and certain other qualifying leave. For certain kinds of leave, the number of days compensated is generally based on length of service. Vacation leave, which has been earned and vested, but not paid, has been accrued in the government-wide statements. Earned and vested sick leave for ATP administrative employees has been accrued at a maximum of 240 hours for those employees with five (5) continuous years of service. The liabilities and expenditures are reported on the modified accrual basis in the governmental fund financial statements.

**Income taxes:** ATP is an instrumentality of the state of Texas. As such, income earned in the exercise of its essential government functions is exempt from federal income taxes. However, ATP has been established as public charity under the Internal Revenue Code (IRC) Section 501 ( c ) (3) and is required to annually file with the Internal Revenue Service.

**Net position:** In the government-wide financial statements, net position represents the difference between total assets and total deferred outflows of resources, and total liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

**Restricted net position:** Restricted net position consists of net position with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net position is a balance that is not restricted or part of net investment in capital assets.

**Fund balance:** As prescribed by Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance classifications are based primarily on the extent to which ATP is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances are classified as follows:

*Nonspendable:* Assets that are legally or contractually required to be maintained or are not in spendable form, such as fund balance associated

with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

*Restricted:* Assets with externally imposed constraints, such as those mandated by creditors, grantors, contributors, or laws and regulations. Restricted fund balance as of September 30, 2022, includes the funds for transit supportive anti-displacement strategies to be implemented by the City's Housing and Planning Department, as required per the ballot language approved by voters and the funds to be used for construction of Project Connect capital projects.

*Committed:* Amounts that can be used only for the specific purposes determined by a formal action, by way of board resolution, of ATP board of directors (ATP's highest level of decision-making authority).

*Assigned:* Comprises amounts that are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Directors have the authority to assign specific amounts for specific purposes.

*Unassigned:* This is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

ATP's policy is to fund outlays for a particular purpose from unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. ATP considers committed fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Use of estimates:** Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates employed.

**Restatement:** Effective with the year ended September 30, 2022, ATP adopted Statement No. 87 *Leases*. The effects of adopting GASB Statement No. 87 were as follows on the Statement of Net Position and no impact at the governmental fund level:

|                                        | <b>Statement of Net Position</b> |                           |                               |
|----------------------------------------|----------------------------------|---------------------------|-------------------------------|
|                                        | Beginning<br>Balance             | Impact of<br>new standard | Restated<br>Beginning balance |
| Prepaid lease                          | \$ 1,573,774                     | (1,573,774)               | \$ -                          |
| Intangible right to use-building lease | -                                | 7,145,354                 | 7,145,354                     |
| Lease payable                          | -                                | (5,571,580)               | (5,571,580)                   |

### Note 3. Cash and Cash Equivalents

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes ATP to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity; addresses investment diversification, yield, and maturity; and addresses the quality and capability of investment personnel. The Investment Policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code. ATP's Investment Policy was approved by the board of directors on December 15, 2021. As of September 30, 2022, the cash, cash equivalents and investments held consisted of the following as of September 30, 2022:

- Cash deposits—\$20 thousand
- TexPool—\$84.1 million
- TexPool Prime—\$107.0 million
- Texas CLASS—\$100.3 million



ATP categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other observable inputs; Level 3 inputs are unobservable inputs.

Certain external investment pools and pool participants have an option to measure these investment pools at amortized cost rather than fair value if certain criteria are met. Investment measured at cost and at NAV are excluded from fair value hierarchy reporting. As of September 30, 2022, the TexPool and TexPool Prime balance of \$191.1 million is valued using amortized cost and Texas CLASS of \$100.3 million is valued using NAV.

**Custodial credit risk and concentration of credit risk:** The custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits, investment or collateral securities that are in the possession of an outside party. Concentration of credit risk is the loss attributed to the magnitude of a government's investment in a single issuer. ATP's Investment Policy requires diversification of its portfolio by investment types and requires any institution serving as a depository and/or safekeeping agent to enter into an agreement with ATP documenting the rights to the collateral in the event of default, bankruptcy, or closure. As of September 30, 2022, ATP's external investments pool balances are not subject to custodial credit risk and concentration of credit risk.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. ATP's policy indicates that a public funds investment pool must be continuously rated no lower than AAA, AAA-m or at an equivalent rating by at least one nationally recognized rating service. At September 30, 2022, ATP balances held in TexPool, TexPool Prime and Texas CLASS are rated AAAM by Standard & Poor's.

**Interest rate risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. ATP's policy is to maintain its investment in external investment pools to allow for its liquidity needs. At September 30, 2022, the Investment Pools of TexPool Prime, TexPool and Texas CLASS have a dollar weighted average maturity of all securities of 14, 21 and 24 days, respectively.

## Note 4. Capital Assets

The non-depreciable capital assets reported on the Statement of Net Position reflects work-in-progress for the Orange and Blue light rail lines, as defined in the Project Connect System Plan. Capital Assets and work-in-progress are as follows as of September 30, 2022:

| Capital Assets                                  | Restated             | Transfers         |             | September 30, 2022   |
|-------------------------------------------------|----------------------|-------------------|-------------|----------------------|
|                                                 | October 1, 2021      | Additions         | Retirements |                      |
| Capital assets not being depreciated:           |                      |                   |             |                      |
| Land and Improvement                            | \$ -                 | -                 | -           | \$ -                 |
| Construction in progress                        | 35,847,334           | 47,528,133        | -           | 83,375,467           |
| Total capital assets not being depreciated      | 35,847,334           | 47,528,133        | -           | 83,375,467           |
| Depreciable Capital Assets:                     |                      |                   |             |                      |
| Furniture and fixtures                          | -                    | 597,597           | -           | 597,597              |
| Intangible right to use-building lease          | 7,145,355            | -                 | -           | 7,145,355            |
| Leashold improvements                           | -                    | 3,555,404         | -           | 3,555,404            |
| Total depreciable capital assets                | 7,145,355            | 4,153,001         | -           | 11,298,356           |
| Less: accumulated depreciation and amortization |                      |                   |             |                      |
| Accumulated depreciation Furniture and fixtures | -                    | (14,229)          | -           | (14,229)             |
| Accumulated amortization leasehold improvements | -                    | (134,166)         | -           | (134,166)            |
| Accumulated amortization leases                 | -                    | (1,484,781)       | -           | (1,484,781)          |
| Total accumulated depreciation and amortization | -                    | (1,633,176)       | -           | (1,633,176)          |
| Total depreciable capital assets, net           | 7,145,355            | 2,519,825         | -           | 9,665,180            |
| <b>Total capital assets</b>                     | <b>\$ 42,992,689</b> | <b>50,047,958</b> | <b>-</b>    | <b>\$ 93,040,647</b> |

As part of providing the Austin Transit Partnership services function, the total depreciation and amortization for the period ending September 30, 2022 is \$1.6 million.

## Note 5. Long term liabilities

The following schedule summarizes total long-term liabilities for the year ended September 30, 2022:

| Description                        | October 1, 2021     | Additions        | Retirements      | September 30, 2022  | Due Within One Year |
|------------------------------------|---------------------|------------------|------------------|---------------------|---------------------|
| Governmental Activities            |                     |                  |                  |                     |                     |
| Lease payable                      | \$ 5,571,580        | -                | (873,649)        | \$ 4,697,931        | \$ 1,358,499        |
| Compensated absences               | -                   | 1,055,724        | (111,527)        | 944,197             | 274,751             |
| <b>Total long term liabilities</b> | <b>\$ 5,571,580</b> | <b>1,055,724</b> | <b>(985,176)</b> | <b>\$ 5,642,128</b> | <b>\$ 1,633,250</b> |

Note 6. Leases

ATP entered into two sublease agreements for administrative space that have term dates through December 2026. As of September 30, 2022, the future minimum payment on these lease agreements with related interest payments are as follows:

| Fiscal year | Principal        | Interest      |
|-------------|------------------|---------------|
| 2023        | 1,358,498        | 28,094        |
| 2024        | 1,400,459        | 18,634        |
| 2025        | 1,442,255        | 8,839         |
| 2026        | 496,719          | 721           |
|             | <u>4,697,931</u> | <u>56,288</u> |

As disclosed in the capital asset footnote, the total amount of intangible right to use lease assets on September 30, 2022, is \$7,145,355 with the related accumulated amortization of \$1,618,947. As of September 30, 2022, ATP did not report outflows attributable to variable payments, residual value guarantees, or termination penalties payments not previously included in the measurement of the lease liability.

Note 7. Risk Management

ATP is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. ATP maintains separate policies for directors and officers, employment practice liability, crime and property.

ATP is listed as an additional covered party under Capital Metro’s General Liability and Workers’ Compensation policies. Any coverage/claim expenses will apply to Capital Metro as the named covered party. The policy is provided by a commercial insurer purchased from independent third parties and through the Texas Municipal League (“TML”) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool (the “Pool”) is considered a self-sustaining risk pool that provides coverage for its members. The self-insurance retention levels provide up to \$25,000 per occurrence for workers’ compensation risks and up to \$3,000,000 per occurrence for general liability risks.

## Note 8. Pending Governmental Accounting Standards

*New Accounting Pronouncements Issued Not Yet Adopted:* The GASB has issued several new accounting pronouncements, which will be effective for ATP in future fiscal years. A description of the new accounting pronouncements are described below:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements ("SBITAs")*, issued May 2020, will be effective for ATP beginning with its fiscal year ending September 30, 2023, with earlier adoption encouraged. Statement No. 96 requires the recognition of SBITAs as an intangible right-to-use subscription asset with a corresponding subscription liability. Under this statement, a lessee is required to recognize a SBITA lease liability and an intangible right-to-use SBITA lease asset, and a lessor is required to recognize a lease SBITA receivable and a deferred inflow of resources.

*GASB Statement No. 100, Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62, issued June 2022, will be effective for ATP beginning with its fiscal year ending September 30, 2024, with earlier adoption encouraged. Statement No. 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

*GASB Statement No. 101, Compensated Absences*, issued June 2022, will be effective for ATP beginning with its fiscal year ending September 30, 2025, with earlier adoption encouraged. Statement No. 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the

leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences.

ATP is currently evaluating the impact this pronouncement will have on the financial statements.

## Note 9. Commitments and Contingent Liabilities

**Capital Metro and City of Austin Interlocal Agreement (ILA):** ATP is designated as a joint local government corporation tasked with the responsibility to finance, design, build and implement the Project Connect System (Project Connect). To allow for the execution of Project Connect, ATP has executed various Interlocal Agreements with the City of Austin and Capital Metro.

**Capital Metro Shared Services ILA:** The agreement requires Capital Metro to provide support functions in connection with the operation, implementation, and maintenance of the assets funded by ATP and further to perform certain projects described in the agreement which may be periodically updated. For the period ended September 30, 2022, Capital Metro provided professional services which included corporate support functions in the amount of \$1.7 million. Capital Metro has been tasked with implementing the MetroRapid, Red Line and Neighborhood Circulators projects as related to the Project Connect System Plan and has executed various contracts to fulfill this task. As related to the light rail lines, the Project Manager Owner Representative (PMOR) and design firm contracts for the Orange and Blue lines have been executed and entered into by Capital Metro. ATP provides reimbursement to Capital Metro for any charges incurred as it relates to these particular contracts. ATP has an associated intergovernmental payable to Capital Metro of \$24.6 million as of September 30, 2022.

**City of Austin Anti-Displacement ILA:** As listed in the Ballot measure approved by the voters, a major task of the project was to "...finance transit-supportive anti-displacement strategies related to Project Connect." An ILA was entered into with the City of Austin which requires for ATP to provide the City with \$300 million for Project Connect Anti-displacement programs. The IAL allows for funds to be used on projects consistent with the Ballot measure approved by the voters, which include, but are not limited to, implementing a displacement mitigation strategy, creating an Equity Assessment Tool, and acquiring land in gentrifying areas to preserve and expand affordable housing. The funding is to be provided the next 13 years as follows in increments of \$100 million in years 1-3, years 4-8, and years 9-13. ATP has a restricted fund balance of \$65 million for its commitment to the Anti Displacement Program as of September 30, 2022. The City and ATP finalized the Project Connect Anti-Displacement Program Grant Reimbursement Procedures in FY22 and reimbursements are expected to start in FY2023.

**City of Austin Project Connect Office ILA:** In addition to the Anti-Displacement ILA that was entered into with the City, an additional IAL was entered with the City to provide support functions to ATP. The City agreed to provide ATP with the professional technical services necessary to assist with the design review and permitting for the Project Connect System Plan as part of the National Environmental Policy Act ("NEPA") environmental review process. The professional services covered the following areas: permitting, utility coordination, design, equity, real estate, and environmental in lieu of standard City permitting procedure. Throughout fiscal year 2022, a total of \$2.1 million in expenses were incurred.





# REQUIRED SUPPLEMENTARY INFORMATION

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget to Actual—General Fund**  
**Year Ended September 30, 2022**

|                                                             | Budget               |                     | Actual Amounts        | Variance              |
|-------------------------------------------------------------|----------------------|---------------------|-----------------------|-----------------------|
|                                                             | Original             | Final               |                       |                       |
| <b>Revenue</b>                                              |                      |                     |                       |                       |
| City of Austin interlocal agreement                         | \$ 112,781,877       | \$ 112,781,877      | \$ 113,386,024        | \$ 604,147            |
| Capital Metropolitan Transit Authority interlocal agreement | 23,365,670           | 23,365,670          | 23,366,128            | 458                   |
| Other income                                                | -                    | -                   | 2,832,991             | 2,832,991             |
| Total revenue                                               | <u>136,147,547</u>   | <u>136,147,547</u>  | <u>139,585,143</u>    | <u>3,437,596</u>      |
| <b>Expenditures</b>                                         |                      |                     |                       |                       |
| ATP services                                                |                      |                     |                       |                       |
| Professional services                                       | 13,998,533           | 13,998,533          | 8,901,000             | 5,097,533             |
| Salary and benefits                                         | 13,086,786           | 13,086,786          | 8,212,705             | 4,874,081             |
| Facilities                                                  | 5,448,244            | 5,448,244           | 2,183,286             | 3,264,958             |
| Materials and supplies                                      | 291,500              | 291,500             | 207,371               | 84,129                |
| Other operating                                             | 1,971,860            | 1,971,860           | 564,755               | 1,407,105             |
| Casualty and liability                                      | -                    | -                   | 3,397                 | (3,397)               |
| Debt service                                                | -                    | -                   | -                     | -                     |
| Principal                                                   | 873,649              | 873,649             | 873,649               | -                     |
| Interest                                                    | 30,513               | 30,513              | 30,513                | -                     |
| MetroRapid expansion                                        | 60,599,884           | 60,599,884          | 8,834,295             | 51,765,589            |
| Redline improvements                                        | 12,000,000           | 12,000,000          | 3,478,710             | 8,521,290             |
| MetroExpress                                                | -                    | -                   | 21,454                | (21,454)              |
| Neighborhood circulators                                    | -                    | -                   | 2,291                 | (2,291)               |
| Capital outlay                                              | 160,044,340          | 169,207,681         | 51,681,134            | 117,526,547           |
| Total expenditures                                          | <u>268,345,309</u>   | <u>277,508,650</u>  | <u>84,994,560</u>     | <u>192,514,090</u>    |
| <b>Change in fund balance</b>                               | (132,197,762)        | (141,361,103)       | 54,590,583            | 195,951,686           |
| <b>Fund balance at the beginning of the year</b>            | <u>145,839,258</u>   | <u>145,839,258</u>  | <u>145,839,258</u>    | <u>-</u>              |
| <b>Fund balance at the end of year</b>                      | <u>\$ 13,641,496</u> | <u>\$ 4,478,155</u> | <u>\$ 200,429,841</u> | <u>\$ 195,951,686</u> |

Budgetary Information

ATP's annual budget is prepared on a modified accrual basis and adopted by the Board of Directors each fiscal year. For the operating budget of the General Fund and the Antidisplacement Special Revenue Fund, budgetary control is set at the total annual appropriated budget. Operationally, the annual budget is segmented into smaller cost pools with individual appropriation controls in place to provide a greater level of budgetary checks. With respect to capital budgets, budgetary control is set at the total aggregate appropriation by project. In addition, project contingency accounting is used to control expenditures within available project funding limits. Prior to adoption, the proposed budget is presented to the Board of Directors, the Finance and Risk Advisory Committee, and posted on ATP's website. Adoption of the budget must be on or before September 30 of each year.

**Austin Transit Partnership**  
**(A Component Unit of the City of Austin, Texas)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget to Actual—Anti-Displacement Special Revenue Fund**  
**Year Ended September 30, 2022**

|                                                  | <b>Budget</b>        |                      | <b>Actual Amounts</b> | <b>Variance</b>      |
|--------------------------------------------------|----------------------|----------------------|-----------------------|----------------------|
|                                                  | <b>Original</b>      | <b>Final</b>         |                       |                      |
| <b>Revenue</b>                                   |                      |                      |                       |                      |
| City of Austin interlocal agreement              | \$ 42,000,000        | \$ 42,000,000        | \$ 42,000,000         | \$ -                 |
| Total revenue                                    | <u>42,000,000</u>    | <u>42,000,000</u>    | <u>42,000,000</u>     | <u>-</u>             |
| <b>Expenditures</b>                              |                      |                      |                       |                      |
| Anti-displacement initiatives                    | 44,426,117           | 44,426,117           | -                     | 44,426,117           |
| Total expenditures                               | <u>44,426,117</u>    | <u>44,426,117</u>    | <u>-</u>              | <u>44,426,117</u>    |
| <b>Change in fund balance</b>                    | (2,426,117)          | (2,426,117)          | 42,000,000            | 44,426,117           |
| <b>Fund balance at the beginning of the year</b> | 23,000,000           | 23,000,000           | 23,000,000            | -                    |
| <b>Fund balance at the end of year</b>           | <u>\$ 20,573,883</u> | <u>\$ 20,573,883</u> | <u>\$ 65,000,000</u>  | <u>\$ 44,426,117</u> |

## 9. Policies and Procedures

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### Grants Financial Management

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



# Austin Transit Partnership Grants Management

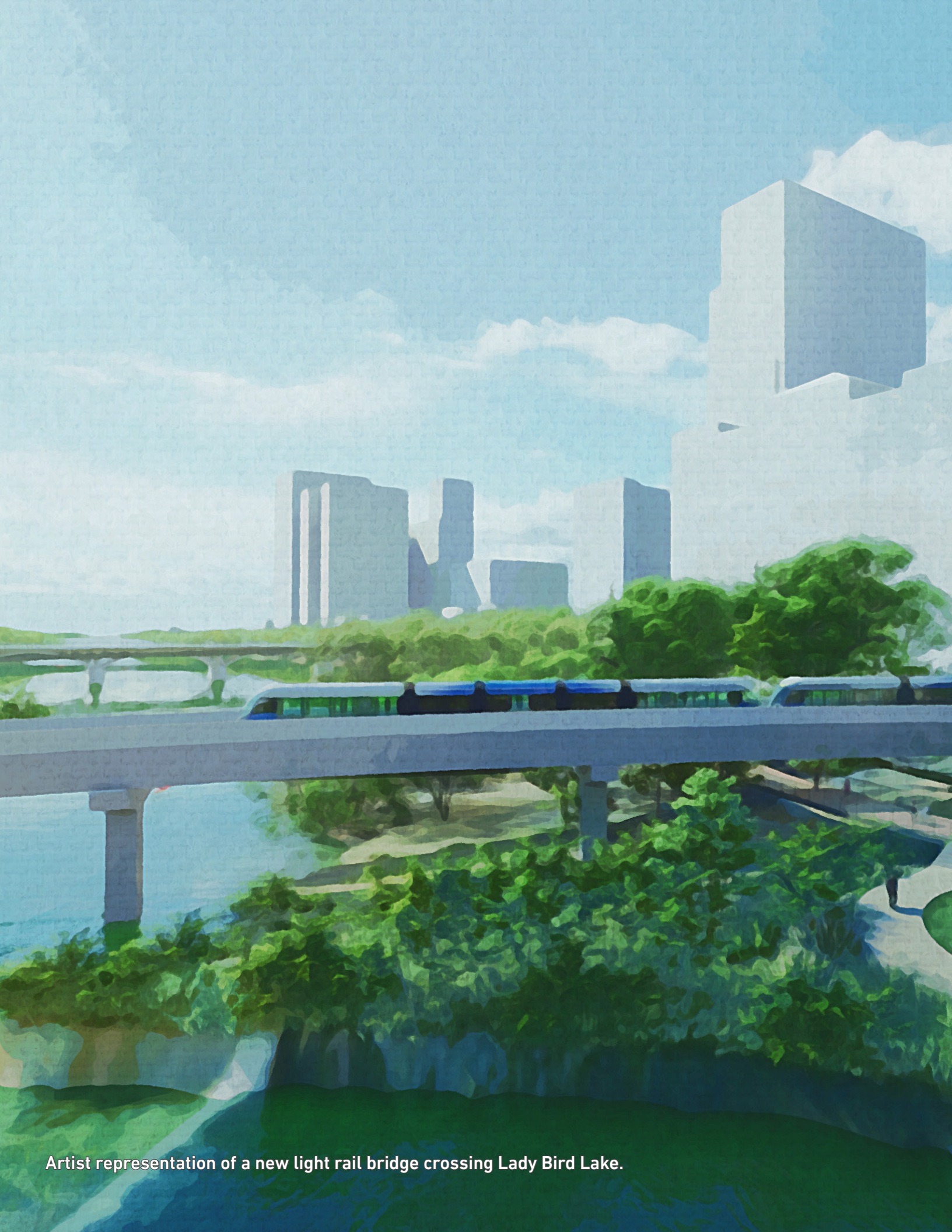
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Transforming Transit Together

SEPTEMBER, 2023

**AUSTIN  
TRANSIT**  
PARTNERSHIP





Artist representation of a new light rail bridge crossing Lady Bird Lake.



# TABLE OF CONTENTS

|                 |   |
|-----------------|---|
| Grant Oversight | 4 |
| Grant Reporting | 5 |
| Grant Closeout  | 7 |



ATP is at the onset of Project Development for Austin Light Rail, with the intent of pursuing New Starts funding and an FFGA. As part of our organizational readiness activities during the Project Development phase, ATP will be staffing and developing protocols for grants management. A formal Grants Management Policy will be developed based on the following principles and expectations.

ATP's Finance Department will be responsible for grant administration and management. The individual responsible for Grant Management is Bryan Rivera, who will oversee the work of a grant manager to be hired. ATP's Engineering and Construction and Project Controls Departments will be responsible for FTA report submittals. The individual responsible for reporting is Jennifer Pyne.

ATP will hire an experienced Grant Manager to provide oversight, reporting and closeout. The internal processes that will govern grant oversight, grant reporting, and grant closeout are summarized below.

## GRANT OVERSIGHT

ATP's Grant Manager will collaborate with Legal, Finance, Engineering and Project Controls to ensure the program is compliant with Grant Agreements and Cooperative Agreements, applicable statutes, codes, ordinances, and safety standards. Compliance will be confirmed by the annual independent organization-wide audit required by OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 200. In addition to the audit, Grant Management will meet with project participants regularly and ad hoc to verify that qualified professionals are providing technical inspection and supervision of all work in progress; that the design is consistent with the scope in the grant and will achieve the project objectives; that grant commitment schedules are met; and that expenditures remain within the latest approved Award Budget.

The Grant Manager will review all third-party contracts and inter-agency agreements to ensure compliance with the grant agreement, FTA and federal requirements. Drawdowns of grant funds will be monitored to confirm that payments to vendors performing eligible work are paid within three business days after drawdown and receipts retained to substantiate withdrawals.

The Grant Manager and staff will coordinate with ATP Real Estate to verify that property inventory records that contain all the elements required are maintained and that satisfactory continuing control over the use of project property is maintained. Procedures for asset management will be developed to ensure adequate maintenance of equipment and facilities.

ATP will prepare Force Account Plans and Cost Allocation Plans (CAPs) or Indirect Cost Proposals and submit and obtain FTA approval (if applicable) before incurring costs. The proposed Cost Allocation Plan will be in accordance with 200.416 of 2 CFR part 200.

The Grant Manager will also control the roles and responsibilities of the organization's users in TrAMS.

## GRANT REPORTING

ATP's financial management system will be used to prepare its Federal Financial Report (FFR) based on FFR categories (Federal Cash, Recipient Share, Unliquidated Obligations, and Program Income). The system will objectively disclose financial aspects of events or transactions based on financial data derived from accounts that are maintained on a consistent, periodic basis. ATP will report any material changes to accounting policies or methods with their impact clearly explained.

ATP intends to charge indirect costs to the Award and therefore will submit and get approval of an Indirect Cost Rate Proposal or Cost Allocation Plan. This will be documented in our TrAMS "Recipient Profile." As work proceeds, ATP will report on related indirect expenditures.

ATP Project Controls will prepare, submit to FTA and retain all required reports to support FTA's internal reporting needs. ATP will provide the appropriate activity line item (ALI) detail so that FTA has the information needed to manage its overall program. ATP will provide remarks to help explain any reconciliation or refunds identified in the report and will certify that the information provided is accurate.

ATP will call or email FTA whenever significant developments or changes occur that may materially impair the ability to meet the objective(s) of the Award or impact scope, cost or schedule, rather than simply listing them in a monthly report. We will thoroughly brief FTA on any problems, delays, or adverse conditions; as well as any favorable developments that facilitate bettering time or budget objectives.

ATP will prepare FFRs that provide a current, complete, and accurate financial picture of the grant project and submit it through TrAMS. ATP will use cash accounting for items A-D and accrual basis for report items E-U. ATP reports and records will be retained and made available during audits or oversight reviews.

ATP will also prepare and electronically submit quarterly Milestone Progress Reports (MPR) for each active Award. The MPR will include the data required by FTA Circular C 5010.1E:

- » The current status, at a minimum, of each milestone that has passed during the prior reporting period, within an active Award. FTA, at its discretion, may request a recipient to update each milestone within an active Award. MPRs should identify:
  - » The actual completion dates for any milestones completed during the reporting period, and
  - » Any revised dates when any original (or last revised) completion dates were not met.
  - » If the milestone date exceeds the Award end date, the recipient should consult the FTA Regional Office to determine if the change to the Award end date will be made through a budget revision or an amendment.
- » A narrative of the activity status, any problems encountered in implementation, specification preparation, bid solicitation, resolution of protests, and third-party contract Awards.
- » A detailed discussion of all Award Budget or schedule changes.
- » An explanation of why scheduled milestones or completion dates were not met.
- » Identification of problem areas and a narrative on how the problems will be solved.
- » A discussion of the expected impacts and the efforts to recover from the delays.
- » An analysis of each significant project cost variance: Completion and acceptance of equipment and construction

or other work should be discussed, together with a breakout of the costs incurred and those costs required to complete the project. Use quantitative measures, such as hours worked, sections completed, or units delivered.

- » A list of all outstanding claims exceeding \$100,000, and all claims settled during the reporting period. This list should be accompanied by a brief description, estimated costs, and the reasons for the claims.
- » A list of all potential and executed change orders, as defined in Circular 4220.1, and amounts exceeding \$100,000, pending or settled, during the reporting period. This list should be accompanied by a brief description. Identification of change orders does not imply notification, acceptance, or approval of budgetary changes that might be required.
- » A list of claims or litigation involving third-party contracts and potential third-party contracts that: a) Have a value exceeding \$100,000; b) Involve a controversial matter, irrespective of amount; or c) Involve a highly publicized matter, irrespective of amount.
- » A list of all real property acquisition actions, including just compensation, property or properties under litigation, administrative settlements, and condemnation for each parcel during the reporting period.
- » All rolling stock ALIs will include a milestone for Contract Award

ATP reports will contain the acknowledgment and disclaimer required by FTA C 5010.1E.

ATP will submit, on a triennial basis, a report of our compliance with the civil rights objectives of the most recent edition of FTA Circular 4702.1, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients." ATP will also submit to FTA a DBE program that includes all the required elements specified in 49 CFR part 26.

As required, ATP will submit triennial reports on our compliance with Equal Employment Opportunity (EEO) FTA Circular 4704.1. ATP will also provide a complete report of its transit operations in the National Transit Database (NTD), if required.

# GRANT CLOSEOUT

ATP will initiate closeout of the Award within 90 days after the end of the period of performance, or after all approved activities are completed and/or the applicable federal assistance has been expended for all eligible costs. In order to initiate closeout, ATP will electronically submit the following information in TrAMS:

- » Confirmation that activities are complete and if closeout Amendment will deobligate any unexpended balance of federal assistance
- » A list of property acquired or improved in support of the Award that will continue to be within the purview of the Grant or Cooperative Agreement;
- » A final, reconciled Award Budget reflecting actual Project costs by scope code and activity, reflecting adjustments to the federal and non-federal amounts
- » A final FFR, consistent with the reconciled Award Budget (e.g., de-obligation)
- » A final narrative MPR indicating the actual completion date of each ALI and a discussion of each ALI contained in the final Award Budget
- » Any other documentation or reports required as part of the terms and conditions of the Grant or Cooperative Agreement.

ATP will document any deviation from the approved Award in the closeout amendment.





**AUSTIN  
TRANSIT**  
PARTNERSHIP

[www.atptx.org](http://www.atptx.org)



## 9. Policies and Procedures

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Procurement

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



***Austin Transit Partnership Board of Directors Resolution***

***Meeting Date: 3/1/2023***

***ATP-2023-003***

Adoption of amendments to ATP Procurement Policy & Guidelines

**Subject:** Approval of a resolution adopting amendments to the ATP Procurement Policy and Guidelines.

**Fiscal Impact:** None

**Responsible Department:** Procurement.

**Executive Summary:** To comply with the Federal Transit Administration's (FTA) requirement that ATP adopt a written procurement policy that complies with federal, state, and local procurement regulations to be eligible for federal funding of contracts procured to assist with the implementation of Project Connect, the ATP Board of Directors adopted a procurement policy on September 15, 2021. The Procurement Policy and Guidelines were written to comply with Federal Transit Administration (FTA) and local, state, and federal regulations. Changes are needed to the policy to streamline some existing practices and to acknowledge state laws for the procurement of non-federally funded contracts using local dollars.

Further, the Board desires to adopt changes to the current policy that reflects certain critical objectives described in the proposed ATP Procurement Policy which include the following: move provisions from the Guidelines chapters to internal guidelines – reducing the size of the Procurement Policy; reduce duplication; re-order and re-group provisions for faster searching; add a process for locally-funded procurements; update the non-competitive procurement policy to closer match FTA guidance; change bonding requirements to reference state law; changes to match state and federal requirements; update internal roles and responsibilities; update terminology and defined terms; and formatting changes.

**Procurement Summary:** See Executive Summary.

**Disadvantaged Business Enterprise Program Summary:** Does not apply.



RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP  
BOARD OF DIRECTORS

STATE OF TEXAS  
COUNTY OF TRAVIS

**Resolution ID: ATP-2023-003**  
Adoption of amendments to ATP  
Procurement Policy & Guidelines

**WHEREAS**, the Austin Transit Partnership (“ATP”) Board of Directors (the “Board”) recognizes the Federal Transit Administration’s requirement that ATP adopt a written procurement policy that complies with federal, state, and local procurement regulations to be eligible for federal reimbursement of expenses related to contracts procured to assist with the implementation of Project Connect; and

**WHEREAS**, the Austin Transit Partnership Board of Directors approved ATP’s current Procurement Policy and Guidelines on September 15, 2021; and

**WHEREAS**, changes are needed to the policy to streamline some existing practices and to acknowledge state laws for the procurement of non-federally funded contracts using local dollars; and

**WHEREAS**, the ATP Board of Directors has considered an adoption of an amended Procurement Policy and Guidelines to include the following: move provisions from the Guidelines chapters to internal guidelines – reducing the size of the Procurement Policy; reduce duplication; re-order and re-group provisions for faster searching; add a process for locally-funded procurements; update the non-competitive procurement policy to closer match FTA guidance; change bonding requirements to reference state law; changes to match state and federal requirements; update internal roles and responsibilities; update terminology and defined terms; and formatting changes;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of ATP that the amended Procurement Policy and Guidelines, substantially in the form attached as Exhibit A to this resolution, are hereby adopted.

DocuSigned by:  
*Brandon Carr*  
C0E2044BECE478...  
**Brandon Carr**  
Secretary of the Board

3/8/2023  
\_\_\_\_\_  
**Date**



# Procurement Policy and Procedures

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## TABLE OF CONTENTS

| CHAPTER                                                                       | PAGE      |
|-------------------------------------------------------------------------------|-----------|
| <b>1. GENERAL PROVISIONS</b> .....                                            | <b>1</b>  |
| 1.1 Introduction to Austin Transit Partnership.....                           | 1         |
| 1.2 Purpose of this Policy.....                                               | 1         |
| 1.3 Applicable Law .....                                                      | 2         |
| 1.4 Policy Deviations and Permanent Changes .....                             | 4         |
| 1.5 Application of this Policy.....                                           | 4         |
| 1.6 Standards of Conduct .....                                                | 5         |
| 1.7 Public Access to Procurement Information .....                            | 6         |
| 1.8 Reporting to the Board .....                                              | 6         |
| 1.9 Ensuring Necessary and Non-Duplicative Purchases.....                     | 6         |
| 1.10 General Provisions and Interpretation .....                              | 6         |
| <b>2. PROCUREMENT AUTHORITY AND OFFICIALS</b> .....                           | <b>9</b>  |
| 2.1 General Procurement Authority .....                                       | 9         |
| 2.2 Board Authority .....                                                     | 9         |
| 2.3 Executive Director Authority .....                                        | 9         |
| <b>3. PROCUREMENT SELECTION AND PROCEDURES</b> .....                          | <b>12</b> |
| 3.1 Procurement Method Selection .....                                        | 12        |
| 3.2 General Procurement Requirements.....                                     | 12        |
| 3.3 Methods of Procurement .....                                              | 15        |
| 3.4 Unsolicited Offers .....                                                  | 29        |
| 3.5 Procurement File.....                                                     | 30        |
| <b>4. OFFER SUBMISSION, EVALUATION, COST OR PRICING DATA, AND AWARD</b> ..... | <b>32</b> |
| 4.1 Offer Submission.....                                                     | 32        |
| 4.2 Responsiveness.....                                                       | 34        |
| 4.3 Responsibility.....                                                       | 34        |
| 4.4 Selection of Competitive Sealed Bids .....                                | 36        |
| 4.5 Evaluation of Multi-Step Competitive Sealed Bids.....                     | 37        |
| 4.6 Evaluation of Competitive Sealed Proposals .....                          | 38        |
| 4.7 Evaluation of Professional Services Responses .....                       | 39        |
| 4.8 Cost or Pricing Data.....                                                 | 41        |
| 4.9 Award.....                                                                | 45        |
| 4.10 Cancellation of Solicitations; Rejection of Offers .....                 | 46        |
| 4.11 Rejection of Individual Offers .....                                     | 47        |
| <b>5. CONTRACTING</b> .....                                                   | <b>49</b> |
| 5.1 Contract Performance .....                                                | 49        |
| 5.2 Types of Contracts .....                                                  | 50        |

|           |                                                                                         |           |
|-----------|-----------------------------------------------------------------------------------------|-----------|
| 5.3       | Specifications .....                                                                    | 51        |
| <b>6.</b> | <b>ADMINISTRATIVE REMEDIES, AUDIT AND ORGANIZATIONAL CONFLICTS OF INTEREST</b><br>..... | <b>55</b> |
| 6.1       | Administrative Remedies .....                                                           | 55        |
| 6.2       | Required Provision for Solicitations and Contracts .....                                | 55        |
| 6.3       | Protests of Solicitations and Awards .....                                              | 56        |
| 6.4       | Debarment or Suspension .....                                                           | 60        |
| 6.5       | Contract Disputes Procedures .....                                                      | 66        |
| 6.6       | Administrative Appeals.....                                                             | 68        |
| 6.7       | Audits .....                                                                            | 69        |
| 6.8       | ATP Conflicts of Interest .....                                                         | 71        |
| 6.9       | Contractor Organizational Conflicts of Interest.....                                    | 74        |
| <b>7.</b> | <b>DEFINITIONS .....</b>                                                                | <b>78</b> |





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# 1. GENERAL PROVISIONS

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## 1.1 Introduction to Austin Transit Partnership

Austin Transit Partnership ("**ATP**") is a local government corporation created by the City of Austin ("**City**") and the Capital Metro Transportation Authority ("**CapMetro**") pursuant to Chapter 431, Texas Transportation Code, to aid and act on behalf of the City and CapMetro to accomplish a governmental purpose by serving as the independent entity responsible for the implementation of Project Connect.

## 1.2 Purpose of this Policy

This ATP Procurement Policy and Procedures (this "**Policy**") is for the benefit of ATP only and does not confer any rights on actual or potential Offerors, Contractors, or any other person, except as expressly provided in Chapter 6 (Administrative Remedies, Audit and Organizational Conflicts of Interest). ATP has developed this Policy to support and promote best practices in the procurement of goods and services and to comply with Applicable Law, including the expectations and requirements of the Federal Transit Authority ("**FTA**") for written procurement policies and procedures, and in furtherance of its Procurement priorities and goals, including the following:

### (a) Innovation and Industry Best Practices

ATP seeks to take an innovative and creative approach to Procurement that incorporates and improves upon transit industry best practices and successful transit delivery models. ATP seeks to establish and follow procurement methods and practices that promote competition.

### (b) Commitment to Transparency and Integrity

ATP seeks to ensure that its Solicitations foster full and open competition, seek quality and Best Value, maintain integrity and accountability, and promote the goal of creating opportunities. Appropriate efforts will be used to develop and implement planning, procedures and practices that promote these commitments to transparency and integrity.

### (c) Non-Discrimination

Discrimination based on religion, sex, race, color, ethnic or national origin, sexual orientation, gender identity, age, or disability will not be tolerated, and all aspects

of ATP Procurement will be undertaken in a non-discriminatory manner. All ATP employees, officers and board members ("**ATP Persons**") should operate in a manner that provides and promotes equal opportunity without regard to any protected status and in conformity with Applicable Law prohibiting discrimination.

(d) **Maximizing Participation of Disadvantaged and Small Business Enterprises**

ATP has committed to developing and implementing a Disadvantaged Business Enterprise ("**DBE**") Program to meet and comply with Federal Requirements to ensure that maximum opportunities are available for women, minority, and small businesses, including veteran-owned businesses, to participate.

(e) **Equity**

In addition to ATP's expectation to provide opportunities for DBEs, ATP is led by the guiding principle of equity. ATP proactively seeks to build and foster the capacity for competitive skills in those historically underutilized businesses to participate in comparable procurement and service contracts.

(f) **Use of Available Procurement Options**

ATP may employ all procurement contracting methods to the fullest extent permitted by Applicable Law and Federal Requirements. ATP seeks to select the Procurement method appropriate to the property, services, construction or other work being procured, that encourages full and open competition to the extent possible (except where a noncompetitive procurement is permitted and appropriate as described in this Policy), that enables ATP to procure the property, services, construction or other work in a timely and cost efficient manner and that aligns with industry best practice.

(g) **Maximizing Public Funds**

ATP intends to provide efficiency and effectiveness in Procurement activities, exercise good stewardship of public funds and maximize, to the fullest extent possible, the purchasing value of those public funds.

1.3 **Applicable Law**

(a) **General**

ATP is a political subdivision of the State, and is subject to certain State laws applicable to the procurement of goods and services. This Policy is intended to

comply with Applicable Law, and is designed to ensure ongoing compliance with Applicable Law, while also promoting flexibility and efficiency. This Policy encourages ATP staff to consult with ATP's general counsel when conducting Procurement. In the event of an irreconcilable conflict between this Policy and Applicable Law (including, if applicable, the Federal Requirements), Applicable Law will control.

(b) **Federally Funded Procurements**

For Federally Funded Procurements, ATP will comply with the applicable sections of 2 C.F.R. Part 200 (as adopted by the U.S. Department of Transportation in 2 C.F.R. Part 1201), the terms of any applicable FTA funding agreement, FTA Circular 4220.1F, and other applicable federal statutory and regulatory requirements, in each case as in effect on the applicable date ("**Federal Requirements**"). In particular, ATP will ensure compliance with the standards and requirements identified in 2 C.F.R. Part 200.318 through Part 200.326.

(c) **Purchasing and Vendor Services**

ATP is not a municipality and is therefore not subject to the competitive purchasing requirements applicable to municipalities set forth in Chapter 252, Texas Local Government Code. Nevertheless, ATP will endeavour to obtain competitive pricing using its own competitive purchasing processes as contemplated in this Policy.

(d) **Professional Services under Chapter 2254**

ATP is a "governmental entity" within the meaning of Chapter 2254, Texas Government Code ("**Chapter 2254**"), governing the procurement and selection of professional services and consulting services, as such terms are defined in Chapter 2254. Unless otherwise exempt under Chapter 2254, all contracts for such professional services will be procured in compliance with Chapter 2254. Contracts for such professional services are awarded on the basis of demonstrated competence and qualifications to perform the services, and for a fair and reasonable price.

(e) **Construction Services**

ATP is subject to the same Procurement requirements as the City for the procurement of construction services for public works, except as otherwise exempted under Section 431.110, Texas Transportation Code. ATP will procure contracts for construction services using the delivery methodologies described in

Chapter 2269, Texas Government Code, unless otherwise permitted under Applicable Law.

(f) **Other Services**

For Procurements of other services, ATP shall be entitled to utilize any approach permitted under Applicable Law.

(g) **Alternative Delivery Methods**

To the fullest extent permitted by Applicable Law, ATP shall be entitled to utilize procurement methods which utilize (i) a collaborative/progressive delivery method (including but not limited to construction manager at-risk, construction manager/general contractor, and progressive design-build) and/or (ii) a combination of design, construction, financing, operation, and maintenance services for public improvements through alternative delivery methods including public-private partnerships. ATP should consult with ATP's general counsel to determine the availability of such delivery methods under Applicable Law.

(h) **Prompt Payment for Goods and Services**

It is ATP's policy to comply with the requirements of Chapter 2251, Texas Government Code governing the prompt payment of vendors for goods and services.

**1.4 Policy Deviations and Permanent Changes**

- (a) The Executive Director or their Designee may approve deviations from this Policy with respect to an individual Procurement, subject to compliance with Applicable Law and any applicable Federal Requirements.
- (b) No permanent substantive change shall be made to this Policy without the express approval of the Board.
- (c) The Procurement Director may authorize clerical updates and clarifications to this Policy (e.g., style changes, typographical, punctuation, and transposition errors).

**1.5 Application of this Policy**

- (a) Unless the context otherwise requires, this Policy shall apply to every expenditure of public funds irrespective of their source, including federal assistance monies, by ATP under any Contract, except that this Policy shall not apply to:

- (i) grants;
  - (ii) employment contracts;
  - (iii) real estate contracts;
  - (iv) intergovernmental agreements, including cooperative purchasing agreements and other contracts between ATP and other public agencies under Chapter 791, Texas Government Code, as amended; or
  - (v) any transaction for, or related to, the borrowing of money by ATP permitted under the State law.
- (b) Nothing in this Policy shall prevent ATP from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.
- (c) This Policy is intended to apply to both locally funded and Federally Funded Procurements, except to the extent indicated in this Policy.

#### 1.6 **Standards of Conduct**

- (a) ATP conducts all Procurements based on the following ethical principles. The Procurement Department will:
- (i) practice integrity, transparency, and accountability in order to merit the respect and inspire the confidence of the organization and the public being served;
  - (ii) comply with legal and other obligations;
  - (iii) treat Offerors equally and fairly;
  - (iv) not tolerate personal aggrandizement or personal profit obtained through misuse of public or personal relationships;
  - (v) identify situations where a conflict of interest may be involved;
  - (vi) keep ATP informed through appropriate channels; and
  - (vii) uphold the dignity and worth of the services rendered by the organization and the societal responsibilities assumed as a trusted public servant.
- (b) All ATP Persons and all committee members, representatives, consultants, vendors, contractors, volunteers, outside agencies doing business with employees



and/or any other parties with a business relationship with ATP that are involved in a Procurement, an award or administration of Third Party Contracts must comply with the obligations in this Policy (including Section 6.8 (ATP Conflicts of Interest)) and the ATP Ethics Policy. In the event of a conflict between documents, the policy that is more restrictive on the ATP Person shall govern.

- (c) All parties involved in the negotiation, performance, or administration of contracts with ATP shall act in good faith.

### 1.7 **Public Access to Procurement Information**

- (a) ATP recognizes the importance of maintaining the confidentiality of Contractor information to the fullest extent permitted by Applicable Law, while also balancing interests of integrity and transparency. ATP representatives will abide by the ATP Ethics Policy as it relates to maintaining confidentiality. In addition, the Board, ATP staff, and ATP representatives shall use confidential information received through a Procurement solely for the purposes outlined in the Solicitation. This Policy is not intended to prevent disclosure where disclosure is required by Applicable Law; including, without limitation, pursuant to the Texas Public Information Act.
- (b) Solicitations may contain a provision requiring all Offers to identify any information believed to be exempt from disclosure as trade secrets or commercial or financial information, provided that blanket designations will not be acceptable and that any such identification of information will not be determinative of any issue relating to the application of, or treatment of, such information or materials, under Applicable Law.

### 1.8 **Reporting to the Board**

The Executive Director or their Designee will provide regular updates to the Board regarding Procurement activities.

### 1.9 **Ensuring Necessary and Non-Duplicative Purchases**

ATP shall endeavor to acquire only property and services that are necessary and non-duplicative. To determine its reasonably expected Procurement needs, ATP shall carry out long-range Procurement planning to identify the Procurement requirements of ATP.

### 1.10 **General Provisions and Interpretation**

- (a) **Severability**

If any provision of this Policy, or any application of this Policy to any person or circumstance, is held invalid, such invalidity shall not affect any other provision or application of this Policy which can be given effect without the invalid provision or application, and to this extent the provisions of this Policy are declared to be severable.

(b) **Prior Policies Superseded**

All prior policies and resolutions of ATP which are inconsistent with this Policy are superseded by this Policy. No part of this Policy shall be deemed to be impliedly repealed or modified by subsequent action of ATP if such construction reasonably can be avoided.

(c) **Dissemination of this Policy**

Private firms, individuals, and others may obtain copies of this Policy from the Procurement Department or on the ATP website.

(d) **Written Determinations**

(i) Where this Policy requires a written determination, the person responsible for making the determination may delegate its preparation, but the responsibility for and the execution of the determination itself shall not be delegated unless expressly permitted.

(ii) Any failure of ATP to make any written determination required by this Policy will not affect the validity of any action taken in relation to any other party.

(iii) Written determinations shall set out sufficient facts, circumstances, and reasoning as will substantiate the specific determinations made.

(iv) The Executive Director or their Designee is authorized to prescribe methods and operational procedures to be used in preparing written determinations.

(v) Written determinations shall be filed in the appropriate Procurement File, shall be retained as part of such file for so long as the file is required to be maintained, and (except as otherwise provided by Applicable Law) shall be open to public inspection.

(e) **Definitions**



The defined terms in this Policy shall have the meanings set forth in Chapter 7 (Definitions) whenever they appear in this Policy unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular section or provision or under Applicable Law or Federal Requirements.

## 2. PROCUREMENT AUTHORITY AND OFFICIALS

---

### 2.1 General Procurement Authority

- (a) The authorization to enter into Contracts, Contract Modifications, or other commitments on behalf of ATP will be conferred only by resolution of the Board providing general authorizations to enter into contracts or authority for specific contracts or types of contracts. Any provision in this Policy describing the methods and procedure for Procurement and designating ATP representatives for Procurement actions shall be subject to any such authorization from the Board to award a Contract.
- (b) No Contract, Contract Modification, or other commitment shall be made on behalf of ATP unless it is made in writing and executed by a representative of ATP acting within the scope of the representative's designated authority. ATP will not be bound by unauthorized Procurement actions.
- (c) No person shall be authorized or permitted to commence work for or on behalf of ATP in contemplation of a contract prior to the execution of a written contract and issuance of a notice to proceed by ATP.
- (d) Contracts, Contract Modifications, or other commitments made on behalf of ATP by ATP Persons acting outside the scope of their designated authority may be ratified by the Executive Director if the Executive Director determines in writing that such action is in ATP's best interest.

### 2.2 Board Authority

- (a) The Board is empowered under State law to exercise its powers by resolution, including to make Contracts, incur liabilities, borrow money, and issue notes, bonds and other obligations.
- (b) The Board may delegate authority to the Executive Director or other officers or agents of ATP to purchase certain property, services, or construction, within budgeted amounts approved by the Board.

### 2.3 Executive Director Authority

- (a) **Execution of Agreements**

- (i) The Executive Director or their Designee is authorized to execute agreements in amounts less than any threshold amounts approved by the Board.
- (ii) The Executive Director shall seek the prior approval of the Board for any agreement exceeding any threshold amounts approved by the Board.
- (iii) Any Contract Modification above the threshold amount approved by the Board will require subsequent Board approval.

(b) **Appointment of Contracting Officers**

The selection, appointment, and termination of appointments of Contracting Officers shall be made only by the Executive Director. In selecting Contracting Officers, the Executive Director shall consider public contract experience, training, education, judgment, character, and ethics.

(c) **Procurement Authority**

- (i) The Executive Director or their Designee shall be responsible for the Procurement of property, services, and construction in accordance with this Policy.
- (ii) The Executive Director or their Designee may:
  - (A) adopt operational guidance and/or prepare template Procurement documents consistent with this Policy pertaining to the execution of Procurement duties;
  - (B) approve and execute all Purchase Requisitions within their level of authority;
  - (C) advertise and/or issue Solicitation documents;
  - (D) approve and enter into purchase orders and Contracts within their level of authority;
  - (E) determine whether a supply item or group of supply items shall be included as a part of, or procured separately from, any Contract for construction;
  - (F) approve and enter into a Contract Modification (including the settlement of a contract claim) that did not originally require the

Board's approval so long as the Contract Modification (either individually or in combination with other Contract Modifications) does not increase the Contract amount or yearly contract amount above the level of authority given to the Executive Director;

- (G) approve and enter into a Contract Modification (including the settlement of a contract claim) that originally required the Board's approval so long as the Contract Modification, as combined in amount with other non-Board-approved Contract Modifications does not exceed the level of authority given to the Executive Director; and
- (H) approve the authorization or execution of Contract Modifications that do not exceed the level of authority given to the Executive Director.

**(d) Delegations**

- (i) The Executive Director's delegations of authority shall be in writing and shall specify:
  - (A) the activity or function authorized;
  - (B) any limits or restrictions on the exercise of the delegation; and
  - (C) the duration of the delegation.
- (ii) Any authority delegated by the Executive Director may be revoked at any time and without prior approval of the Board.
- (iii) Authority conferred on the Executive Director in this Policy with respect to the following matters shall not be delegated:
  - (A) appointment of Contracting Officers under Section 2.3(b) (Appointment of Contracting Officers);
  - (B) stay of Procurements during Protests under Section 6.3(c) (Stay of Procurements); and
  - (C) authority to debar or suspend under Section 6.4(b) (Authority to Debar or Suspend).



## 3. PROCUREMENT SELECTION AND PROCEDURES

---

### 3.1 Procurement Method Selection

- (a) ATP will determine which Procurement method to use for any Procurement based on the considerations in this Chapter 3. Selecting the appropriate Procurement method is dependent on a number of factors, including price, value, competition, scope, timing, and legal requirements. To the extent required by Applicable Law, or at the recommendation of the Procurement Department, certain Procurements may require that the Board or the Executive Director approve selection of the appropriate Procurement method.
- (b) ATP may select the lowest Responsible Offeror or the Offeror who provides the goods or services at the Best Value to ATP in accordance with Applicable Law.

### 3.2 General Procurement Requirements

#### (a) Determination of Terms and Conditions

##### (i) General

The Procurement Department and ATP's general counsel will determine the terms and conditions of Solicitations and Contracts, subject to the terms of this Policy and Applicable Law (including, for Federally Funded Procurements, Section 1.3(b) (Federally Funded Procurements) and the Federal Requirements).

##### (ii) Determination of Terms and Conditions for Federally Funded Procurements

The following apply to the determination of terms and conditions of Solicitations and Contracts for Federally Funded Procurements:

- (A) ATP shall include required federal certifications (e.g., TVM, Lobbying, Buy America, if applicable) in its Solicitations and will require signed certifications from Offerors;
- (B) the Procurement Department shall include all applicable federal clauses. Such clauses shall include the applicable provisions described in Appendix II to 2 C.F.R. Part 200 and any other provisions

required under Applicable Law (including the Federal Requirements). Incorporation of a clause by reference is permitted; however a general reference to FTA guidelines or clauses is not sufficient to incorporate a clause. ATP shall include Davis Bacon wage determinations in applicable construction Solicitations; and

- (C) any federally funded Contract must be a sound and complete agreement and must include remedies for breach of contract (e.g., liquidated damages) and provisions covering termination for cause and convenience.

**(b) Invitation for Bids/Request for Proposals**

Any Invitation for Bids or Request for Proposals shall include, without limitation, the following:

- (i) instructions and information to Offerors concerning the Offer submission requirements, including the time and date set for receipt of Offers, the address or electronic portal for delivery, and the maximum time for Offer acceptance by ATP;
- (ii) the purchase description or scope of services and, if applicable, evaluation factors and their relative importance; and
- (iii) the Contract terms and conditions, including warranty and bonding or other security requirements, as applicable.

**(c) Offer Preparation Time**

Offer preparation time is the period between the date of distribution of the Solicitation and the Offer Submission Date. Offer preparation time shall be set to provide Offerors with sufficient time to prepare their Offers.

**(d) Bonds**

- (i) Bid, performance and payment bonds or other security may be required for supply Contracts, service Contracts, or construction Contracts to comply with Applicable Law, Federal Requirements (for Federally Funded Procurements) or, where not defined by Applicable Law or Federal Requirements, as the Procurement Department deems advisable to protect the interest of ATP. Any such requirements must be set forth in the

Solicitation. Bid or performance bonds should not be used as a substitute for a determination of Offeror's responsibility.

- (ii) Section 2253, Texas Government Code sets forth the payment and performance bonding requirements applicable to construction Contracts for public works.

(e) **Public Notice**

ATP recognizes the need for appropriate publicity and advertisement of Procurement opportunities. Any Procurement shall be, as deemed appropriate by the Procurement Department:

- (i) advertised in accordance with Applicable Law and in a manner appropriate for the relevant Procurement; and
- (ii) distributed to an adequate number of Offerors for the purpose of securing competition.

(f) **Bidders Lists**

ATP reserves the right to maintain a bidders list.

(g) **Pre-Bid/Proposal Conferences**

- (i) ATP may conduct pre-bid/proposal conferences to further explain or clarify the Procurement requirements. ATP shall announce any pre-bid/proposal conference in a manner appropriate for the relevant Solicitation.
- (ii) Nothing stated at a pre-bid/proposal conference shall change the Solicitation documents unless a change is made by written amendment as provided in Section 3.2(h) (Amendments to Solicitation).

(h) **Amendments to Solicitation**

- (i) If amendments are made to a Solicitation, then the Procurement Department must ensure proper publication and notice of such changes.
- (ii) Amendments may be used, without limitation, to:
  - (A) make any changes in the Solicitation, such as changes to quantity, the purchase description or scope of services, delivery schedules, and opening dates;

- (B) correct defects or ambiguities; or
  - (C) furnish to other Offerors information given to one Offeror if such information will assist the other Offerors in submitting Offers or if the lack of such information would prejudice the other Offerors.
- (iii) Amendments shall require that the Offeror acknowledge receipt of all amendments issued.

### 3.3 **Methods of Procurement**

#### (a) **Locally Funded Procurements**

- (i) ATP may determine, at its discretion, to purchase goods or services solely using local funds for which it will not seek federal funding reimbursement.
- (ii) ATP will determine which Procurement method, if any, to use for any locally funded Procurements, in accordance with Applicable Law.
- (iii) The Procurement Department will develop the appropriate procedures and guidelines for handling locally funded Procurements in accordance with Applicable Law.

#### (b) **Federally Funded Micro-Purchases**

##### (i) **Applicability**

- (A) Federally funded micro purchases, including delivery charges, may be accomplished without securing competitive quotations if the prices are considered to be fair and reasonable. The federal micro-purchase threshold and procedures are set out in 41 U.S.C. § 1902.
- (B) Dividing a Procurement requirement with the intent of avoiding the federal micro purchase threshold, competition requirement, or other dollar thresholds is considered bid-splitting and is prohibited by the Federal Requirements.

##### (ii) **Procedures**

- (A) ATP shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases made under the Purchasing Card Program are not excluded from the need for rotation.

- (B) The Contracting Officer shall prepare a written determination that the price is fair and reasonable for documentation in the Procurement File.

(c) **Federally Funded Small Purchases**

(i) **Applicability**

- (A) Small purchase procedures may be used for the Federally Funded Procurements of property, services, or construction valued at more than the federal micro purchase threshold, but less than the Simplified Acquisition Threshold.
- (B) Dividing a Procurement requirement with the intent of avoiding the Simplified Acquisition Threshold, competition requirement, or other dollar thresholds is considered bid-splitting and is prohibited by the Federal Requirements.
- (C) Elements of the competitive sealed bidding and competitive sealed proposal procedures may be applied in addition to the procedures under this Section 3.3(c) if determined by ATP to be in its best interest.

(ii) **Procedures**

- (A) ATP shall obtain price or rate quotations from an adequate number of qualified sources. Written or oral quotations received in response to a Solicitation shall be documented in the Procurement File.
- (B) Where practical, no less than three businesses shall be solicited to submit quotations. Award shall be made to the business offering the lowest acceptable quotation.
- (C) Small purchases may be accomplished without securing competitive quotations if the prices quoted are considered by ATP to be fair and reasonable. Such purchases shall be distributed equitably among qualified businesses. When practical, a quotation shall be solicited from other than the previous supplier prior to placing a repeat order.

(iii) **Small Purchases of Professional Services**

- (A) If it is expected that professional services can be procured for less than the applicable threshold, the methods specified in this Section

3.3(c)(iii) may be used for the Procurement of professional services instead of the procedure specified in Section 3.3(d) (Professional Services).

- (B) Before contacting any Person to perform the required services, ATP may examine any current statements of qualifications on file with ATP and contact the most competent and qualified firm and attempt to negotiate a Contract for the required services at a fair and reasonable price. If no current statements of qualifications are on file or the statements on file are inadequate to determine the most competent and qualified firm, responses shall be solicited in accordance with Section 3.3(d) (Professional Services).
- (C) With respect to federally funded contracts, nothing in this Section 3.3(c)(iii) shall be deemed to permit ATP to procure architectural engineering services by any means except qualifications-based procurement procedures in accordance with the Federal Requirements.

(d) **Professional Services**

(i) **Applicability**

- (A) Under Chapter 2254, ATP may not select a professional services provider (including architect-engineer services) or award a contract for the services on the basis of competitive bids.
- (B) Except as authorized under Section 3.3(c)(iii) (Small Purchases of Professional Services), Section 3.3(e) (Emergency Procurements) or Section 3.3(h) (Noncompetitive Procurement), the selection procedures set out in Section 3.3(d) shall be used for all Procurements of professional services.
- (C) For the purposes of this Section (d)3.3(d) and Section 3.3(c)(iii) (Small Purchases of Professional Services), "professional services" means professional services as defined in Chapter 2254.

(ii) **Procedures**

- (A) When seeking professional services, ATP shall solicit vendors based upon their competence and qualifications, and not based on pricing. ATP will solicit services through a formal RFQ Solicitation.
- (B) Vendors shall be evaluated based upon their demonstrated competence and qualifications to perform the services being sought, such as the following:
  - (aa) the plan for performing the required services;
  - (bb) ability to perform the services as reflected by technical training and education, general experience, specific experience in providing the required services, and the qualifications and abilities of personnel proposed to be assigned to perform the services;
  - (cc) the personnel, equipment, and facilities to perform the services currently available or demonstrated to be made available at the time of contracting; and
  - (dd) a record of past performance of similar work.

The relative importance of these and other factors will vary according to the types of services being procured.

- (C) Vendors shall be ranked based upon their qualifications and experience relative to the services being sought, in accordance with the criteria established in the Solicitation. After ranking respondents, ATP must attempt to negotiate a fair and reasonable price for the services. If a fair and reasonable price cannot be negotiated, ATP may end negotiations and go on to the next qualified respondent. The Procurement Department may rely upon the judgment of the Contracting Officer for purposes of determining whether a price for services is fair and reasonable.
- (D) When professional services are needed on a recurring basis, ATP may actively solicit persons engaged in providing such services to submit annual statements of qualifications in a prescribed format.
- (E) When contracting for architectural and engineering services, geographic location may be a selection criterion provided its



application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the Contract.

(e) **Emergency Procurements**

(i) **General Authority**

Subject to Section 2.1 (General Procurement Authority) and notwithstanding any other provision of this Policy, the Executive Director or their Designee may make or authorize others to make Procurements in emergency conditions for which the public exigency will not permit the delay incident to competition.

(ii) **Definition of Emergency Conditions**

An emergency condition is a situation which creates a threat to public health, welfare, or safety such as may arise by reason of accidents, fires, floods, riots, or equipment failures. The existence of such condition creates an immediate and serious need for property, services, or construction that cannot be met through normal Procurement methods and the lack of which would seriously threaten:

- (A) the functioning of ATP's operations;
- (B) the preservation or protection of property; or
- (C) the health or safety of any person.

(iii) **Scope of Emergency Procurements**

Emergency Procurements shall be limited to the property, services, or construction items necessary to meet the emergency.

(iv) **Selection of Emergency Procurement Method**

- (A) The procedure used shall be selected to ensure that the required property, services, or construction items are procured in time to meet the emergency. Given this constraint, such competition as is practicable shall be obtained.
- (B) Competitive Procurement is unsuccessful when Offers received are unreasonable, noncompetitive, or exceed available funds as certified by the appropriate fiscal officer, and time or other circumstances will

not permit the delay required to resolicit Offers. If emergency conditions exist after an unsuccessful attempt to use competitive Procurement methods, an emergency Procurement may be made.

(v) **Determination and Record of Emergency Procurements**

The Contracting Officer or the Procurement Director shall make a written determination stating the basis for an emergency Procurement and for the selection of the particular Contractor. A record of each emergency Procurement shall be made as soon as practicable.

(f) **Competitive Sealed Bids**

(i) **Competitive Sealed Bidding**

(A) **Applicability**

Under the competitive sealed bidding method, selection is based on price and discussions or changes to the Bid after the Offer Submission Date are not permitted. ATP will determine in writing whether competitive sealed bidding is appropriate on a Procurement-by-Procurement basis taking into account the relevant circumstances including, but not limited to, whether: (i) a precise specification could be available, (ii) two or more Responsible Bidders are willing to compete, (iii) the Procurement generally lends itself to a firm fixed-price contract, (iv) selection can be made on the basis of price, and (v) discussions are not expected to be necessary.

(B) **Procedures**

(aa) If the Procurement Department determines to use competitive sealed bidding for a Procurement, ATP will use a formal competitive sealed bid process in a manner consistent with Applicable Law.

(bb) The Invitation for Bids shall be prepared in accordance with Section 3.2(b) (Invitation for Bids/Request for Proposals) and shall include a form for the Bidder to insert the Bid price, sign and submit along with any other necessary submissions. The evaluation criteria may include criteria to determine acceptability (such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose) and the Bid

price (such as discounts, transportation costs, and total or life-cycle costs). Where specified in the Invitation for Bids, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which Bid is lowest.

**(C) Product or Service Acceptability**

- (aa) The Invitation for Bids for competitive sealed bidding shall set forth any evaluation criterion to be used in determining product or service acceptability. It may require the submission of bid samples, descriptive literature, technical data, or other material.
- (bb) The Invitation for Bids may also provide for accomplishing any of the following prior to award:
  - (a) inspection or testing of a product prior to award for such characteristics as quality or workmanship;
  - (b) examination of such elements as appearance, finish, taste, or feel; or
  - (c) other examinations to determine whether it conforms with any other purchase description or scope of services requirements.
- (cc) The Invitation for Bids shall state that bid samples or descriptive literature should not be submitted unless expressly requested and that, regardless of any attempt by a bidder to condition the bid, unsolicited bid samples or descriptive literature which are submitted at the bidder's risk will not be examined or tested and will not be deemed to vary any of the provisions of the Invitation for Bids.

**(ii) Multi-Step Competitive Sealed Bidding**

**(A) Applicability**

- (aa) Multi-step competitive sealed bidding is a two-phase Procurement process consisting of:

- (a) submittal of an unpriced technical offer for evaluation by ATP ("**Step 1**"); and
  - (b) submittal of price bids by bidders whose technical offers are determined by ATP to be acceptable for consideration ("**Step 2**").
- (bb) Multi-step competitive sealed bidding may be used when it is not practical to prepare a definitive purchase description or scope of services which will be suitable to permit an award based on price, including when it is beneficial for ATP:
- (a) to invite and evaluate technical offers to determine their acceptability to fulfill the purchase description or scope of services requirements prior to soliciting priced Bids;
  - (b) to conduct discussions or obtain supplemental information, permit amendments of technical offers, or amend the purchase description or scope of services prior to soliciting priced Bids; and
  - (c) to award the Contract to the lowest Responsive and Responsible Bidder.
- (B) **Procedures**
- (aa) If the Procurement Department determines to use multi-step competitive sealed bidding for a Procurement, ATP will use a formal multi-step competitive sealed bid process in a manner consistent with Applicable Law.
  - (bb) The Invitation for Bids shall be prepared in accordance with Section 3.2(b) (Invitation for Bids/Request for Proposals) and shall include:
    - (a) directions for submitting technical offers and priced bids separately;
    - (b) an explanation that priced bids will be considered only from those Bidders whose technical offers are found acceptable in Step 1;

- (c) the criteria to be used in the evaluation of the technical offers and the relative importance of each criterion; and
- (d) an explanation that ATP, to the extent ATP finds necessary, may conduct discussions regarding the technical offers.

**(g) Competitive Sealed Proposals**

**(i) Applicability**

- (A) When ATP determines in writing that the use of competitive sealed bidding is either not practicable, or not advantageous to ATP, the competitive sealed proposals Procurement method may be used.
- (B) A Request for Proposal allows ATP to consider a variety of factors in addition to price to select the Contractor who provides the Best Value to ATP. Factors for evaluation may include, but are not limited to: experience/reputation; quality of goods or services; price; achievement of DBE contracting goals; safety record; proposed personnel; financial capability; and other relevant factors.
- (C) Multi-step competitive sealed proposals (RFQ/RFP) may be used when beneficial to ATP and permitted under Applicable Law.

**(ii) Procedures**

**(A) Request for Proposals**

The Request for Proposals shall be prepared in accordance with Section 3.2(b) (Invitation for Bids/Request for Proposals) and shall also include:

- (aa) a statement that discussions may be conducted with Proposers who submit Proposals and that such Proposals may be accepted without such discussions;
- (bb) a statement of when and how price proposals should be submitted; and
- (cc) evaluation factors, including price, and their relative importance.

(B) **Form of Proposal**

The manner in which Proposals are to be submitted, including any forms for that purpose, shall be designated as a part of the Request for Proposals.

(h) **Noncompetitive Procurement**

(i) **Applicability**

A Contract for goods or services may be awarded without competition when the Procurement Department determines in writing that the conditions for use set forth in Section 3.3(h)(ii) (Conditions for Use) have been satisfied.

(ii) **Conditions for Use**

Subject to Section 3.3(h)(iii) (Lack of Advance Planning or Availability of Funds), ATP may use a noncompetitive procurement when the Procurement is inappropriate for competitive sealed bids, competitive sealed proposals, micro purchase procedures under Section 3.3(b) (Federally Funded Micro-Purchases), or small purchase procedures under Section 3.3(c) (Federally Funded Small Purchases), and at least one of the following conditions is present:

- (A) the Contract is for services or supplies for which there is only one Responsible source, and no other supplies or services will satisfy the relevant requirements. Examples include but are not limited to:
  - (aa) only one Offer is received and an appropriate determination has been made under Section 4.1(f) (Only One Offer Received);
  - (bb) the Contractor provides a unique or innovative concept or capability not available from any other source;
  - (cc) patent or data rights restrictions preclude competition;
  - (dd) in the case of follow-on Contracts for highly specialized equipment and associated major components, it would otherwise result in substantial duplication of costs or unacceptable delays; or

- (ee) any other circumstances described in the Federal Requirements.
- (B) ATP has such an unusual and urgent need for the property or services that it would be seriously injured if it were not permitted to limit the Procurement;
- (C) when the public exigency or emergency will not permit any delay resulting from a competitive Procurement for the property or services;
- (D) with some exceptions, when FTA awards a grant agreement or enters into a cooperative agreement with a team, consortium, joint venture, or partnership, the grant agreement or cooperative agreement may constitute approval of those arrangements;
- (E) FTA authorizes procurement by noncompetitive proposals in all of the circumstances authorized by Part 6.3, FAR, including in one or more of the following circumstances:
  - (aa) to comply with Department of Transportation appropriations laws that include specific statutory requirements, with the result that only a single contractor can perform certain project work;
  - (bb) to maintain a facility, producer, manufacturer, or other supplier available to provide supplies or services in the event of a national emergency or to achieve industrial mobilization;
  - (cc) to acquire the services of an expert or neutral person for any current or anticipated Protest, dispute, claim or litigation;
  - (dd) when the disclosure of ATP's needs would compromise national security;
  - (ee) when ATP determines that full and open competition in connection with a particular acquisition is not in the public interest;
  - (ff) any other circumstances described in the Federal Requirements;



(F) for locally funded Procurements, an exemption listed in Section 252.022, Texas Local Government Code, or Sections 451.111 or 431.110, Texas Transportation Code is applicable to a Procurement (in which case ATP may award the Contract on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price); and

(G) the Procurement is in any other category permitted by Applicable Law.

(iii) **Lack of Advance Planning or Availability of Funds**

Contracting without providing for full and open competition shall not be justified on the basis of (i) lack of advance planning by ATP; or (ii) concerns related to the availability of funds.

(iv) **Procedures**

(A) When less than full and open competition is available to ATP, ATP will:

(aa) solicit Offers from as many Offerors as ATP deems practicable under the circumstances;

(bb) justify its decision in writing adequately in the light of the standards of this Section 3.3(h);

(cc) prepare or obtain a cost analysis verifying the proposed cost data, the projections of the data, and the evaluation of the costs and profits; and

(dd) if FTA so requests, submit the proposed Procurement to FTA for pre-award review.

(B) ATP shall conduct negotiations, as appropriate, as to price, delivery, and terms.

(C) A written record of noncompetitive Procurements shall be maintained in the Procurement File.

(i) **Other Procurement Methods**

(i) **Incremental Award**

(A) **Applicability**

An incremental award is an award of portions of a definite quantity requirement to more than one Contractor. Each portion is for a definite quantity, and the sum of the portions is the total definite quantity required. An incremental award may be used only when awards to more than one Offeror for different amounts of the same item are necessary to obtain the total quantity for the required delivery.

**(B) Procedures**

(aa) If an incremental award is anticipated prior to issuing a Solicitation, ATP shall reserve the right to make such an award, and the criteria for award shall be stated in the Solicitation.

(bb) The Contracting Officer shall make a written determination setting forth the reasons for the incremental award, and the determination shall be documented in the Procurement File.

**(ii) Multiple Award**

**(A) Applicability**

A multiple award is an award of an indefinite quantity contract for one or more similar supplies or services to more than one Offeror when ATP is obligated to order all of its actual requirements for the specified supplies or services from those Contractors. A multiple award may be made when award to two or more Offerors for similar products is necessary for adequate delivery, service, or product compatibility.

**(B) Procedures**

(aa) If a multiple award is anticipated prior to issuing a Solicitation, ATP shall reserve the right to make such an award, and the criteria for award shall be stated in the Solicitation.

(bb) The Contracting Officer shall make a written determination setting forth the reasons for a multiple award, and the determination shall be documented in the Procurement File.

**(iii) Other Procurement Sources**

**(A) General**

ATP may use and consider various other Procurement sources, including, but not limited to:

- (aa) State contracts awarded competitively for the benefit of all State agencies (such as DIR, HGACBuy, Texas Multiple Award Schedule Program, The Cooperative Purchasing Network, and Buy Board);
- (bb) another state's cooperative Procurement contract, including purchases made pursuant to Section 3019 of the FAST Act;
- (cc) cooperative Procurement contracts that are purchasing schedules between a state or eligible nonprofit with one or more vendors;
- (dd) specified purchasing programs under the General Services Administration ("**GSA**") Federal Supply Schedule to the extent authorized by Applicable Law (which may include the Cooperative Purchasing Program for information technology, law enforcement, and security solutions; disaster purchases; and public-health-emergency purchases);
- (ee) federal excess and surplus property; and
- (ff) assignment of another entity's contract rights.

**(B) GSA Schedule Requirements**

- (aa) The GSA schedule does not require vendors to comply with FTA's Buy America regulations, and it may include manufactured products that are not eligible for reimbursement of FTA funds. In these cases, ATP must ensure that all Buy America certifications or waivers are received before awarding a Contract.
- (bb) When using the GSA schedule to acquire property or services, ATP can fulfill the requirement for full and open competition by seeking offers from at least three vendors. ATP must still determine that any purchase from the GSA schedule is a fair and reasonable price.

**(C) Acquisition Through Assigned Contract Rights (Piggybacking)**

- (aa) ATP may acquire contract rights through assignment by another entity, in which case ATP shall ensure that the assignment complies with all Federal Requirements, including:
  - (a) the underlying contract complies with FTA requirements prohibiting excessive options;
  - (b) if applicable, the underlying contract includes an assignment clause that allows the assignment of quantities and provides that those quantities are permitted to be purchased under the original contract terms;
  - (c) ATP documents that the price of the contract rights being assigned is fair and reasonable at the time of the assignment (no price analysis is required if ATP can confirm that a price analysis was properly prepared for the original contract);
  - (d) no Cardinal Changes are made;
  - (e) domestic content meets the applicable requirements; and
  - (f) it obtains a complete Procurement File for the underlying Procurement from the assigning agency.
  
- (bb) ATP must also consider, prior to using another entity's contract rights, if other approaches would better allow it to meet its particular needs. Where the assigned contract includes options, ATP shall only exercise the option right if it has determined that: (i) the terms and conditions of the option to be exercised are substantially similar to the terms and conditions as stated in the original contract at the time of award; and (ii) the option price is better than prices available in the market or that when it intends to exercise the option, the option is more advantageous.

### 3.4 Unsolicited Offers

- (a) ATP may enter into a Contract based on an Unsolicited Offer when authorized by Applicable Law. Receipt of an Unsolicited Offer does not, by itself, justify Contract award without providing for full and open competition.
- (b) Unless the Unsolicited Offer offers a proprietary concept that is essential to Contract performance, ATP will seek competition. To satisfy the requirement for full and open competition, ATP will take the following actions before entering into a Contract resulting from an Unsolicited Offer:
  - (i) publicize its receipt of the Unsolicited Offer;
  - (ii) publicize an adequate description of the property or services offered without improperly disclosing proprietary information or disclosing the originality of thought or innovativeness of the property or services sought;
  - (iii) publicize its interest in acquiring the property or services described in the Unsolicited Offer;
  - (iv) provide an adequate opportunity for interested parties to comment or submit competing Proposals; and
  - (v) publicize its intention to award a Contract based on the Unsolicited Offer or another Proposal submitted in response to the publication.

If it is impossible to describe the property or services offered without revealing proprietary information or disclosing the originality of thought or innovativeness of the property or services sought, ATP may make an award to the Offeror under Section 3.3(h) (Noncompetitive Procurement). A noncompetitive award may not be based solely on the unique capability of the Offeror to provide the specific property or services proposed.

### 3.5 Procurement File

- (a) ATP will prepare and maintain adequate and readily accessible project performance and financial records, covering Procurement transactions as well as other aspects of project implementation.
- (b) ATP will maintain these records for three years after final payment and all other pending matters are closed.
- (c) ATP will prepare, maintain, and distribute the following documents, as necessary, written records detailing the history of each Procurement, as follows:

- (i) rationale for the method of Procurement ATP used for each contract, including a noncompetitive Procurement justification for any acquisition that does not qualify as competitive;
  - (ii) the reasons for selecting the contract type ATP used (fixed price, cost reimbursement, and so forth);
  - (iii) ATP's reasons for Contractor selection or rejection including a written Responsibility determination; and
  - (iv) justification for the Contract cost or price.
- (d) The extent of documentation should be reasonable. Documents included in a procurement history should be commensurate with the size and complexity of the Procurement itself. These written records will vary greatly for different Procurements.
- (e) 49 U.S.C. § 5325(g) provides FTA and U.S. Department of Transportation officials, the U.S. Comptroller General, or any of their representatives, access to and the right to examine and inspect all records, documents, and papers, including contracts, related to any FTA project financed with federal assistance authorized by 49 U.S.C. § 53.

## 4. OFFER SUBMISSION, EVALUATION, COST OR PRICING DATA, AND AWARD

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### 4.1 Offer Submission

#### (a) Timelines of Submission

- (i) Offers must be submitted in accordance with the requirements set forth in the Solicitation. Any Offer that is materially late will be rejected, unless the delay is caused internally by ATP's mishandling of mail delivery or an ATP technological issue.
- (ii) Any late Offer shall be documented in the Procurement File.

#### (b) Modification or Withdrawal

- (i) Any Offer may be amended or withdrawn by any method authorized by the Solicitation prior to the Offer Submission Date. To be effective, any notice of the amendment or withdrawal must be received by the Contracting Officer in the manner designated in the Solicitation or in the absence of instruction by written notice to the Contracting Officer.
- (ii) Any modification or withdrawal of Offers shall be documented in the Procurement File.

#### (c) Mistakes and Minor Irregularities

- (i) After Offer submission, ATP may allow the Offeror an opportunity to cure any deficiency resulting from a minor informality or irregularity, or waive the deficiency in its reasonable discretion in the best interest of ATP if permitted by Applicable Law. A minor informality or irregularity is merely a matter of form and not of substance. It can also pertain to an immaterial defect in an Offer or a variation of an Offer from the exact Solicitation requirements that could be corrected or waived without being prejudicial to other Offerors (i.e., the effect on price, quantity, quality, or delivery is negligible when contrasted with the total cost or scope of the supplies or services being acquired).
- (ii) There is no authority to permit correction of an Offer that is non-Responsive.



- (iii) When an Offer is corrected or a waiver is granted, or correction or waiver is denied, the Contracting Officer shall prepare a written determination for documentation in the Procurement File.

(d) **Receipt and Opening of Offers**

- (i) Bids and Bid modifications shall be opened publicly, in the presence of one or more witnesses, at the time, date, and place designated in the Invitation for Bids. The name of each Bidder, the Bid price, and such other information as is deemed appropriate by ATP will be read aloud or otherwise made available.
- (ii) Proposals shall not be opened publicly but shall be opened in the presence of two or more ATP representatives. Proposals and Proposal modifications shall be shown only to ATP Persons, consultants, advisors, or other persons having a legitimate interest in them.

(e) **Extension of Time for Offer Acceptance**

After receipt of Offers, ATP may request Offerors to extend the time during which ATP may accept their Offers. The reasons for requesting the extension shall be documented in the Procurement File.

(f) **Only One Offer Received**

- (i) If only one Responsive Offer is received in response to a Solicitation, the Procurement Department shall determine if competition was adequate. This should include a review of the Specifications for undue restrictiveness and might include a survey of potential sources that chose not to submit an Offer. Competition will be considered adequate when the reasons for few Offers were caused by conditions beyond ATP's control. Such determination shall be documented in the Procurement File.
- (ii) If the competition is determined adequate, then ATP may make an award to the single Offeror in accordance with the procedures in Section 3.3(h)(iv) (Procedures).
- (iii) If the competition is not determined adequate, then ATP may reject the Offer under Section 4.10 (Cancellation of Solicitations; Rejection of Offers) and ATP may resolicit Offers; or cancel the relevant Procurement.

## 4.2 Responsiveness

### (a) Application

A determination of Responsiveness or non-Responsiveness shall be governed by this Section 4.2.

### (b) Standards of Responsiveness

- (i) To be considered for award, an Offer must be Responsive to the Solicitation.
- (ii) To be Responsive, an Offer must meet, without any material deviation, the expressed requirements of a Solicitation, and in particular:
  - (A) with respect to a Bid, must be fully compliant with and not materially deviating from the terms, conditions, and specifications set forth in an Invitation for Bids; and
  - (B) with respect to a Proposal, must be materially compliant with a Request for Proposals (or must be capable of being made compliant through discussions).
- (iii) The Contracting Officer must notify an Offeror if its Offer has been determined to be non-Responsive to the Solicitation.

## 4.3 Responsibility

### (a) Application

A determination of Responsibility or non-Responsibility shall be governed by this Section 4.3.

### (b) Standards of Responsibility

- (i) An Offeror must demonstrate affirmatively its Responsibility, including (when necessary) that of its proposed subcontractors.
- (ii) Factors to be considered in determining whether the standard of Responsibility has been met may include whether an Offeror has:
  - (A) the appropriate financial, material, equipment, facility, technical, and personnel resources and expertise, or the ability to obtain them, to indicate its capability to meet all Contractual requirements;

- (B) a satisfactory record of past and current performance, including quality or timeliness of delivery;
- (C) a satisfactory record of integrity;
- (D) legal qualifications to contract with ATP, including applicable licensing;
- (E) supplied all necessary information in connection with the inquiry concerning responsibility;
- (F) an acceptable safety record in accordance with Section 252.0435, Texas Local Government Code; and
- (G) complied with all Applicable Law regarding nondiscrimination and equal opportunity.

(iii) The Offeror shall supply information requested by the Contracting Officer concerning Responsibility. If the Offeror fails to supply the requested information, the Contracting Officer shall base the determination of Responsibility upon any available information or may find the Offeror non-Responsible if such failure is unreasonable.

(c) **Demonstration of Ability to Meet Standards**

The Offeror may demonstrate that the standard of Responsibility has been met by submitting upon request:

- (i) evidence that the Offeror possesses the appropriate financial, material, equipment, facility, technical, and personnel resources and expertise;
- (ii) acceptable plans to subcontract for such financial, material, equipment, facility, technical, and personnel resources and expertise; or
- (iii) a documented commitment from, or explicit arrangement (which will be in existence at the time of award) with, a satisfactory source to provide such financial, material, equipment, facility, technical, and personnel resources and expertise.

(d) **Pre-Award Surveys**

When the information available to the Contracting Officer is insufficient to make a determination regarding Responsibility, a pre-award survey of the Offeror's business and facilities may be conducted. A pre-award survey may cover one or

more areas, including technical ability, production capacity, facilities, equipment, quality control, accounting system, financial capability, and record of performance on other contracts.

(e) **Responsibility Determination**

Before awarding a Contract, ATP must be satisfied that the Offeror is Responsible and document this determination in writing. If an Offeror who otherwise would have been awarded a Contract is found non-Responsible, the Contracting Officer shall prepare a written determination of non-Responsibility setting forth the basis of the finding and shall notify the non-Responsible Offeror indicating that ATP has determined it to be non-Responsible and stating the reason(s) for the determination. The final determination shall be documented in the Procurement File.

4.4 **Selection of Competitive Sealed Bids**

(a) **Selection**

Competitive sealed bids shall be selected based on the requirements set forth in the Invitation for Bids. Factors not specified in the Invitation for Bids shall not be considered.

(b) **Evaluation of Product Acceptability**

The evaluation of any product or service acceptability submittal under Section 3.3(f)(i)(C) (Product or Service Acceptability) is not conducted for the purpose of determining whether one Bidder's item is superior to another but only to determine that a Bidder's offering is acceptable as set forth in the Invitation for Bids. Any Bidder's offering which does not meet the acceptability requirements shall be rejected as non-Responsive.

(c) **Lowest bid**

Following determination of product or service acceptability as set forth in Section 4.3(b) (Standards of Responsibility) (if any is required), Bids will be evaluated to determine which Bidder offers the lowest cost to ATP in accordance with the evaluation criteria set forth in the Invitation for Bids.

(d) **Low Tie Bids**

- (i) In the case of competitive sealed bid Solicitations, if two or more Responsible Bidders submit the lowest Responsive Bid, then the award shall be made to the earliest Bid received, according to ATP records and good faith judgment.
- (ii) Records shall be made of all Invitation for Bids in relation to which low tie bids are received showing at least the following information:
  - (A) the identification number of the Invitation for Bids;
  - (B) the property, service, or construction item; and
  - (C) a listing of all Bidders and prices submitted.
- (iii) A copy of each such record shall be documented in the Procurement File.

#### **4.5 Evaluation of Multi-Step Competitive Sealed Bids**

- (a) After receipt of technical offers, amendments to the Invitation for Bids shall be distributed only to Bidders who submitted technical offers, and they shall be permitted to submit new technical offers or to amend those submitted. If, in the opinion of ATP, a contemplated amendment will significantly change the nature of the Procurement, the Invitation for Bids shall be cancelled in accordance with Section 4.10 (Cancellation of Solicitations; Rejection of Offers) and a new Invitation for Bids issued.
- (b) The technical offers shall be evaluated based on the criteria set forth in the Invitation for Bids. Factors not specified in the Invitation for Bids shall not be considered.
- (c) ATP will determine if there are sufficient acceptable technical offers to ensure effective price competition in Step 2. If there are not sufficient acceptable technical offers, ATP shall (i) issue an amendment to the Invitation for Bids; or (ii) engage in technical discussions. If there are sufficient acceptable technical offers, ATP may initiate Step 2 of the multi-step competitive sealed bidding process without technical discussions.
- (d) ATP may conduct discussions with any Bidder who submits an acceptable or potentially acceptable technical offer. Discussions shall be conducted in accordance with Section 4.6(b)(ii) (Discussions). Once discussions have begun, any Bidder that has been invited to discussions may submit supplemental information amending its technical offer (and any price proposal previously submitted) at any

time until the closing date established by ATP. Such submission may be made at the request of ATP or upon the Bidder's own initiative.

- (e) When ATP determines a Bidder's technical offer to be unacceptable, such Bidder shall be notified and shall not be afforded an additional opportunity to supplement its technical offer.
- (f) Upon the completion of Step 1, ATP shall: (i) open the priced bids; or (ii) if priced bids have not been submitted, technical discussions have been held, or amendments to the Invitation for Bids have been issued, invite each acceptable bidder to submit a priced bid.
- (g) Step 2 shall be conducted in accordance with the procedures applicable to competitive sealed bid Procurements. No additional public notice of the invitation to submit priced bids is required.

#### 4.6 **Evaluation of Competitive Sealed Proposals**

##### (a) **Evaluation**

Competitive sealed proposals shall be evaluated based on the evaluation criteria set forth in the Request for Proposals. Criteria not specified in the Request for Proposals shall not be considered.

##### (b) **Discussions**

- (i) ATP may conduct discussions with Proposers. The purpose of such discussions shall be to:
  - (A) promote understanding of ATP's requirements and the Proposals; and
  - (B) facilitate arriving at a Contract that will be most advantageous to ATP taking into consideration price and the other evaluation factors set forth in the Request for Proposals.
- (ii) Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of Proposals. ATP should establish procedures and schedules for conducting discussions. If during discussions there is a need for any substantial clarification of or change in the Request for Proposals, the Request for Proposals shall be amended to incorporate

such clarification or change. Any substantial oral clarification of a Proposal shall be reduced to writing by the Proposer.

(c) **Best and Final Offers**

- (i) ATP shall establish a common date and time for the submission of best and final offers, if applicable. Subject to Section 4.6(c)(ii), best and final offers shall be submitted only once and no discussion of or changes to the best and final offers shall be allowed prior to award.
- (ii) The Executive Director or their Designee may make a written determination that it is in ATP's best interest to conduct additional discussions or change ATP's requirements and require another submission of best and final offers.

(d) **Evaluation of Multi-Step Competitive Sealed Proposals**

If ATP uses a multi-step competitive sealed proposal process, ATP may use responses to a Request for Qualifications to evaluate the qualifications of the Proposers.

**4.7 Evaluation of Professional Services Responses**

(a) **Evaluation**

Professional services responses shall be evaluated based on the evaluation criteria set forth in the Request for Qualifications.

(b) **Discussions**

- (i) ATP shall evaluate all responses submitted and may conduct discussions with any respondent. The purposes of such discussions shall be to:
  - (A) determine in greater detail such respondent's competence and qualifications; and
  - (B) explore with the respondent the scope and nature of the required services, the respondent's proposed method of performance, and the relative utility of alternative methods of approach.
- (ii) Discussions shall not disclose any information derived from responses submitted by other respondents, and ATP shall not disclose any information contained in any responses until after award of the proposed Contract has been made.



- (iii) Responses may be modified or withdrawn at any time prior to the conclusion of discussions.

(c) **Selection of the Best Qualified Respondents**

After conclusion of validation of qualifications, evaluation, and discussions, ATP shall select, in the order of their respective ranking, any number of respondents whose proposals to provide the required services have received the highest evaluation scores.

(d) **Negotiation and Award of Contract for Professional Services**

- (i) ATP shall negotiate a Contract with the highest evaluated respondent for the required services at compensation determined by ATP to be fair and reasonable.
- (ii) Contract negotiations shall be directed toward:
  - (A) making certain that the respondent has a clear understanding of the scope of the work, specifically the essential requirements involved in providing the required services;
  - (B) determining that the respondent will make available the necessary personnel and facilities to perform the services within the required time; and
  - (C) agreeing upon fair and reasonable compensation, taking into account the estimated value of the required services and the scope, complexity, and nature of such services.
- (iii) If compensation, Contract requirements, and Contract documents can be agreed upon with the highest evaluated respondent, the Contract shall be awarded to that respondent.
- (iv) If compensation, Contract requirements, or Contract documents cannot be agreed upon with the highest evaluated respondent, a written record stating the reasons for the failure to agree shall be documented in the Procurement File, and the Contracting Officer shall advise such respondent of the termination of negotiations, which shall be confirmed by written notice.

- (v) Upon failure to negotiate a Contract with the highest evaluated respondent, ATP may enter into negotiations with the next highest evaluated respondent. If compensation, Contract requirements, and Contract documents can be agreed upon, then the Contract shall be awarded to that respondent. If negotiations again fail, negotiations shall be terminated as provided in Section 4.7(d)(iv) and commenced with the next highest evaluated respondent.
- (vi) Written notice of award shall be documented in the Procurement File.
- (vii) If ATP is unable to negotiate a Contract with any of the respondents initially selected, responses may be resolicited or additional respondents may be selected based on original, acceptable submissions in the order of their respective evaluation ranking and negotiations may continue in accordance with Section 4.7(d)(iv) and 4.7(d)(v) until an agreement is reached and the Contract awarded.

(e) **Memorandum of Evaluation and Negotiation**

At the conclusion of negotiations resulting in the award of the Contract, the Contracting Officer shall prepare a memorandum setting forth the bases of award for documentation in the Procurement File.

4.8 **Cost or Pricing Data**

(a) **Cost or Pricing Data**

(i) **Applicability**

The provisions in this Section 4.8(a) apply to the extent required by Applicable Law (including the Federal Requirements, if applicable).

(ii) **Requirement for Cost or Pricing Analysis**

ATP must perform a cost or price analysis in connection with every Procurement action (including Contract Modifications) exceeding the applicable Simplified Acquisition Threshold, after receiving Offers and before awarding a Contract. The method and degree of analysis is dependent on the facts surrounding the particular Procurement.

(b) **Independent Cost Estimate**

- (i) The independent cost estimate is a tool to assist in determining the reasonableness of the Offer being evaluated and to assist in performing the cost or price analysis. ATP will use the ICE as the starting point for conducting a cost or price analysis. It is required for all Procurements exceeding the Simplified Acquisition Threshold. An ICE must be completed prior to receipt of Offers and is required for Procurement actions such as Contract Modifications and Change Orders. It can range from a simple budgetary estimate to a complex estimate based on inspection of the product itself and review of items like drawings, specifications, and information from previous procurements. The word "independent" means that the estimate is prepared without the influence of persons who have a financial interest in, or will be considered for, the resulting award. It does not imply that it is performed by someone other than ATP.
  - (ii) The ICE is especially critical whenever there is no price competition or where offerors are submitting price proposals for goods or services that are not exactly comparable (e.g., for procurements of high-technology items or professional services). It is also useful in competitive procurements to alert ATP when all competitors are submitting unreasonably high or low-cost proposals.
- (c) **Applicability of Cost and Price Analysis**
- (i) A price analysis (i.e., using catalog, market prices, or comparison of Offerors) is used to determine if a Contract or Contract Modification price is reasonable following a determination that competition was adequate. It involves an evaluation of the prices for the same or similar items or services. A price analysis is a more simplified process and is normally used when two or more Responsive and Responsible Offers have been received.
  - (ii) ATP will conduct a cost analysis for every Procurement action when a price analysis will not provide sufficient information to determine reasonableness of the Contract cost or Contract Modification. Generally, a cost analysis must be performed for: (1) Procurements which require that Offerors submit detailed elements of direct and indirect costs; (2) Procurements where adequate price competition is lacking; and/or (3) noncompetitive Procurements, unless price reasonableness can be established based on market prices. Obtaining cost elements for noncompetitive pricing of manufactured items can be difficult or impossible since many vendors may

feel this information is proprietary. In these cases, ATP should prepare a price analysis to determine if the price is fair and reasonable.

**(d) Evaluations of Cost or Pricing Data**

- (i) Evaluations of cost or pricing data may include comparisons of costs and prices of an Offeror's based on any independent price and cost estimates by ATP, or if permitted under Applicable Law, the cost estimates of other Offerors. They also shall include consideration of whether such costs are reasonable and allocable.
- (ii) Cost analysis includes the appropriate verification of cost or pricing data and the use of this data to evaluate:
  - (A) specific elements of costs;
  - (B) the necessity for certain costs;
  - (C) the reasonableness of amounts estimated for the necessary costs;
  - (D) the reasonableness of allowances for contingencies;
  - (E) the basis used for allocation of indirect costs;
  - (F) the appropriateness of allocations of particular indirect costs to the proposed contract; and
  - (G) the reasonableness of the total cost or price.

**(e) Negotiation of Profit**

For each Contract in which there is no price competition and in all cases where a cost analysis is performed, ATP will negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the Contractor, the Contractor's investment, the amount of subcontracting, the quality of the Contractor's record of past performance, and industry profit rates in the surrounding geographical area for similar work. An Offeror's profit should be separately negotiated and not based on a flat percentage of estimated Contract costs.

**(f) Estimated costs**

As applicable under the Federal Requirements, costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for ATP under 2 C.F.R. Part 200 Subpart E or ATP's own cost principles that comply with the federal cost principles.

**(g) Submission of Cost or Pricing Data and Certification**

- (i) When cost or pricing data are required, they shall be submitted to the Contracting Officer at any reasonable time and in any reasonable manner prescribed by the Contracting Officer. When the Contracting Officer requires the Offeror or Contractor to submit cost or pricing data, such data shall either be actually submitted or specifically identified in writing.
- (ii) The Offeror or Contractor is required to keep such submission current until the negotiations are concluded, unless otherwise directed by the Contracting Officer.
- (iii) The Offeror or Contractor shall certify, as soon as practicable after agreement is reached on price, that the cost or pricing data submitted are accurate, complete, and current as of a mutually determined date prior to reaching agreement.

**(h) Certificate of Current Cost or Pricing Data**

- (i) When cost or pricing data must be certified, a certificate provided by the Contracting Officer shall be included in the Procurement File along with any award documentation required under this Policy. The Offeror or Contractor shall be required to submit the certificate as soon as practicable after agreement is reached on the Contract price or adjustment.
- (ii) Whenever it is anticipated that a Certificate of Current Cost or Pricing Data may be required, notice of this requirement shall be included in the Solicitation. If such a certificate is required, the contract shall include a clause giving ATP a contract right to a reduction in the price as provided in Section 4.8(i) (Defective Cost or Pricing Data).
- (iii) The exercise of an option at the price established in the initial negotiation in which certified cost or pricing were used does not require recertification or further submission of data.

(i) **Defective Cost or Pricing Data**

- (i) If certified cost or pricing data subsequently are found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, ATP is entitled to an adjustment of the Contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. Judgmental errors made in good faith concerning the estimated portions of future costs or projections do not constitute defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the overstatement plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data were not used or relied upon, the price should be reduced in such amount. In establishing that the defective data caused an increase in the Contract price, ATP is not expected to reconstruct the negotiation by speculating as to what would have been the mental attitudes of the negotiating parties if the correct data had been submitted at the time of agreement on price.
- (ii) In determining the amount of a downward adjustment, the Contractor shall be entitled to an offsetting adjustment for any understated cost or pricing data submitted in support of price negotiations for the same pricing action up to the amount of ATP's claim for overstated cost or pricing data arising out of the same pricing action.

4.9 **Award**

(a) **Award of Competitive Sealed Bids**

A firm fixed price contract shall be awarded with reasonable promptness by written notice to the lowest Responsible and Responsive Bidder whose Bid meets the requirements and criteria set forth in the Invitation for Bids.

(b) **Award of Competitive Sealed Proposals**

- (i) The Contract shall be awarded by written notice to the Responsible and Responsive Offeror whose Proposal is determined by ATP in writing to be the best overall value and most advantageous to ATP taking into consideration the evaluation factors set forth in the Request for Proposals.
- (ii) When requested by an unsuccessful Offeror, ATP will provide a debriefing following Contract award utilizing the evaluation matrix, documentation of

scoring process, and the narrative appraisal describing the strengths and weaknesses as basis for the debriefing discussion. ATP may elect to conduct the debriefing in writing only or virtually or in person. When a DBE or other small or minority business requests a debriefing, the DEI Director may be invited to participate in the debriefing.

#### 4.10 **Cancellation of Solicitations; Rejection of Offers**

##### (a) **Policy on Issuing Solicitations**

Solicitations should be issued only when there is a valid Procurement need, unless the Solicitation states that it is for informational purposes only. Preparing and distributing a Solicitation requires the expenditure of ATP's time and funds. Businesses likewise incur expense in examining and responding to Solicitations. Therefore, although issuance of a Solicitation does not compel award of a Contract, a Solicitation is to be cancelled only when there are cogent and compelling reasons to believe that the cancellation of the Solicitation is in ATP's best interest.

##### (b) **Notice**

Each Solicitation issued by ATP shall state that ATP reserves its right to cancel the Procurement or reject Offers as provided in this Section 4.10.

##### (c) **Cancellation Prior to Offer Submission Date**

(i) Prior to the Offer Submission Date, a Procurement may be cancelled in whole or in part when ATP determines in writing that such action is in its best interest for reasons including, but not limited to:

(A) ATP no longer requires the property, services, or construction;

(B) ATP no longer can reasonably expect to fund the Contract; or

(C) proposed amendments to the Solicitation would be of such magnitude that a new Procurement is desirable.

(ii) Notice of cancellation shall be distributed in a manner appropriate for the relevant Procurement.

##### (d) **Cancellation After Offer Submission Date**

(i) After the Offer Submission Date, all Offers may be rejected in whole or in part when ATP determines in writing that there is a sound, documented



business reason and such action is in ATP's best interest for reasons including, but not limited to:

- (A) the construction, property, or services being procured are no longer required;
- (B) ambiguous or otherwise inadequate specifications were part of the Solicitation;
- (C) the Solicitation did not provide for consideration of all factors of significance to ATP;
- (D) prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
- (E) all otherwise acceptable Offers received are at clearly unreasonable prices;
- (F) there is reason to believe that the Offers may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or
- (G) no Responsive Offer has been received.

(ii) Notice of rejection shall be sent to all businesses that submitted Offers.

#### **4.11 Rejection of Individual Offers**

- (a) This Section 4.11 applies to rejections of individual Offers in whole or in part. Each Solicitation issued by ATP shall reserve ATP's right to reject any Offer in whole or in part where there is a sound, documented business reason and it is in the best interest of ATP as provided in this Section 4.11.
- (b) For competitive sealed bidding, reasons for rejecting a Bid include, but are not limited to, the following:
  - (i) the Bidder is not a Responsible Bidder as determined under Section 4.3 (Responsibility); or
  - (ii) the Bid is not Responsive.
- (c) For competitive sealed proposals, unless the Solicitation states otherwise, Proposals need not be unconditionally accepted without alteration or correction,

and ATP's stated requirements may be revised or clarified after Proposals are submitted. This flexibility must be considered in determining whether reasons exist for rejecting all or any part of a Proposal. Reasons for rejecting Proposals include, but are not limited to, the following:

- (i) the Proposer is not a Responsible Proposer as determined under Section 4.3 (Responsibility);
  - (ii) the Proposal ultimately (after any opportunity has passed for altering or clarifying the Proposal) fails to meet the announced requirements of ATP in some material respect;
  - (iii) the Proposal is not Responsive;
  - (iv) the proposed price is clearly unreasonable; or
  - (v) the Proposal is materially unbalanced so that there is a risk that evaluation under the stated criteria may not result in award of a Contract that will be most advantageous to ATP.
- (d) Upon request, unsuccessful Offerors shall be advised of the reasons for the rejection of their Offers.

## 5. CONTRACTING

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### 5.1 Contract Performance

#### (a) Performance Review

- (i) Each Contractor should expect regular and customary inquiries from ATP regarding Contract performance. These inquiries may include the following:
  - (A) timely execution of core Contract responsibilities;
  - (B) costs and expenses consistent with the identified costs for contract;
  - (C) quality of the work and product presented to ATP;
  - (D) satisfaction of the Contract goals for small business and diversity participation;
  - (E) compliance with prevailing wage requirements;
  - (F) safety procedures and completion;
  - (G) compliance with specific Contract obligations;
  - (H) timely payment to subcontractors; and
  - (I) adherence to governmental rules and regulations.
- (ii) The objective of the performance review is to confirm Contract compliance. ATP will record clear failures by the Contractor to meet any core Contract obligations as listed above and efforts to afford opportunities for the contractor to satisfy those obligations.

#### (b) Contract Modifications and Change Orders

- (i) Any material change to the Contract cost/fee, scope of work, duration or any other element of the Contract will necessitate a Contract Modification. The form and content of all Contract Modifications must be approved in advance by ATP's general counsel.
- (ii) For competitively procured Contracts, Change Orders are permissible only if the change is considered within or materially consistent with the scope of

work of the original Solicitation and does not constitute a significant change from the original purpose of the work. For competitively bid Contracts, if a significant change in scope or purpose of work results from the change, ATP must issue a new Solicitation. No Change Order may be made without proper authorization.

## 5.2 **Types of Contracts**

The selection of an appropriate contract type depends on various factors, including the nature of the property, services, or construction to be procured, the uncertainties which may be involved in contract performance, and the extent to which ATP or the contractor is to assume the risk of the cost of performance of the contract. Contract types differ in the degree of responsibility assumed by the contractor. ATP shall, before choosing a contract type, review all relevant factors, including relevant legal authority and Applicable Law, and the elements of the Procurement which directly affect the cost, time, risk, and profit incentives bearing on the performance. The solicitation documents will state the type of contract that will be awarded. ATP will determine which type of contract is most appropriate on a procurement-by-procurement basis and state the reasons for the selection in the Procurement File.

Certain general requirements relating to specific types of contract are set out below.

### (a) **Cost-Plus-a-Percentage-of-Cost Contracting**

The use of a cost-plus-a-percentage-of-cost Contract is prohibited. A cost-plus-a-percentage-of-cost Contract is one in which, prior to completion of the work, the parties agree that the fee will be a predetermined percentage of the total cost of the work. The more the Contractor spends, therefore, the greater its fee. The Contractor's incentive may be to incur cost at the expense of ATP and not to economize.

### (b) **Time and Materials Contracts**

Time and materials Contracts provide an agreed basis for payment for the actual cost of materials supplied and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. Such Contracts shall, to the extent possible, contain a stated ceiling or an estimate that shall not be exceeded without prior approval by ATP (except at the Contractor's own risk) and shall be entered into only after ATP determines in writing that:

- (i) ATP representatives have been assigned to closely monitor the performance of the work; and
- (ii) in the circumstances, it would not be suitable to use any other type of Contract to obtain needed property, services, or construction in the time required and at the lowest cost or price to ATP.

(c) **Option Provisions**

- (i) ATP may elect to include an option for renewal, extension, or purchase in a Contract in accordance with Applicable Law, including the Federal Requirements. When a Contract will contain an option, notice of the option provision shall be included in the Solicitation. ATP shall document in the Procurement File a justification for including any options.
- (ii) If an option is included, the option quantities and periods included in the Solicitation must generally be evaluated unless ATP determines that evaluation is not in its best interest. Any such determination must be documented in the Procurement File. Any evaluation of options should be documented in the Procurement File and should be part of the cost or price analysis undertaken by ATP for the overall Procurement.
- (iii) If an option is included for the Procurement of bus or rail rolling stock or replacement parts, the period of that option must comply with the Federal Requirements, if applicable.
- (iv) Documentation awarding the Contract should indicate that the award is for the base contract and the identified options.
- (v) Before exercising any option, ATP should consider whether a competitive Procurement is practical and would be more advantageous to ATP than renewal, extension or purchase of the existing Contract. Exercise of an option is at ATP's discretion only is not subject to agreement or acceptance by the Contractor.

5.3 **Specifications**

(a) **Purpose and Policies**

- (i) The purpose of a specification is to serve as a basis for obtaining a property, service, or construction item adequate and suitable for ATP's needs in a

cost-effective manner taking into account, to the extent practicable, the costs of ownership and operation as well as initial acquisition costs.

- (ii) It is a requirement of Applicable Law and this Policy that specifications permit full and open competition consistent with this purpose. Specifications shall be drafted to clearly describe ATP's requirements. The Federal Requirements prohibit use of exclusionary, discriminatory or unreasonably restrictive specifications or specifications that otherwise violate the Federal Requirements.
- (iii) Specifications shall, to the extent practicable, emphasize functional or performance criteria including the range of acceptable characteristics or minimum acceptable standards, while limiting design or other detailed physical descriptions to those necessary to meet the needs of ATP.
- (iv) It is the general policy of ATP to procure standard Commercial Items whenever practicable. In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided, to the extent practicable. If the Executive Director or their Designee makes a determination that the items or services to be purchased qualify as Commercial Items, the Procurement shall be fully and openly competed, whenever practicable.
- (v) All specifications shall be written in such a manner as to describe the requirements to be met, without having the effect of exclusively requiring a proprietary supply, service, or construction item, or Procurement from a noncompetitive Procurement, unless no other manner of description will suffice. In that event, a written determination shall be made that it is not practicable to use a less restrictive specification.

(b) **Authority to Prepare Specifications**

The Executive Director or their Designee shall be responsible for preparing, approving, revising, and maintaining all specifications used by ATP for Procurements. Specifications should be completed a sufficient time in advance of selection and implementation of the appropriate Procurement method under this Policy. When it is in the best interest of ATP, a Contract may be entered into to prepare specifications for ATP's use in the Procurement of goods or services, as long as such Contract would not result in an organizational conflict of interest as described in this Policy and the ATP Ethics Policy. In an emergency under Section

3.3(e) (Emergency Procurements), any necessary specifications may be utilized without regard to this Section 5.3.

(c) **Procedures for the Development of Specifications**

A specification may provide alternate descriptions of goods or services or include a range of acceptable characteristics where two or more design, functional, or performance criteria will satisfactorily meet ATP's requirements. Specifications should not include any Solicitation or contract term or condition such as a requirement for time or place of bid opening, time of delivery, payment, liquidated damages, or qualification of bidders.

(d) **Brand Names**

(i) A Brand Name Specification may be used if ATP makes a written determination that only the identified Brand Name item will satisfy ATP's needs. If a Brand Name Specification is used, ATP shall seek to solicit sources from which the Brand Name item can be obtained to achieve a practicable degree of competition. If a Brand Name Specification results in a restraint on competition (e.g., a single offeror), the terms of Section 3.3(h) (Noncompetitive Procurement) will apply.

(ii) A Brand Name or Equal Specification may be used if ATP makes a written determination that:

(A) no specification for a common or general use item or Public Transportation List is available;

(B) time does not permit the preparation of another form of specification which does not include a Brand Name Specification;

(C) a Brand Name or Equal Specification is suitable for the Procurement due to the nature of the product or the nature of ATP's requirements;

(D) it is impractical or uneconomical to write a clear and accurate description of the technical requirements of the property or services to be acquired; or

(E) use of a Brand Name or Equal Specification is in ATP's best interest.

(iii) If a Brand Name or Equal Specification is used:



- (A) ATP shall seek to designate as many different brands as is practicable as "or equal" references;
- (B) the Solicitation shall state that substantially equivalent products to those designated will be considered for award;
- (C) the Brand Name or Equal Specification shall include a description of the particular design, functional, or performance characteristics required to meet ATP's needs; and
- (D) the Solicitation shall state that the use of a Brand Name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.

(e) **Public Transportation Lists**

A Public Transportation List may be developed when testing or examining property or construction items prior to issuance of the Solicitation would best satisfy ATP's requirements. When developing a Public Transportation List, a representative group of potential suppliers shall be solicited in writing to submit products for testing or examination to determine acceptability for inclusion on a Public Transportation List. Any potential supplier, even if not solicited, may offer its products for consideration. Inclusion on a Public Transportation List shall be based on results of tests or examinations conducted in accordance with prior published requirements. Except as otherwise provided by Applicable Law, trade secrets, test data, and similar information provided by the supplier will be kept confidential when requested in writing by the supplier. Test results used in formulating Public Transportation Lists may be made public.

(f) **Specifications Prepared by Others**

The requirements of this Section 5.3 shall apply to all specifications prepared by ATP Persons and by those who are not ATP Persons including, but not limited to, those prepared by consultants, architects, engineers, designers, and other draftsmen of specifications for public contracts. Contracts for the preparation of specifications by those who are not ATP Persons shall require the specification writer to adhere to such requirements.

## 6. ADMINISTRATIVE REMEDIES, AUDIT AND ORGANIZATIONAL CONFLICTS OF INTEREST

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### 6.1 Administrative Remedies

- (a) ATP, as a local government corporation created under Chapter 431, Texas Transportation Code, operates on a fiscal year budget. A person's or entity's participation in an ATP Procurement Related Matter requires ATP to use a portion of its limited resources to administer, analyse, evaluate, respond, or otherwise handle such participation.
- (b) ATP seeks to foster public confidence in the integrity of its handling of ATP Procurement Related Matters by providing a fair and impartial resolution of Controversies in an expeditious and cost-efficient manner.
- (c) Pursuant to the authority granted under State law (including but not limited to Section 22.051, Texas Business Organizations; Sections 431.006, 431.062 and 431.108, Texas Transportation Code; Section 271.154, Texas Local Government Code; and Chapter 171, Texas Civil Practice and Remedies Code) this Chapter 6 provides for mandatory administrative remedies for all ATP Procurement Related Matters.
- (d) Specifically, by participating in an ATP Procurement Related Matter, the person or entity agrees that any claim they may have or could have against ATP (including its directors, officers, and employees) arising out of or in connection with an ATP Procurement Related Matter shall be resolved exclusively by the administrative remedies stated in this Chapter 6 and further waives any and all right to seek judicial relief (which includes but is not limited to seeking relief based in equity, contract, tort, common law, or any other basis), for any claim, prior to completing all conditions precedent under this Chapter 6.

### 6.2 Required Provision for Solicitations and Contracts

This Section 6.2 sets forth a standard contract clause that may be used in Solicitations, Contracts entered into by ATP and required associated written (tangible or electronic) external communications. The clause in this Section 6.2 may be modified, as applicable.

Administrative Remedies. Pursuant to the authority granted ATP under State law and in consideration of ATP's use of its limited resources to administer, analyze, evaluate, respond, or otherwise handle this submission, by submitting this document to ATP the filer agrees that any claim it has or may have against ATP (including its directors, officers, and employees) arising out of or in connection with an ATP current, prior, or post procurement related matter (which includes but is not limited to administration, bid submission, bid acceptance, bid handling, bid rejection, evaluations, complaints, debarments, determinations, disputes, payments, pre-bid conferences, Protests, Solicitations, suspensions, and terminations) (hereinafter "**ATP Procurement Related Matter**") shall be resolved exclusively by the administrative remedies which are established by ATP as stated in Chapter 6 (Administrative Remedies, Audit and Organizational Conflicts of Interest) of the ATP Procurement Policy, and which are expressly incorporated herein by reference as if fully set forth. **ACCORDINGLY, BY EXECUTING AND SUBMITTING THIS DOCUMENT, THE FILER HEREBY AGREES TO WAIVE ANY AND ALL RIGHT TO SEEK JUDICIAL RELIEF (WHICH INCLUDES RELIEF SOUGHT BASED IN EQUITY, CONTRACT, TORT, COMMON LAW, OR ANY OTHER BASIS), FOR ANY CLAIM, PRIOR TO COMPLETING ALL CONDITIONS PRECEDENT FOR ADMINISTRATIVE REMEDIES AS STATED IN ATP PROCUREMENT POLICY CHAPTER 6 (ADMINISTRATIVE REMEDIES AUDIT AND ORGANIZATIONAL CONFLICTS OF INTEREST). FURTHER, THE FILER AGREES TO WAIVE ANY CLAIM IT HAS OR MAY HAVE AGAINST ATP (INCLUDING ITS DIRECTORS, OFFICERS, AND EMPLOYEES) ARISING OUT OF OR IN CONNECTION WITH THE ADMINISTRATION, EVALUATION, OR RECOMMENDATION OF ANY BID; WAIVER OF ANY REQUIREMENTS UNDER ANY BID OR CONTRACT DOCUMENTS; OR IN CONNECTION WITH AN ATP PROCUREMENT RELATED MATTER.**

### 6.3 Protests of Solicitations and Awards

#### (a) Limited Right to Protest

The right to Protest is limited to a person who has participated in an ATP Procurement Related Matter. The Executive Director or their Designee may, in their sole discretion, allow an Interested Party to file a Protest provided said Interested Party has agreed in writing (on an approved ATP form) that by filing the Protest, it agrees that any claim it has or may have against ATP (including its directors, officers, and employees) arising out of or in connection with an ATP Procurement Related Matter shall be resolved exclusively by the administrative remedies stated in this Chapter 6. A Protest must be signed and submitted as a written document (i.e., in tangible form, not electronic or digital).

**(b) Filing of Protest**

- (i) Protests shall be made in writing to the Procurement Director and shall be filed in duplicate no later than 90 Days after the Protester knew or should have known of the alleged claim or complaint. Protests that do not comply with this requirement are considered improper and untimely. However, in an effort to resolve matters efficiently and effectively, it is recommended that Protests be filed within 10 Days. A Protest is considered filed when received by the Procurement Director. An untimely Protest shall not be considered. Absent a showing of fraud or misrepresentation, a Protester filing an untimely Protest waives its right to contest the subject ATP Procurement Related Matter. The timeliness of a Protest filing is a question of fact and a determination by the Procurement Director that a Protest was timely or untimely filed shall be final and binding as provided in Section 6.3(h) (Finality of Decision).
- (ii) Protesters may file a Protest on any phase of the Procurement or award including, but not limited to, specifications preparation, Solicitation, award, or disclosure of information marked confidential in the Offer.
- (iii) To expedite handling of Protests, all Protests must comply with the following requirements, which shall be strictly enforced:
  - (A) the envelope containing the Protest must be labeled "Protest";
  - (B) the Protestor's name, business address, phone number, email, and the Protester's preferred method for receiving notice and communications from ATP;
  - (C) a statement of facts showing the timeliness of the Protest, including but not limited specific dates as to when the circumstances that gave rise to the Protest occurred;
  - (D) appropriate identification of the ATP Procurement Related Matter and, if a Contract has been awarded, its number;
  - (E) a detailed statement of reasons for the Protest with specific references to relevant and applicable sections of this Policy or Contract sections; and

(F) supporting exhibits, or documents to substantiate any claims ("**Supporting Evidence**"). If a portion of the Supporting Evidence is not available at the time of filing the Protest, then the Protester shall provide a description of the unavailable Supporting Evidence expected to be filed along with a sworn statement of good cause setting forth the reasons the Supporting Evidence is unavailable. The Protester shall provide the unavailable Supporting Evidence no later than 30 days after filing the Protest. The Procurement Director may, in its sole discretion, allow the Protester additional time to provide the unavailable Supporting Evidence if it was sufficiently described in the Protest and good cause is shown.

(iv) Any additional information requested by any of the parties to the Protest should be submitted within the time periods established by the Procurement Director in order to expedite consideration of the Protest. Failure of any party to comply expeditiously with a request for information may result in resolution of the Protest without consideration of any information which is not timely filed.

(c) **Stay of Procurements**

Maintaining its commitments with its stakeholders (i.e., service area residents, business and community leaders, elected and appointed officials, funding agencies, etc.) is of paramount importance and a substantial interest to ATP. Accordingly, as a necessity of protecting this substantial interest, it is critical that Procurements be progressed in a timely manner. Accordingly, the filing of a Protest does not automatically stay or delay any Procurement action scheduled to be taken by ATP, including but not limited to the award of Contracts. Notwithstanding, in the absence of a voluntary stay by the Procurement Director, a Protester may file a "request for stay" with the Executive Director or their Designee, with copy sent to the Procurement Director, to stay a relevant ATP Procurement Related Matter at any time before the resolution of the Protest. The Executive Director shall issue a written determination as to whether the request for stay should be granted or denied within 10 days of the filing of the request. The Executive Director may grant the request for stay only upon a finding that the stay will not harm the substantial interests of ATP.

(d) **Availability of Information**

ATP shall, upon written request to the Procurement Director, make available to the Protester information that is relevant to the basis of the Protest except where information is proprietary, confidential, or otherwise permitted or required to be withheld by Applicable Law. The decision of the Procurement Director or their Designee as to whether and the extent to which the requested information is relevant shall be final. Participants in the Protest process who wish to keep the information they submit confidential must specifically label and/or identify such information within documents submitted and indicate on the front page of each document that it contains confidential information. To the full extent allowed by Applicable Law and this Policy, this written request for confidentiality of information shall be honored.

(e) **Protest Decision**

- (i) A decision on a Protest shall be made by the Executive Director or their Designee as expeditiously as possible after receiving all relevant, requested information. If a Protest is sustained, the available remedies, at the sole discretion of ATP, include, but are not limited to, amendment to the Solicitation, re-Procurement, cancellation of the Procurement, and termination of the Contract.
- (ii) In addition to any other relief, a recommendation may be made by the Executive Director to the Board that the Protester be awarded the reasonable costs incurred in connection with the Procurement, including Offer preparation costs other than attorney's fees, when a Protest is sustained and the Protester should have been, but was not, awarded the Contract under the Procurement. Such recommendations shall confer no rights on the Protester and shall not be binding on ATP.

(f) **Request for Reconsideration**

- (i) Reconsideration of a decision of the Procurement Director may be requested only by a person who has substantially participated in the Protest. Only one reconsideration request will be allowed per Protest regardless of how many persons participated. Those who did not file the request for

reconsideration may file statements in support or in opposition to the reconsideration.

- (ii) Any request for reconsideration shall state that it is a "request for reconsideration" and must be filed with the Executive Director or their Designee, with notice sent to all other Protesters, not later than five calendar days after notice of the Protest decision is sent to the other Protesters using their preferred method of communication. The request for reconsideration shall contain a detailed statement of the factual and legal grounds for challenging fact findings or identify any legal errors in the ruling upon which reversal or modification should be deemed warranted. A request for reconsideration shall be acted upon as expeditiously as possible. The Executive Director or their Designee may uphold the previous decision or reopen the case.

(g) **Appeal of Decision**

Protesters may appeal administratively any Protest decision to the Board within 10 Days after notice of the decision is sent to the Protester. A failure to timely appeal a decision within such 10 Day period waives any and all right to appeal.

(h) **Finality of Decision**

A decision by the Board on a Protest shall be final and binding unless fraudulent, a request for reconsideration is timely filed, or the decision is timely appealed administratively to the Board within 10 Days after notice of the decision is sent to the Protester using its preferred method of communication.

(i) **Federal Reporting Requirements**

(i) **Notification**

ATP will notify the FTA, and will keep the FTA informed of status, of Protests as required under the Federal Requirements.

(ii) **Access to Information**

ATP will disclose information about a Protest to FTA upon request. FTA may require ATP to provide copies of a particular Protest, and any or all related supporting documents, as FTA may determine necessary.

6.4 **Debarment or Suspension**



(a) **Scope of Coverage**

This Section 6.4 applies to all debarments or suspensions of persons from consideration for award of Contracts imposed by the Executive Director.

(b) **Authority to Debar or Suspend**

(i) After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the Executive Director shall have authority to debar a person for cause from consideration for award of Contracts. The debarment shall not be for a period of more than three years. The Executive Director shall have authority to suspend a person from consideration for award of Contracts if there is probable cause for debarment. The suspension shall not be for a period exceeding three months.

(ii) The causes for debarment or suspension may include the following:

(A) conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

(B) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor;

(C) conviction under state or federal antitrust statutes arising out of the submission of Offers;

(D) violation of contract provisions, as set forth below, of a character which is regarded by the Executive Director or their Designee to be so serious as to justify debarment action:

(aa) deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

(bb) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more ATP contracts; provided, that failure to perform or unsatisfactory performance caused by acts beyond the control of the

contractor shall not be considered to be a basis for debarment;  
and

- (E) any other cause specified in the Procurement documents or that the Executive Director determines to be so serious and compelling as to affect responsibility as a contractor with ATP, including debarment by another government entity.

**(c) Suspension**

- (i) Upon written determination by the Executive Director or their Designee that probable cause exists for debarment as set forth in Section 6.4(b) (Authority to Debar or Suspend), a contractor or prospective contractor shall be suspended. A notice of suspension, including a copy of such determination, shall be sent to the suspended contractor or prospective contractor. Such notice shall state that:
  - (A) the suspension is for the period it takes to complete an investigation into possible debarment including any appeals of a debarment decision but not for a period in excess of three months;
  - (B) Offers will not be solicited from the suspended person, and, if they are received, they will not be considered during the period of suspension; and
  - (C) if a hearing has not been held, the suspended person may request a hearing in accordance with this Policy.
- (ii) A contractor or prospective contractor is suspended upon issuance of the notice of suspension. The suspension shall remain in effect during any appeals. The suspension may be ended by the Executive Director or their Designee or the Board but, otherwise, shall only be ended when the suspension has been in effect for three months or a debarment decision takes effect.

**(d) Initiation of Debarment Action**

Written notice of the proposed debarment action shall be sent to the contractor or prospective contractor. This notice shall:

- (i) state that debarment is being considered;

- (ii) set forth the reasons for the action;
- (iii) state that, if the contractor or prospective contractor so requests, a hearing will be held, provided such request is received by the Executive Director or their Designee within 10 Days after the contractor or prospective contractor receives notice of the proposed action; and
- (iv) state that the contractor or prospective contractor may be represented by counsel.

(e) **Request for Hearing**

A contractor or prospective contractor that has been notified of a proposed debarment action may request in writing that a hearing be held. Such request must be received by the Executive Director or their Designee within 10 Days of receipt of notice of the proposed action. If no request is received within the 10-day period, a final determination may be made as set forth in Section (i)6.4(i) (Debarment Decision).

(f) **Notice of Hearing**

If a hearing is requested, the Executive Director or their Designee may in their absolute discretion appoint a hearing officer to conduct the hearing and recommend a final decision. Otherwise, the Executive Director or their Designee shall act as the hearing officer. The hearing officer shall send a written notice of the time and place of the hearing. Such notice shall be sent by certified mail, return receipt requested, and shall state the nature and purpose of the proceedings.

(g) **Authority of Hearing Officer**

The hearing officer, in the conduct of the hearing, has the authority to:

- (i) hold informal conferences to settle, simplify, or fix the issues in a proceeding, or to consider other matters that may aid in the expeditious disposition of the proceeding either by consent of the parties or upon such officer's own motion;
- (ii) require the parties to state their positions with respect to the various issues in the proceeding;

- (iii) require the parties to produce for examination those relevant witnesses and documents under their control;
  - (iv) rule on motions and other procedural items on matters pending before such officer;
  - (v) regulate the course of the hearing and conduct of participants in the hearing;
  - (vi) receive, rule on, exclude or limit evidence, and limit lines of questioning or testimony which are irrelevant, immaterial, or unduly repetitious;
  - (vii) fix time limits for submission of written documents in matters before such officer;
  - (viii) impose appropriate sanctions against any party or person failing to obey an order under these procedures, which sanctions may include:
    - (A) refusing to allow the disobedient party to support or oppose designated claims or defenses, or prohibiting that party from introducing designated matters in evidence;
    - (B) excluding all testimony of an unresponsive or evasive witness; and
    - (C) expelling any party or person from further participation in the hearing; and
  - (ix) take official notice of any material fact not appearing in evidence in the record, if such fact is among the traditional matters of judicial notice.
- (h) **Hearings**
- (i) Hearings shall be as informal as may be reasonable and appropriate under the circumstances and in accordance with applicable due process requirements. ATP may be represented in hearings by legal counsel. The weight to be attached to evidence presented in any particular form will be within the discretion of the hearing officer. Stipulations of fact agreed upon by the parties may be regarded and used as evidence at the hearing. The parties may stipulate the testimony that would be given by a witness if the witness were present. The hearing officer may require evidence in addition to that offered by the parties.

- (ii) A hearing may be recorded but need not be transcribed except at the request and expense of the person making such request. A record of those present, identification of any written evidence presented, copies of all written statements, and a summary of the hearing shall be sufficient record.
- (iii) Opening statements may be made unless a party waives this right.
- (iv) Witnesses shall testify under oath or affirmation. All witnesses may be cross-examined.
- (v) If the contractor or prospective contractor that is the subject of the hearing does not appear on time at a scheduled hearing, all claims and issues raised are abandoned, unless good cause for such failure to timely appear is shown.

(i) **Debarment Decision**

The hearing officer shall prepare a written determination recommending a course of action. Such determination shall be given to the Executive Director or their Designee. Copies shall also be sent to the contractor or prospective contractor that was the subject of the debarment proceeding. The contractor or prospective contractor shall have 10 Days to file comments upon the hearing officer's determination. The Executive Director or their Designee may request oral argument. The Executive Director or their Designee shall issue a final decision. Both the hearing officer's determination and the final decision shall recite the evidence relied upon. When debarment is recommended or ordered, the length of the debarment (not to exceed two years), the reasons for such action, and to what extent affiliates are affected shall be set forth. In addition, the final determination shall inform the debarred person of their rights to administrative review of the debarment decision under this Policy. If the contractor or prospective contractor fails to timely appeal administratively any debarment decision to the Board within seven Days after notice of the decision is issued, then the debarment decision becomes final and binding.

(j) **Effect of Debarment Decision**

A debarment decision will take effect upon issuance and receipt by the contractor or prospective contractor. After the debarment decision takes effect, the contractor shall remain debarred until a court, the Board, or the Executive Director orders otherwise or until the debarment period specified in the decision expires.

(k) **Appeal of Decision**

A contractor may appeal administratively any debarment decision to the Board within seven Days after notice of the decision is issued. A contractor's failure to timely appeal a decision within such seven day period waives any and all right to appeal.

## 6.5 Contract Disputes Procedures

### (a) Scope of Coverage

- (i) Appropriate contractual provisions relating to disputes procedures shall be included in ATP contracts. In the absence of any such contractual provisions, this Section 6.5 contains the procedures for resolving contract disputes unless otherwise determined by the Procurement Director or ATP's general counsel or their Designee. It is ATP's policy to try to resolve all Controversies by mutual agreement if possible. In appropriate circumstances, informal discussions between the parties can aid in the resolution of differences by mutual agreements and are encouraged. To streamline and expedite the claim resolution process, ATP may, at ATP's discretion, develop and use standard claim resolution procedures ("**SCR**P"). The SCR<sub>P</sub> may, at ATP's discretion, be further refined to account for the unique nature of a claim into custom claim resolution procedures.
- (ii) Unless otherwise determined by the Procurement Director or ATP's general counsel or their Designee, this Section 6.5 is intended to be applicable to Controversies. This includes, without limitation, Controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modification, reformation, or rescission.

### (b) Delegation of ATP

- (i) Except as stated in Section 6.5(b)(ii), the authority to settle and resolve Controversies is reserved to the Executive Director or their Designee.
- (ii) The Procurement Director or Contracting Officer shall have the authority to settle or resolve Controversies involving claims up to but not exceeding \$50,000. For settlement or resolution of Controversies in excess of \$50,000, the Contracting Officer, with agreement of the Procurement Director, shall prepare a recommended decision for the Executive Director or their Designee.

### (c) Contracting Officer's Decision

- (i) When a Controversy cannot be resolved by mutual agreement, the Contracting Officer or their Designee shall, after written request by the Contractor for a final decision, promptly issue a written decision. Before issuing a final decision, the Contracting Officer or their Designee shall:
  - (A) review the facts pertinent to the Controversy;
  - (B) secure any necessary assistance from legal, fiscal, and other advisors; and
  - (C) obtain the decision of the Executive Director or their Designee as described in 6.5(b) (Delegation of ATP).
  
- (ii) The Contracting Officer or their Designee immediately shall furnish a copy of the decision to the Contractor and include in the decision:
  - (A) a description of the Controversy;
  - (B) a reference to pertinent contract provisions;
  - (C) a statement of the factual areas of agreement or disagreement;
  - (D) a statement of the Contracting Officer's decision, with supporting rationale; and
  - (E) a section substantially similar to the following:

*"This is the final decision of the Contracting Officer or their Designee. This decision may be appealed to the Board of Directors of ATP. If you decide to make such an appeal, you must deliver or otherwise furnish written notice of appeal to the Board on or before the 30th calendar day from the date of decision issuance. A copy of the notice of appeal shall be furnished to the Contracting Officer from whose decision the appeal is taken. The notice shall indicate that an appeal is intended, reference the decision from which the appeal is being taken, and identify the contract involved."*
  
- (iii) If the Contracting Officer or their Designee does not issue a written decision within 120 days after written request by the Contractor for a final decision, or within such longer period as may be agreed upon by the parties, then the Contractor may proceed as if an adverse decision had been issued.



(d) **Claims by ATP**

All controversies involving claims asserted by ATP against a Contractor which cannot be resolved by mutual agreement shall be the subject of a decision by the Executive Director or their Designee.

6.6 **Administrative Appeals**

(a) **Scope of Coverage**

This Section 6.6 provides for the administrative appeal to the Board or its duly authorized representative.

(b) **Authorized Representative**

The Board may designate a duly authorized representative to decide administrative appeals fairly and impartially pursuant to this Section 6.6 and according to the facts, this Policy, Contract provisions, and Applicable Law. Such authorized representative may be an administrative judge, a hearing officer, or an administrative board of appeals.

(c) **Hearings**

Any person appealing a decision administratively under this Chapter 6 shall be entitled to a hearing in accordance with this Section 6.6(c). All proceedings in an administrative appeal shall be de novo, except for prior determinations of the timeliness of the filing of a document: the timeliness of a filing is a question of fact and a prior determination that a document was timely or untimely filed shall be final and binding as provided in Section 6.3(h) (Finality of Decision). The Board or its duly authorized representative shall have all authority of a hearing officer under Section 6.4(g) (Authority of Hearing Officer). If not previously established by the Board, the duly authorized representative shall prescribe hearing procedures appropriate under the circumstances and in accordance with applicable due process requirements. All hearings will be electronically recorded but shall not be transcribed. Any party to the hearing, at that party's expense, may request that a licensed, certified court reporter transcribe the recorded hearing. If transcribed, any other party to the hearing may, at their expense, purchase a copy of the hearing transcription from the court reporter. A licensed notary public shall administer oaths. Witnesses shall testify under oath or affirmation.

(d) **Finality of Decision**

The decision of the Board or its duly authorized representative in an administrative appeal shall be final and binding as to questions of fact unless determined by a court of competent jurisdiction in Travis County, Texas to have been fraudulent or arbitrary and capricious. The decision of the Board or its duly authorized representative shall not be final as to questions of law. No action challenging such decision shall be brought more than one year from the date of the issuance of the decision.

## 6.7 Audits

### (a) Authority to Audit

Audits by or on behalf of ATP of the books and records of a Contractor, prospective Contractor, subcontractor, or a prospective subcontractor may be performed when authorized by a Solicitation, Contract, or subcontract provision. Audits may be performed by representatives of ATP or for ATP by an independent contractor.

### (b) Cost or Pricing Data Audit

The Executive Director or their Designee may require an audit of cost or pricing data that has been submitted under Section 4.8(g) (Submission of Cost or Pricing Data and Certification). An audit should be required when, with respect to the Contractor, prospective Contractor, subcontractor, or prospective subcontractor, there is:

- (i) a question as to the adequacy of accounting policies or cost systems;
- (ii) a substantial change in the methods or levels of operation;
- (iii) previous unfavorable experience indicating doubtful reliability of estimating, accounting, or purchasing methods;
- (iv) a lack of cost experience due to the Procurement of a new supply or service;  
or
- (v) other evidence that an audit is in ATP's best interests.

### (c) Cost or Pricing Data Audit Report

When an audit is required under Section 6.7(b) (Cost or Pricing Data Audit), the auditor shall submit a written report to the Contracting Officer by an agreed-upon

date. The report should contain the following with respect to the contractor, prospective Contractor, subcontractor, or prospective subcontractor:

- (i) a description of the original Offer and all submissions of cost or pricing data;
- (ii) an explanation of the basis and the method used in preparing the Offer;
- (iii) a statement identifying any cost or pricing data not physically submitted with the Offer but examined by the auditor which has a significant effect on the proposed cost or price;
- (iv) a description of any deficiency in the cost or pricing data submitted and an explanation of its effect on the Offer;
- (v) a statement summarizing those major points where there is a disagreement as to the cost or pricing data submitted; and
- (vi) a statement identifying any information obtained from other sources.

(d) **Contract Audit**

- (i) Books and records may be audited under a Contract for which price is based on costs or is subject to adjustment based on costs, or in which auditing would be appropriate to ensure satisfactory performance (such as a time and materials Contract), or to ensure compliance with the requirements to submit current, accurate, and complete cost or pricing data.
- (ii) A Contract audit may be warranted when a question arises in connection with:
  - (A) the financial condition, integrity, and reliability of the Contractor or subcontractor;
  - (B) any prior audit experience;
  - (C) the adequacy of the Contractor's or subcontractor's accounting system;
  - (D) the number or nature of invoices or reimbursement vouchers submitted by the Contractor or subcontractor for payment;
  - (E) the use of federal funding;

- (F) the fluctuation of market prices affecting the Contract;
- (G) adequacy of cost or pricing data; or
- (H) any other circumstance when the Contracting Officer finds that such an audit is in ATP's best interests.

(iii) The scope of the audit may be limited as specified in the audit request.

(e) **Contract Audit Report**

Where a Contract audit is required under Section 6.7(d) (Contract Audit), the auditor shall submit a written report to the Contracting Officer by an agreed upon date. The scope of the report will depend on the scope of the audit ordered. However, the report should contain specific reference to the terms of the Contract to which the audited data relate and a statement of the degree to which the auditor believes the audited data evidence compliance with those terms.

(f) **Retention of Books and Records**

- (i) Any Contractor who receives a Contract, Change Order, or Contract Modification for which cost or pricing data are required under Section 6.7(b) (Cost or Pricing Data Audit) shall be required to maintain such books and records that relate to such cost or pricing data for three years from the date of final payment under the Contract, or such other time period specified in the Contract or required by Applicable Law.
- (ii) Contracts shall require that books and records relating to a Contract with ATP, including subcontracts, shall be maintained:
  - (A) by a Contractor, for three years from the date of final payment under the prime Contract; and
  - (B) by a subcontractor, for three years from the date of final payment under the subcontract, or such other time period specified as determined by the Contracting Officer or required by Applicable Law.

6.8 **ATP Conflicts of Interest**

(a) **Participation in Selection, Award, or Administration of a Contract**

- (i) No ATP Person shall participate in the deliberation, evaluation, selection, award, or administration of any Contract if they have a real or apparent conflict of interest as described in the ATP Ethics Policy.
- (ii) If any ATP Person recuses himself or herself from a Procurement action or administration of a Contract on the basis of a real or apparent conflict of interest, ATP shall document the recusal in the Procurement File.

**(b) Contact with Vendors and Contractors**

All ATP Persons shall avoid any conduct that may give the impression that a person can improperly influence official acts or actions by ATP. ATP Persons shall avoid compromising or culpable acts, including any action that gives the appearance of improper influence or personal conflict of interest. In addition to complying with the ATP Ethics Policy, ATP Persons must also comply with the requirements below to ensure that Procurement actions are and appear to be proper.

**(c) Contacts Prior to Issuance of a Solicitation**

- (i) ATP may make informational and market-research Contacts with prospective Contractors prior to the issuance of a Solicitation, which may include a request for information process. Such contacts are a valuable source of data and information to ATP and must be guided by the exercise of good judgment.
- (ii) In making any such contracts, ATP Persons must avoid:
  - (A) making promises of a future Contract;
  - (B) making requests for substantial complimentary goods or services, which may create the impression of an obligation on the part of ATP; and
  - (C) subject to Section 6.8(c)(iii), testing, viewing, sampling, etc. the product or services of a single vendor or contractor.
- (iii) If any ATP Person determines it is necessary to test, view, sample, etc., a product or service, the ATP Person must coordinate the contact with the Procurement Department. The ATP Person may be required to obtain a form or agreement that will protect ATP and the prospective vendor or Contractor.

(d) **Contacts After Issuance of a Solicitation and Before Contract Award**

- (i) ATP shall require all contacts with Contractors that relate to a Procurement that is in the Solicitation, evaluation, negotiation, or pre-award phase to be conducted only through the Procurement Department (or such other persons designated by the Procurement Department in the relevant Solicitation documents). The Procurement Department may direct technical questions (e.g., whether an item is considered an "approved equivalent") to the Project Manager for evaluation, DBE and other small minority business questions to the DEI Office and other questions to the relevant departments, consultants or advisors. All oral and written communications with ATP regarding the Procurement action shall be exclusively with, or on the subjects and with the persons approved by, the persons identified by the Procurement Department. Discussions with any other person not specified could result in disclosure of proprietary or other competitive sensitive information or otherwise create the appearance of impropriety or unfair competition and thereby compromise the integrity of ATP's Procurement system.
- (ii) ATP will include in all Solicitations information to caution prospective Offerors that until the Procurement is either awarded or cancelled, they may have contact regarding the Procurement only with the contact person identified in the Solicitation. Discussions or communications regarding the Procurement with any other personnel associated in any capacity with ATP, its consultants, contractors or the Board, are strictly prohibited, unless otherwise approved in writing by the Contracting Officer. Any violation of this restriction may result in the disqualification of the Offeror from further participation in the Procurement, and from award of any Contract or subcontract under the Procurement.

(e) **Prohibitions Regarding Gifts, Gratuities or Favors**

All ATP Persons shall comply at all times with the ATP Ethics Policy with respect to gifts, gratuities and favors.

(f) **Discipline for Violations**

In accordance with the ATP Ethics Policy, ATP may take disciplinary actions against any ATP Person or any Contractors, subcontractors, or their agents for a violation of the standards of conduct in Section 1.6 (Standards of Conduct), this Section 6.8,

or the ATP Ethics Policy. Any actions taken by a third party (including the federal government) against the applicable ATP Person or other person shall not impact ATP's right to take such action.

## 6.9 Contractor Organizational Conflicts of Interest

### (a) General

- (i) An organizational conflicts of interest ("OCI") may arise where, because of other activities or relationships with other persons, a person is potentially unable to render impartial assistance or advice to ATP; the person's objectivity in performing the Contract is or might be otherwise impaired; or a person has an unfair competitive advantage. Contracting Officers have the responsibility to avoid, neutralize, or mitigate potential conflicts of interest to prevent an unfair competitive advantage or the existence of conflicting roles that might impair a Contractor's objectivity.
- (ii) ATP will examine each individual contracting situation on the basis of its particular facts and the nature of the proposed contract. Contracting Officers are required to examine each potential conflict and exercise common sense, good judgment, and sound discretion when assessing whether a significant potential OCI exists and then developing an appropriate way to resolve it.
- (iii) There are three areas of concern examined in order to avoid, neutralize, or mitigate OCI:

#### (A) Unequal Access to Information

If during the performance under a previous or current contract or task order for ATP a firm has access to non-public information and that information could provide them a competitive advantage in a later competition for a follow-on contract, their performance may create an OCI e.g., an OCI may exist if a firm involved in the development or validation of ATP's independent cost estimate (i.e., non-public information) and subsequently competes for the Contract for which the ICE was developed.

#### (B) Biased Ground Rules



If during the performance under a previous or current contract or task order for ATP a firm in some sense set the ground rules for another task/contract with ATP by, for example, writing the statement of work, evaluation factors, specifications, or system design, their performance may create an OCI. By participating in such activities, the firm could skew the competition in its favor (whether intentional or not). The firm by virtue of its special knowledge of ATP's future requirements would have an unfair competitive advantage.

(C) **Lack of Impartiality or Impaired Objectivity**

When the firm is unable, or potentially unable, to provide impartial and objective assistance or advice to ATP due to other activities, relationships, contracts, or circumstances, an OCI may exist (e.g., if a firm's work under one ATP contract/task entails it evaluating itself either through an assessment of performance under another contract/task or through an evaluation of Proposals). This could lead to impaired objectivity, where the firm's ability to render impartial advice to ATP could appear to be undermined by its relationship with the entity whose work product is being evaluated.

- (iv) In order to ensure objective Contractor performance and eliminate unfair competitive advantage, Contractors that develop or draft specifications, requirements, statements of work, or Invitations for Bids or Requests for Proposals must be excluded from competing for such Procurements.

(b) **Waiver**

The Executive Director or their Designee may waive any general rule or procedure of this Section 6.9 by determining that its application in a particular situation would not be in ATP's interest. Any request for waiver must be in writing, shall set forth the extent of the conflict, and requires approval by the Executive Director or their Designee.

(c) **Contracting Officer's Responsibilities**

- (i) Using the general rules, procedures, and examples in this Chapter 6, the Contracting Officer shall analyze planned Procurements in order to:
  - (A) identify and evaluate potential OCI as early in the Procurement process as possible; and

- (B) avoid, neutralize, or mitigate significant potential conflicts before Contract award.
  - (ii) The Contracting Officer should obtain the advice of ATP's general counsel and the assistance of appropriate technical specialists in evaluating potential conflicts.
  - (iii) Before issuing a Solicitation for a contract that may involve a significant potential conflict, the Contracting Officer shall recommend to the Executive Director or their Designee a course of action for resolving the conflict.
  - (iv) In fulfilling their responsibilities for identifying and resolving potential conflicts, the Contracting Officer should avoid creating unnecessary delays, burdensome information requirements, and excessive documentation. The Contracting Officer's judgment need be formally documented only when a substantive issue concerning potential OCI exists.
- (d) **Procedures**
- (i) If the Contracting Officer initially decides that a particular Procurement involves a potential or actual OCI, the Contracting Officer shall, before issuing the Solicitation, submit to the Executive Director or their Designee for approval, a written analysis, including a recommended course of action for avoiding, neutralizing, or mitigating the conflict.
  - (ii) The Executive Director or their Designee shall:
    - (A) review the Contracting Officer's analysis and recommended course of action;
    - (B) consider the benefits and detriments to ATP and prospective contractors; and
    - (C) approve, modify, or reject the recommendation in writing.
  - (iii) The Contracting Officer shall:
    - (A) consider additional information provided by prospective contractors in response to the Solicitation or during negotiations; and

- (B) before awarding the Contract, resolve the potential conflict in a manner consistent with the approval or other direction by the Executive Director or their Designee.

## 7. DEFINITIONS

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"**Applicable Law**" means any federal, state, or local statute, law, regulation, ordinance, rule, standard, judgment, order, executive order, decree, directive, guideline, policy requirement, or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any court or government entity, which is applicable to this Policy, whether taking effect before or after the effective date of this Policy. An Applicable Law, when cited in this Policy, shall be as amended unless provided to the contrary. Applicable Law excludes governmental approvals, customs, duties, and tariffs.

"**ATP**" is defined in Section 1.1 (Introduction to Austin Transit Partnership).

"**ATP Ethics Policy**" means the Austin Transit Partnership's Ethics, Conflicts and Nondisclosure Policy, as may be updated from time to time.

"**ATP Persons**" is defined in Section 1.2(c) (Non-Discrimination).

"**ATP Procurement Related Matter**" means an ATP current, prior, or post procurement related matter, including but not limited to administration, bid submission, bid acceptance, bid handling, bid rejection, evaluations, complaints, debarments, determinations, disputes, payments, pre-bid conferences, Protests, Solicitations, suspensions, and terminations.

"**Best Value**" describes a competitive Procurement process in which ATP reserves the right to select the most advantageous offer by evaluating and comparing factors in addition to cost or price such that ATP may acquire technical superiority even if it must pay a premium price. A "**premium**" is the difference between the price of the lowest priced proposal and the one that ATP believes offers the Best Value. The term "**Best Value**" also means the expected outcome of an acquisition that, in ATP's estimation, provides the greatest overall benefit in response to its material requirements. To achieve Best Value in the context of acquisitions for public transportation purposes, the evaluation factors for a specific Procurement should reflect the subject matter and the elements that are most important to ATP. While FTA does not mandate any specific evaluation factors, ATP must disclose those factors in its Solicitation. Evaluation factors may include, but are not limited to, technical design, technical approach, length of delivery schedules, quality of proposed personnel, past performance, and management plan. Additional Best Value considerations are found in Section 252.043, Texas Local

Government Code. This definition is intended neither to limit nor to dictate qualitative measures ATP may employ, except that those qualitative measures must support the purposes of the Federal Public Transportation Program.

**"Bid"** means any offer submitted in competitive sealed bidding, in Step 2 of multi-step competitive sealed bidding, or in small purchases under Section 3.3(c) (Federally Funded Small Purchases) if no changes in offers are allowed after submission.

**"Bidder"** means a Person who responds to an Invitation for Bids by submitting a Bid.

**"Board"** means the Board of Directors (Executive Committee) of ATP.

**"Brand Name or Equal Specification"** means a Brand Name Specification which provides for the submission of equivalent products.

**"Brand Name Specification"** means a specification limited to one or more items by manufacturers' names or catalogue numbers.

**"CapMetro"** is defined in Section 1.1 (Introduction to Austin Transit Partnership).

**"Cardinal Change"** means a major deviation from the original purpose of the work or the intended method of achievement, or a revision of Contract work so extensive, significant, or cumulative that, in effect, the Contractor is required to perform very different work from that described in the original Contract.

**"Change Order"** means a written, unilateral order signed by the Contracting Officer directing the applicable Contractor to make changes, as authorized under the terms of the applicable Contract.

**"Chapter 2254"** is defined in Section 1.3(d) (Professional Services).

**"City"** is defined in Section 1.1 (Introduction to Austin Transit Partnership).

**"Commercial Item"** shall have the meaning given in the Federal Acquisition Regulation or FAR.

**"Contract"** means any type of agreement entered into by ATP, regardless of what it may be called, for the Procurement, services, or construction or other work.

**"Contracting Officer"** means any person (or a duly appointed successor) authorized to enter into and administer contracts and amendments on behalf of ATP and make written determinations.

**"Contract Modification"** means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any Contract, whether under a Change Order or a bilateral agreement, as authorized under the terms of the applicable Contract.

**"Contractor"** means any person who has entered into a Contract with ATP.

**"Controversy"** means a controversy between ATP and a Contractor arising under, or by virtue of, a Contract between them, including the full spectrum of disagreements from pricing of routine Contract changes to claims of breach of Contract.

**"Days"** means calendar days. In computing any period of time prescribed by this Policy, the day of the event from which the designated period of time begins to run shall not be included, but the last day shall be included unless it is a Saturday, Sunday, or Federal or State holiday, in which event the period shall run to the end of the next business day.

**"DBE"** is defined in Section 1.2(d) (Maximizing Participation of Disadvantaged and Small Business Enterprises).

**"Designee"** means a duly authorized representative of a person having specific authority or holding a superior position.

**"Executive Director"** is the person appointed by the Board to be the chief operating officer of ATP.

**"Federally Funded Procurements"** means a Procurement for a Contract which is anticipated to utilize federal funding.

**"Federal Requirements"** is defined in Section 1.3(b) (Federally Funded Procurements).

**"FTA"** is defined in Section 1.2 (Purpose of this Policy).

**"ICE"** is defined in Section 4.8(b) (Independent Cost Estimate).

**"Interested Party"** means a person or entity who has not participated in any ATP Procurement Related Matter.

**"Invitation for Bids"** or **"IFB"** means all documents, whether attached or incorporated by reference, utilized for soliciting competitive sealed Bids.

**"OCI"** is defined in Section 6.9 (Contractor Organizational Conflicts of Interest).

**"Offer"** means a response (including a Bid or a Proposal) to a Solicitation (including an Invitation for Bids, a Request for Qualifications or a Request for Proposals) that, if accepted, would bind the Offeror to perform according to the terms specified in the Solicitation or otherwise responds to the Solicitation.

**"Offeror"** means a Person (including a Bidder or Proposer, as applicable) who responds to a Solicitation by submitting an Offer.

**"Offer Submission Date"** means the date set for opening of Bids or receipt of Proposals.

**"Person"** means any individual, firm, corporation, LLC, LLP, joint venture, voluntary association, partnership, trust or public or private organization, other legal entity or a combination thereof.

**"Policy"** is defined in Section 1.2 (Purpose of this Policy).

**"Procurement"** means buying, purchasing, renting, leasing, or otherwise acquiring any property (except real property), services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and Solicitation of sources, preparation and award of contract, and all phases of contract administration.

**"Procurement Department"** means the office responsible for the acquisition of supplies, services, and construction in support of ATP's business.

**"Procurement Director"** means the primary ATP employee designated by the Executive Director to implement this Policy.

**"Procurement File"** means the documentation contained in a Procurement file that details the history of the Procurement through award of the contract. It includes, at a minimum, the items described in Section 3.5 (Procurement File).

**"Proposal"** means any Offer submitted in response to a Solicitation, other than a Bid.

**"Proposer"** means a Person who responds to a Request for Proposal by submitting a Proposal.

**"Protest"** means a properly filed claim or complaint that there has been a violation of law or the Procurement Policy in connection with an ATP Procurement Related Matter.

**"Protester"** means a person who has participated in an ATP Procurement Related Matter or an Interested Party that has been permitted to lodge a Protest under Section 6.3(b)



(Filing of Protest) and has agreed that any claim it has or may have against ATP (including its directors, officers, and employees) arising out of or in connection with an ATP Procurement Related Matter shall be resolved exclusively by the administrative remedies stated in Chapter 6 (Administrative Remedies, Audit and Organizational Conflicts of Interest).

**"Public Transportation List"** means an approved list of property, services, or construction items described by model or catalogue numbers, which, prior to competitive Solicitation, ATP has determined will meet the applicable specification requirements.

**"Purchase Requisition"** means a document used to request that a Contract is entered into by ATP for a specific need, and may include, but is not limited to, the description of the requested item, delivery schedule, transportation data, criteria for evaluation, suggested sources of supply, and information supplied for the making of any written determination required by this Policy.

**"Request for Proposals"** or **"RFP"** means all documents, whether attached or incorporated by reference, utilized for soliciting Proposals.

**"Request for Qualifications"** or **"RFQ"** means all documents, whether attached or incorporated by reference, utilized for requesting responses relating to the qualifications and competence of a respondent.

**"Responsible"** means determined to be "Responsible" in accordance with Section 4.3 (Responsibility).

**"Responsive"** means determined to be "Responsive" in accordance with Section 4.2 (Responsiveness).

**"SCRIP"** is defined in Section 6.5(a)(i) (Scope of Coverage).

**"Simplified Acquisition Threshold"** means the dollar amount below which a non-federal entity may purchase property or services using small purchase methods. Non-federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the Simplified Acquisition Threshold. The Simplified Acquisition Threshold is set by the Federal Acquisition Regulation at 48 C.F.R. Part 2.1 and in accordance with 41 U.S.C. § 1908.

**"Solicitation"** means an Invitation for Bids, a Request for Qualifications, a Request for Proposals, a request for quotations or any other document issued by ATP for the purpose of soliciting Offers to perform a Contract or otherwise solicit responses.

**"State"** means the state of Texas.

**"Step 1"** is defined in Section 3.3(f)(ii)(A)(aa)(a) (Multi-Step Competitive Sealed Bidding).

**"Step 2"** is defined in Section 3.3(f)(ii)(A)(aa)(b) (Multi-Step Competitive Sealed Bidding).

**"Supporting Evidence"** is defined in Section 6.3(b)(iii)(F) (Filing of Protest).

**"Texas Public Information Act"** means Chapter 552, Texas Government Code, as amended.

**"Third Party Contract"** refers to ATP's contract with a vendor or contractor, including Procurement by purchase order or purchase by credit card, which is financed with federal assistance awarded by FTA.

**"Unsolicited Offer"** means an Offer that is: innovative and unique, independently originated and developed by the Offeror, prepared without ATP's supervision, endorsement, direction, or direct involvement, sufficiently detailed that its benefits in support of ATP's mission and responsibilities are apparent, not an advance proposal for property or services that ATP could acquire through competitive methods, and not an offer responding to ATP's previously published expression of need or request for proposals.

## 9. Policies and Procedures

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### Cash Management

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



# Austin Transit Partnership Investment Policy

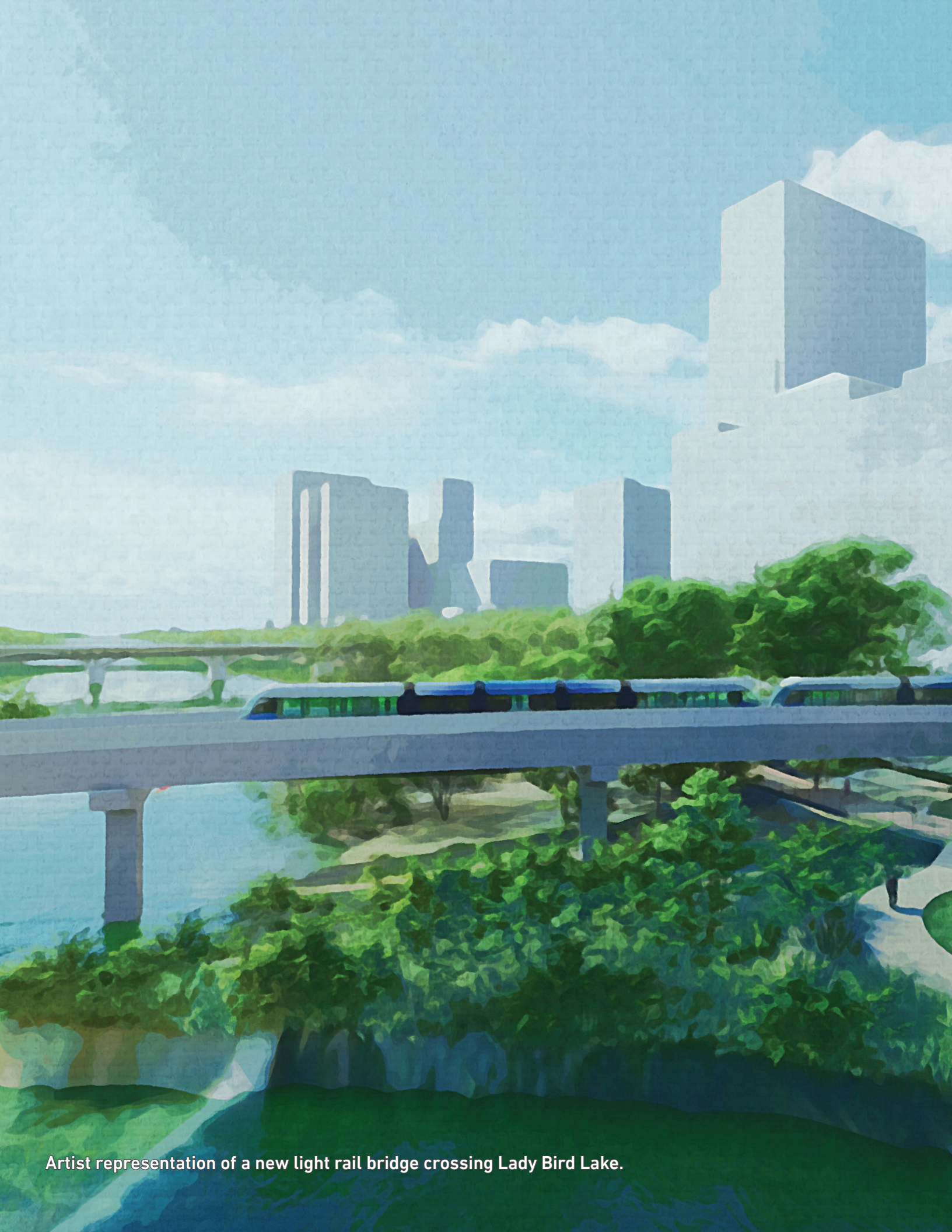
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Transforming Transit Together

SEPTEMBER, 2023

**AUSTIN  
TRANSIT**  
PARTNERSHIP





Artist representation of a new light rail bridge crossing Lady Bird Lake.

# TABLE OF CONTENTS

|                                                 |           |
|-------------------------------------------------|-----------|
| <b>1. POLICY STATEMENT</b>                      | <b>4</b>  |
| <b>2. PURPOSE</b>                               | <b>4</b>  |
| a. Authorization                                | 4         |
| b. Scope                                        | 4         |
| c. Review and Amendment                         | 4         |
| <b>3. INVESTMENT OBJECTIVES</b>                 | <b>5</b>  |
| a. General Statement                            | 5         |
| b. Preservation and safety of principal         | 5         |
| c. Maintenance of Sufficient Liquidity          | 5         |
| d. Security of Funds                            | 5         |
| e. Diversification of Portfolio                 | 5         |
| f. Return on Portfolio                          | 6         |
| g. Standard of Care                             | 6         |
| h. Issuance and Incurrence of Public Securities | 6         |
| <b>4. INVESTMENT STRATEGY</b>                   | <b>7</b>  |
| a. Operating Funds                              | 7         |
| b. Debt Service Funds                           | 7         |
| c. Debt Service Reserve Funds                   | 7         |
| <b>5. INVESTMENT POLICY</b>                     | <b>8</b>  |
| a. Eligible Investments                         | 8         |
| b. Prohibited Investments                       | 10        |
| c. Ensuring Safety of Principal                 | 10        |
| 1. Protection of Principal                      | 10        |
| 2. Security Ratings                             | 10        |
| 3. Security Execution                           | 11        |
| 4. Portfolio Pricing                            | 11        |
| 5. Approved Brokers/Dealers                     | 11        |
| 6. Repurchase Agreement                         | 11        |
| 7. Collateralization                            | 11        |
| 8. Collateral Substitution                      | 12        |
| 10. Portfolio Diversification                   | 13        |
| 11. Maturity Guidelines                         | 13        |
| 12. Safekeeping                                 | 14        |
| d. Ensuring Liquidity                           | 14        |
| e. Enhancing and Achieving Yield Objectives     | 14        |
| <b>6. RESPONSIBILITIES AND CONTROLS</b>         | <b>16</b> |
| a. Authority to Invest                          | 16        |
| b. Internal Controls                            | 16        |
| c. Investment Management Indemnification        | 16        |
| d. Ethics and Conflicts of Interest             | 16        |
| e. Investment Training                          | 17        |
| f. Investment Committee                         | 17        |
| g. Reporting                                    | 18        |
| h. Certification                                | 18        |



# 1. POLICY STATEMENT

It is the policy of the Austin Transit Partnership (the "Corporation") that all available funds shall be invested in conformance with these legal and administrative guidelines. Public funds will be invested in a manner to allow for the safety of principal and maximizing the highest reasonable market return while ensuring the cash flow needs of the Corporation are met.

Effective cash management is recognized as essential to good fiscal management. The Corporation's investment portfolio shall be designed and managed to take advantage of investment interest as a viable revenue source for all operating funds. The portfolio shall be designed and managed in a manner responsive to the public trust and consistent with local, state and federal law.

## 2. PURPOSE

### a. Authorization

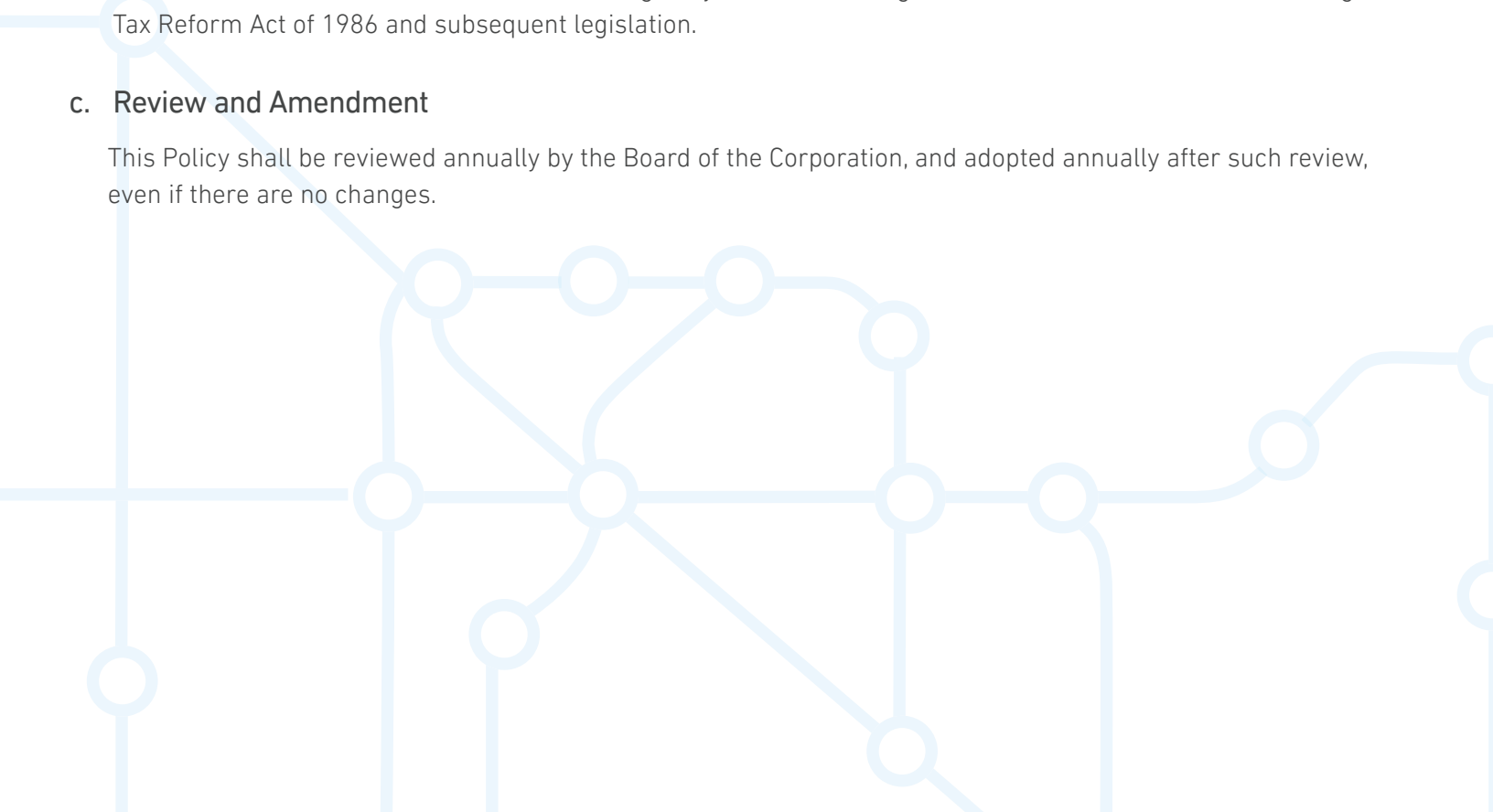
This Policy is to be authorized by the Board of the Corporation in accordance with Section 2256.005 of Texas Local Government Code, Chapter 2256, also known as the Public Funds Investment Act (the "Act").

### b. Scope

This Policy shall govern the investment of all funds of the Corporation as entrusted to the Treasurer of the Board, as custodian, according to Section 3.6 of the Corporation's Bylaws. In addition to the Policy, bond funds (including debt service and reserve funds) shall be managed by their authorizing documents and Federal Law, including the Tax Reform Act of 1986 and subsequent legislation.

### c. Review and Amendment

This Policy shall be reviewed annually by the Board of the Corporation, and adopted annually after such review, even if there are no changes.





## 3. INVESTMENT OBJECTIVES

### a. General Statement

The Corporation shall manage and invest its investment portfolio with five primary objectives, three of which are required pursuant to Section 2256.06 (a)(1) – (3) of the Act:

1. Preservation of capital and protection of principal;
2. Maintenance of sufficient liquidity to meet operating needs;
3. Security of the Corporation's funds and investments;
4. Diversification of investments to avoid unreasonable or avoidable risks; and
5. Maximization of return of the portfolio

### b. Preservation and safety of principal

The safety of principal is the foremost objective of the Corporation's investment program for the portfolio. The specific policies that will be implemented to ensure safety of principal are reflected in Section 5(c) "Ensuring Safety of Principal".

### c. Maintenance of Sufficient Liquidity

The Corporation's investment portfolio must be structured in a manner which will provide liquidity as needed to pay obligations as they become due. As projects entrusted to and undertaken by the Corporation progress, ensuring adequate liquidity is maintained will become a vital role in ensuring contractual obligations are met. The specific policies that will be implemented to ensure Maintenance of Sufficient Liquidity are reflected in Section 5(d) "Ensuring Liquidity".

### d. Security of Funds

As detailed by Section 6(b) "Internal Controls", the Corporation's focus will be to implement controls to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, or imprudent actions by employees or Investment Offices of the Corporation

### e. Diversification of Portfolio

The Corporation will ensure that the investment portfolio is diversified by security type and institution as appropriate for prudent risk management. The Policy limits surrounding diversification limits are reflected in Section 5(c)(10) "Portfolio Diversification".

## f. Return on Portfolio

In accordance with the Act, it will be the Corporation's objective to optimize the return of the investment portfolio within the parameters outlined per the Safety and Liquidity objectives mentioned above. Investments shall be made in permitted obligations at yields equal to or greater than the bond equivalent yield on United States Treasury obligations of comparable maturity. Section 5(e) "Enhancing and Achieving Yield Objectives" outlines policies related to the investment rate of return.

Bond Proceeds received by the Corporation may have Federal yield or arbitrage restrictions. The primary objectives of the investment of these funds shall be to obtain satisfactory market yields and to minimize the costs associated with investment of such funds. See subsection (h) of this section below.

## g. Standard of Care

As defined by the Act, in accordance with Section 2256.006, investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and probable income to be derived. The aforementioned description is also known as the "prudent person rule".

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. the investment of all funds, or funds under the Corporation's control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. whether the investment decision was consistent with this Policy.

Specific policies describing the Corporation's prudence and ethical stands can be found in Section 6 "Responsibility and Controls".

## h. Issuance and Incurrence of Public Securities

The Corporation has the legal authority to issue or incur bonds, notes and other obligations, either sold in the open market, negotiated with private placement purchasers, or negotiated with federal or state agencies (collectively, referred to in this Policy as "public securities") pursuant to documents authorized by the Board of the Corporation. Those documents may address the investment of funds (1) during the construction of a project, (2) used for the payment of debt service on the public securities, (3) placed in reserve as security for the payment of debt service on the public securities, (4) for the purpose of retiring the public securities, including defeasance of outstanding public securities, and (5) for other uses relating to the projects financed or refinanced. Notwithstanding anything in this Policy to the contrary, if a conflict arises between this Policy and the investment of funds in accordance with the documents authorizing the issuance of public securities, the provisions of the documents authorizing the issuance of public securities shall control.

## 4. INVESTMENT STRATEGY

The Corporation will maintain at times through the life of the organization, three separate portfolios which will have a specific investment strategy consideration designed to address the unique characteristic of the respective investment portfolio.

### a. Operating Funds

The primary objective of the Corporation's investment strategy for Operating Funds is to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective of the investment strategy for Operating Funds is to have a diversified portfolio of investments that can weather economic cycles with minimal volatility. To achieve these objectives, the portfolio will be structure either with a laddered or barbell maturity structure coupled with quality short to medium-term securities. The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security. Securities may not be purchased that have a final stated maturity date which exceeds three (3) years.

### b. Operating Reserve Funds

The primary objective of the Corporation's investment strategy for Operating Reserve Funds shall be to ensure safety of principal, allowing for payment of unexpected future costs or obligations, while earning a competitive market rate. Investment of such funds shall be restricted to securities permitted within this policy and limited to maturities not to exceed five (5) years.

### c. Debt Service Funds

The primary objective of the Corporation's investment strategy for Debt Service Funds shall be to assure adequate investment liquidity to cover debt service obligations on required payment dates. Securities purchased for the benefit of these portfolios shall not have a final maturity date which exceeds the debt service payment date, unless otherwise provided in the documents authorizing the issuance of public securities.

### d. Debt Service Reserve Funds

The primary objective of the Corporation's investment strategy for Debt Service Reserve Funds shall be to generate a reliable and steady revenue stream for the respective debt service fund by utilizing securities with a low degree of volatility, consistent with the provisions of the documents authorizing the issuance of public securities. For example, the documents authorizing the issuance of public securities may provide that a Debt Service Reserve Fund may consist, in addition to or in lieu of money invested in securities, of a letter or line of credit issued by a financial institution, a surety bond issued by an insurance company, or any combination thereof. Securities purchased for the benefit of these portfolios should be high quality and should have short to medium-term maturities, not to exceed five (5) years.

## 5. INVESTMENT POLICY

### a. Eligible Investments

As a nonprofit entity acting on behalf of the City of Austin and Capital Metropolitan Transportation Authority, the Corporation is subject to the Act and is subject to certain restrictions associated with the investment of funds. The investments described below are authorized pursuant to the Act. Subject to market conditions, the purchase of certain securities may be prohibited or limited at times. Funds governed under this Policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct obligations of the State of Texas.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than AA or its equivalent.
5. Bankers' acceptance, so long as each such acceptance has a stated maturity of 270 days or less from the date of its issuance, will be liquidated in full at maturity, is eligible collateral for borrowing from a Federal Reserve Bank and is accepted by a domestic bank whose short-term obligations are rated at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency or which is the largest subsidiary of a bank holding company whose short-term obligations are so rated.
6. Commercial paper with a stated maturity of 365 days or less from the date of its issuance that either:
  - a. Is rated not less than A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies; or,
  - b. Is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.
7. Certificates of deposit issued by depository institutions that have a main office or branch office in Texas that are:
  - a. guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or,
  - b. secured by obligations that are described by 1-4 above, which are intended to include all direct federal agency or instrumentality issues that have a market value of not less than 102% of the principal amount plus accrued interest of the certificates.
8. Share Certificates issued by a depository institution that has a main office or branch office in Texas and that is guaranteed or insured by the National Credit Union Share Insurance Fund or its successor.
9. Securities and Exchange Commission (SEC)-registered and regulated, no-load money market mutual funds that comply with the SEC Rule 2a7, and provides the Corporation with a Prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940. Excluding bond proceeds, no

more than 80% of the Corporation's monthly average fund balance may be invested in money market mutual funds. And excluding bond proceeds, the Corporation may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

10. Local government investment pools (LGIP) organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Act) and that meet the requirements of Section 2256.016 of the Act, to include:
  - a. assets that consist exclusively of the obligations that are described by Section 5(a) 1-8 above and/or money market mutual funds permitted in 9 above that are also consistent with the Investment Policies and Objectives adopted by the LGIP.
  - b. continuously rated no lower than AAA , AAA-m or at an equivalent rating by at least one nationally recognized rating service.
  - c. provide the Corporation with all required reporting, financial, and disclosure information pursuant to the Act.
11. A securities lending program that meets the following conditions:
  - a. A securities lending agreement shall be executed in writing.
  - b. The securities lending agreement and all loans shall be executed only with:
    - i. a primary securities dealer, as defined by the Federal Reserve; or
    - ii. a financial institution doing business in the state of Texas that has a senior debt rating of at least A or its equivalent by two nationally recognized rating services.
  - c. The securities lending agreement shall have a term of one year or less.
  - d. All loans shall be terminable at any time.
  - e. The securities lending agreement shall require that all collateral be pledged to or owned by the Corporation, held in the Corporation's name, and, as applicable, deposited simultaneously as the security loaned with a third party approved by the Corporation.
  - f. Collateralization requirements for all loans shall:
    - i. include the term or maturity of all collateral that ends no later than the expiration date of the specific loan transaction;
    - ii. be collateralized at not less than 102% of the market value of the securities loaned to included accrued interest and be marked-to-market daily with market value reported daily to the Corporation;
    - iii. be collateralized by:
      1. pledged securities issued by the United States government or its agencies or instrumentalities as defined in Section 5(a)(1-4) above;
      2. cash invested in accordance with Section 5(a) (1-4, 6, or 10) listed above.

12. Repurchase Agreements secured by any combination of cash and U.S. Treasury or Federal Agency issues as collateral with a market value which equals or exceeds 102% of the City's investment plus accrued interest and are pledged and held with the Corporation's custodial bank, or an approved third-party safekeeping agent. Repurchase agreements can only be made with Primary Dealers and banks within the State of Texas in accordance with State law. Maximum term for repurchase agreements is 90 days from delivery unless the repurchase agreement is associated with the investment of bond proceeds.

## b. Prohibited Investments

1. Investments in collateralized mortgage obligations are strictly prohibited. These securities are also disallowed for collateral positions.
2. Repurchase agreements are prohibited until a Master Repurchase Agreement is approved by the Investment Committee.

## c. Ensuring Safety of Principal

### 1. Protection of Principal

- a. The Corporation, through the investment officers, designated officials, or Investment Advisor if one is contracted with the Corporation, will strive to control the risk of loss due to the failure of a particular security issuer, or grantor, by investing only in the safest types of securities as defined in this Policy, by doing the following:
  - i. qualifying the broker, dealer, and financial institution with whom the Corporation plans on transacting business ;
  - ii. by collateralizing the Corporation's accounts as required by law;
  - iii. by diversifying the investment portfolio; and
  - iv. by limiting the term of the maturities.

### 2. Security Ratings

- a. The ratings of securities held in the portfolio will be actively monitored to ensure compliance with the rating requirements outlined in the Act and to help mitigate the risk of loss due to the failure of a security. If a security is rated by more than one nationally recognized credit rating agency (Moody's Investor Services, S&P Global Ratings, and/or Fitch Ratings) then the lowest outstanding rating shall be the rating that is utilized to govern investment decisions. In the event that any Eligible Investment is downgraded below the minimum credit rating requirements established in Texas Government Code 2256, it will be the Corporation's policy to convene an emergency meeting of the Investment Committee to determine whether liquidation of the position is warranted. This meeting notification should take place within 5 business days of notification of the credit downgrade. Consistent with the provisions of Section 2256.021 of the Act, should an investment no longer be eligible to be held by the Corporation, the Corporation shall take such steps as deemed prudent to effect the liquidation of such an investment.

### 3. Security Execution

- a. Securities purchased for the benefit of the Corporation's investment portfolio shall be delivered via a "delivery versus payment" process. Executing securities in this manner will ensure that Corporation funds are not released until the security has been received by the Corporation.

### 4. Portfolio Pricing

- a. Securities held in the Corporation's investment portfolio shall be priced to market values by month-end through a third-party pricing source. If an Investment Advisor is contracted by the Corporation, securities will be marked to market and distributed at minimum on a monthly basis to the Corporation.

### 5. Approved Brokers/Dealers

- a. Investments will only be executed with firms and institutions who have:
  - i. Acknowledged receipt, review, and understanding of the Corporation's Investment Policy; and,
  - ii. Met the qualifications and standards established by the Corporation's Investment Committee and set forth in the Investment Procedures Manual.
- b. In addition to limiting investment purchases to firms that meet the two requirements above, the Investment Committee shall approve and review a list of broker/dealers with whom the Corporation can conduct business. If an Investment Advisor is contracted with the Corporation, then the Investment Advisor will bring before the Investment Committee a list of firms which it can purchase securities from on the Corporation's behalf to have reviewed and approved. The list of approved broker/dealers shall be reviewed and adopted at least annually by the Investment Committee in accordance with Section 2256.025 of the Act.

### 6. Repurchase Agreement Required Document

Before entering into a repurchase agreement, the Corporation and the agreement counterparty will review and sign a standard industry Master Repurchase Agreement outlining the terms and conditions of the agreement and responsibilities of interested parties.

### 7. Collateralization

- a. Pursuant to Texas Local Government Code Chapter 2257, known as the Public Funds Collateral Act, the Corporation will require all banks, savings banks and credit union deposits to be federally insured or collateralized with eligible securities. The Corporation will require any institution serving as a Depository and/or safekeeping agent, to enter into an agreement with the Corporation documenting the rights to the collateral in the event of default, bankruptcy, or closure. The following can be accepted by the Corporation as depository collateral:
  - i. any investment listed as an "Eligible Investment" under Section 5(a) of this Policy;
  - ii. a surety bond to which the Corporation is the named insured and is of credit quality as determined by the Corporation's Investment Committee;



- iii. and letters of credit issued to the Corporation by the Federal Home Loan Bank, if approved by the Corporation in advance.
- b. Collateral will be valued at current market values plus interest accrued through the date of valuation. This will be monitored at least weekly by the Treasury Office of the Corporation. Monthly reports with market values of the pledged securities will be required from all financial institutions which serve as the Corporation's Depository. If the collateral pledged by a financial institution serving as the Corporation's Depository falls below the value of deposits on hand less FDIC or National Credit Union Share insurance, the institution will be notified by the Treasury Office and will be required to pledge additional securities no later than the end of the next succeeding business day. Business day shall have the meaning of any day other than a Saturday, a Sunday, federal legal holiday in the United States or any day on which banking institutions are closed.
- c. For Certificates of Deposit/Share Certificates, the market value of collateral pledged must at all times be no less than the par value of the certificate of deposit plus accrued interest, less the amount insured by the FDIC or the National Credit Union Share Insurance Fund or their successors. This will be monitored at least weekly by the Treasury Office of the Corporation. Monthly reports with market values of the pledged securities will be required from all financial institutions which the Corporation has Certificates of Deposits/Share Certificates. If the collateral pledged for a certificate of deposit or share certificate falls below the par value of the deposit, plus accrued interest less FDIC or National Credit Union Share insurance, the institution will be notified by the Treasury Office and will be required to pledge additional securities no later than the end of the next succeeding business day
- d. Repurchase agreements must also be collateralized in accordance with State Law. Parameters surrounding allowable collateral, and collateral levels, will be determined once the Master Repurchase Agreement is reviewed and approved by the Investment Committee. As discussed in Section 5(c)(6), only once the Master Purchase Agreement is approved, the Corporation will be allowed to enter into these types of transactions.

## 8. Collateral Substitution

- a. Collateral pledged for investments, certificates of deposits, share certificates and funds held by the Corporation's Depository may require substitution. Any request for substitution, on behalf of a broker or financial institution, must contact the Corporation's Treasury Office for approval and settlement. The security being proposed shall have a value equal to or greater than required value as detailed in Section 5(c)(7). The Corporation's Treasurer, or their designee will give notification, within a reasonable time frame, to the financial institution or safekeeping agent holding the collateral of the decision. Collateral substitution should be limited to minimize potential administrative problems, administrative burden, and transfer expense. The Corporation's Treasurer will retain the right to limit substitution of collateral.

## 9. Collateral Reductions

- a. Any financial institution serving in a capacity to the Corporation which would warrant pledging collateral may request approval from the Corporation's Treasurer to reduce the amount of collateral held in the Corporation's name should the collateral's market value exceed the required amount. A reduction in Collateral will only be permitted if the Corporation's records indicate that the collateral's market value exceeds the required amount.

## 10. Portfolio Diversification

- a. By diversifying the investment types within the Corporation’s investment portfolio, the risk of principal loss will be limited. Diversifying the investment portfolio will also limit any undue financial burden on the Corporation, by limiting its reliance on any single issuer or broker. The following limitations will be applicable to the Corporation’s investment portfolio at the time an individual security is purchased. The limitations will not apply to bond proceeds:

| Investment Type:                                | % of Portfolio |
|-------------------------------------------------|----------------|
| Certificates of Deposits                        | 50%            |
| Share Certificates                              | 5%             |
| U.S. Treasury Notes/Bonds/Bills                 | 100%           |
| U.S. Agencies/Government Sponsored Enterprises  | 75%            |
| Repurchase Agreements Money Market Mutual funds | 50%            |
| Local Government Investment Pools               | 100%           |
| Commercial Paper                                | 15%            |
| Municipal/State Obligations                     | 10%            |
| Banker Acceptances                              | 15%            |

- b. Additional limitations will apply to Commercial Paper. The Corporation will limit the exposure to any single issuer to no more than 5% of the value of the Corporation’s overall portfolio at the time the security is purchased. The limits above may be exceeded for a maximum of five business days following the receipt of bond and grant proceeds. Lastly, these limitations are also applicable to Investment Advisors who may be contracted to manage the Corporation’s investment portfolio.
- c. Bond Proceeds
- i. Proceeds of a single bond issue may be invested in a single security or investment if the Investment Committee determines that such an investment is (A) necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation and (B) consistent with the proceedings authorizing the issuance of the bond issue.

## 11. Maturity Guidelines

- a. While it is the intent of the Corporation to hold investments to their stated maturity, the Corporation will seek to minimize the risk of loss due to interest rate fluctuations by ensuring that investment maturities will not exceed anticipated cash flow requirements of the Corporation. Below are Maturity guidelines for the Operating Fund, Debt Service Fund, Debt Service Reserve Fund and Bond Proceeds:
- i. Operating Fund
1. The dollar weighted average days to final stated maturity (WAM) shall be 365 days or less. The Investment Committee will monitor and make changes if needed.

- ii. Debt Service Fund, Debt Service Reserve Fund and Bond Proceeds
  - 1. The following shall be considered when selecting maturities for Debt Service Funds, Debt Service Reserve Funds and Bond Proceeds:
    - a. the anticipated cash flow requirements of the funds,
    - b. the “temporary period” as defined by Federal tax law during which time bonds proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds, and
    - c. the provisions of the authorizing documents authorizing the issuance of such bonds.

## 12. Safekeeping

- a. The Corporation shall enter into a contract with a bank, banks, or a third-party custodian for the safekeeping of securities either owned by the Corporation as part of its investment portfolio or held as collateral to secure certificates of deposits. Once a Master Repurchase Agreement is approved by the Investment Committee, collateral held for repurchase agreements will also be subject to the safekeeping requirements outlined in this section.
- b. Securities pledged as collateral for deposits at a bank, savings bank, and credit union must be held by an independent third-party banking institution approved by the Corporation, or collateral may be held at the Federal Reserve Bank.
- c. Securities pledged as collateral for repurchase agreements with dealers must be delivered to an independent third-party custodian which the Corporation has entered into a third-party safekeeping agreement with.
- d. **Ensuring Liquidity**
  - 1. To ensure anticipated cashflow needs and unanticipated cashflow needs are met, the investment officers, designated officials, and Investment Advisor if one is contracted by the Corporation, shall invest in securities with active secondary markets, invest in eligible money market mutual funds, and local government investment pools. Securities may be liquidated to meet unanticipated cash requirements or to adjust the portfolio as needed.
- e. **Enhancing and Achieving Yield Objectives**
  - 1. Fund managed as part of the Corporation’s Operating Portfolio either by investment officers, designated officials, or an Investment Advisor if one is contracted by the Corporation, shall be actively managed to enhance overall interest income. This shall be conducted within the context of the “prudent person rule” as defined in Section 3(g).
  - 2. **Competitive Bidding**
    - a. It is the Corporation’s policy to require competitive bidding (no less than 3 bids) in all transactions involving individual securities. Bids can be solicited via any method provided by law. In situations where obtaining multiple bids is impractical or unreasonable due to market conditions, comparable security

prices may be documented or an explanation of the circumstances surrounding the decision must be included with the trade documentation. All bids must be documented and kept for auditing purposes. Transactions executed under the following conditions are exempt from competitive bid requirements:

- i. transactions entered into with a money market mutual fund or local government investment pool which are considered to be made at prevailing market rates; and
- ii. government securities purchased at issue through a primary dealer at auction price

## 6. RESPONSIBILITIES AND CONTROLS

### a. Authority to Invest

1. The authority to invest Corporation funds and the execution of any documentation necessary to evidence the investment of Corporation funds is granted to the Treasurer of the Board as documented in Section 3.6 of the Corporation's Bylaws. The Treasurer of the Board will designate in writing those Treasury Office personnel and Finance Officers ("Investment Officers") authorized to invest on behalf of the Corporation. The foregoing notwithstanding, proceeds of public securities shall be invested in a manner consistent with the proceedings authorizing the issuance of the public securities.
2. The Corporation may contract with an investment advisor, whom shall adhere to this Policy and invest funds with the same Standard of Care as outlined in Section 3(g). The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 as well as with the Texas State Securities Board. The investment advisors' responsibilities may consists of, but not be limited to:
  - a. management of Corporation's funds
  - b. review of the investment policy
  - c. development of investment strategy within the constraints outlined in the investment policy
  - d. trade execution
  - e. security analysis, clearance, and documentation
  - f. broker dealer compliance
  - g. investment reporting

### b. Internal Controls

1. The Treasurer of the Board, in conjunction with the Treasurer and Controller of the Corporation, shall establish a system of internal controls and document these controls in the Investment Procedures Manual.

### c. Investment Management Indemnification

1. The Investment Officers, as designated by this Policy, shall act and perform their duties in accordance with the Investment Procedures Manual and adopted Investment Policy. Investment Officers acting in good faith and in accordance with the policy and procedures manual shall be relieved of personal liability.

### d. Ethics and Conflicts of Interest

1. The Investment Officers, as designated by this Policy, shall adhere to the Corporation's Ethics, Conflicts and Nondisclosure Policy as approved by the Corporation's Board. Investment Officers involved in administering the investment program shall not have a personal business relationship with a business organization offering to engage in an investment with the Corporation.

2. As defined within the Act, Section 2256.005 (i), an Investment Officer has a personal business relationship with a business organization if:
  - a. the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
  - b. funds received by the investment officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
  - c. the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
3. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing the relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and Corporation pursuant to the Act.

#### e. Investment Training

1. As required per section 2256.008 of the Act the Chief Financial Officer, the Treasurer and those personnel authorized to execute investment transactions, shall attend at least one investment training session, containing at least 10 hours of instruction within 12 months after taking office or assuming duties. State law requires that training relating to investment responsibilities must be provided by an independent source as approved by the Investment Committee. For these purposes, courses or seminars offered by Hilltop Securities, Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, PFM Asset Management, Public Trust Advisors, Texas Municipal League, Texpool, or University of North Texas will satisfy the training requirements. Independent sources not listed may be approved by the Investment Committee at regularly scheduled Quarterly Investment Committee meetings. Personnel authorized to execute investment transactions must receive at least 8 hours of investment training within a two-year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. Recognizing that the training and education of the Investment Officers contributes to efficient and effective investment management, the Corporation will encourage its Investment Officers to obtain appropriate professional certifications and provide training toward such certifications from available funds.

#### f. Investment Committee

1. An Investment Committee shall be formed to determined investment guidelines, general strategies, and monitor performance. The Committee shall be comprised of the Chief Financial Officer (as chair), the Corporation's Treasurer (as Vice Chair), the Corporation's Budget Director, the Corporation's Accounting Director a representative from the Law Department, and a representative from Corporation's Financial Advisor. The Investment Committee shall meet at minimum semi-annually to review performance, strategy and procedures.

## g. Reporting

1. As required per Section 2256.023 of the Act, the Treasurer of the Corporation will provide detailed reports to the Chief Financial Officer, the Investment Committee and the Corporation's Board on a quarterly basis. The report must include the following:
  - a. describe in detail the investment position of the Corporation on the date of the report;
  - b. be prepared by the Investment Officers and designated officials;
  - c. be signed by the Investment Officers and designated officials;
  - d. contain a summary statement for each pooled fund group that states the
    - i. beginning market value for the reporting period;
    - ii. ending market value for the period; and
    - iii. fully accrued interest for the reporting period;
  - e. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
  - f. state the maturity date of each separately invested asset that has a maturity date;
  - g. state the account or fund or pooled fund group in the state agency or local government which each individual investment was acquired; and
  - h. state the compliance of the investment portfolio as it relates to;
    - i. the investment strategy expressed in the Corporation's investment policy; and
    - ii. relevant provisions of the Act.
2. An independent auditor will perform a formal annual review of the quarterly reports with the results reported to the Corporation's Board.

## h. Certification

1. Any bank, dealer, or broker wishing to transact investment business with the Corporation will be provided a copy of this investment policy. Firms must acknowledge receipt and review the Corporation's Investment Policy before business is transacted. Before transacting with a Local Government Investment Pool, a certification must be signed by a qualified representative assigned to the Corporation's account.
  - i. **Compliance Audit.**
    1. In conjunction with its annual financial audit, the Corporation shall perform a compliance audit of management controls on investments and adherence to this Policy. The results of the compliance audit shall be reported to the Investment Committee and the Corporation's Board.





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## 9. Policies and Procedures

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### Accounts Payable

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership Accounts Payable Policy

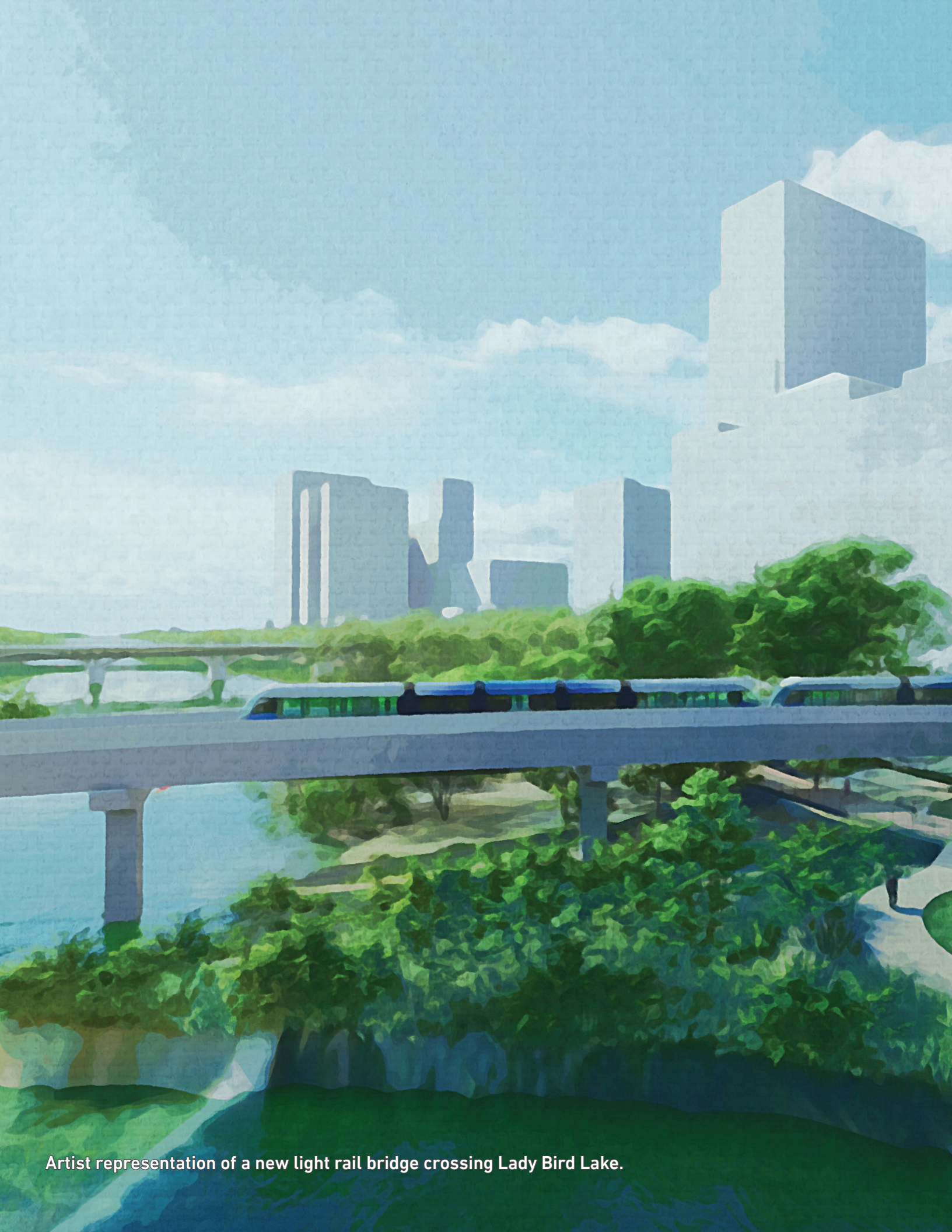
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Artist representation of a new light rail bridge crossing Lady Bird Lake.

# TABLE OF CONTENTS

|                                            |   |
|--------------------------------------------|---|
| Policy Statement and Scope                 | 4 |
| Internal Control and Segregation of Duties | 4 |
| Payment Requirements                       | 4 |
| Payment Documentation Requirements         | 5 |
| Payment Authorization                      | 5 |
| Conflict of Interest                       | 6 |
| Methods of Payment or Reimbursement        | 6 |
| Payment Disbursement Authorization         | 7 |





## POLICY STATEMENT AND SCOPE

This document will set forth the guidance needed to ensure valid, timely and accurate disbursement of Austin Transit Partnership (ATP) funds, compliance of federal and state regulations and accuracy of financial reporting. This policy is applicable to invoices submitted by vendors and employee expense reports.

## INTERNAL CONTROL AND SEGREGATION OF DUTIES

Employees involved in any aspect of the procure to pay process are responsible for and expected to ensure integrity, prevent fraud and conflict of interest, and safeguard the assets of ATP.

Segregation of duties associated with the Payables process should ensure:

- » Dual approval for payment job release in Oracle, ATP's enterprise resource planning (ERP), and manual wires that are processed on ATP's depository platform
- » No one individual shall have the ability in Oracle to complete the entire procure to pay cycle in the ERP platform including but not limited to the following processes: enter/approve requisition, receipt services/goods, creating and/or modifying existing vendor profiles, approve/process invoice, and approve payment associated with the respective invoice
- » No one individual shall have the ability to alter vendor information and process invoices in the Accounts Payables (AP) module
- » Only legitimate and appropriate transactions are executed and recorded
- » Transactions are executed as intended and in accordance with contractual requirements
- » Errors are detected prior to the final approval an invoice and payment

At minimum annually there shall be an audit of user roles in the ERP platform completed by the ERP Administrator.

## PAYMENT REQUIREMENTS

For an invoice to be eligible for payment the following requirements should be met:

- » Goods or services are procured in accordance with ATP's Procurement Policy.
- » Supporting documentation for the associated invoice is in accordance with the Payment Documentation Requirements section of this policy
  - » To expediate processing, service dates should be included in the submitted invoice
- » The invoice has received the necessary approvals ATP's ERP platform prior to being eligible for payment
  - » As a part of the approval process completed in ATP's ERP platform, invoices are placed against a 3 way match to ensure that the good/service have been requested and received by the agency

## PAYMENT DOCUMENTATION REQUIREMENTS

Invoices that are submitted for payment shall have the following items reflected on the invoice to be considered a "valid" invoice:

- » Vendor's name and address should be present on the invoice
- » Invoices should be clearly marked as "Invoice" when submitted by vendors
- » Document should include description of services or goods provided
- » Current billing amounts and outstanding balances from previous invoices shall be presented separately on the invoice
- » A total amount due should be provided on the invoice
- » Invoices should not include sales taxes as ATP is tax-exempt
- » Payment instructions should be included with the invoice
  - » Remit to address and/or;
  - » EFT payment instructions

Invoices that are submitted with the words Quote or Estimate shall be rejected for payment and will not be considered a valid invoice.

## PAYMENT AUTHORIZATION

Once an invoice has received the final approval in Oracle, payment will be picked up automatically in the Oracle Payment Process job. The Accounting Director and Accountant have the ability to initiate this process job in Oracle. Once the different invoices are selected for payment, the Oracle Payment Process job will prompt the Senior Vice President of Treasury for approval. The following items are reviewed and confirmed prior to approving the Oracle Payment Process job:

- » Invoices are pulled individually in the AP module to confirm the payment instructions listed on the invoice match what is in the system
- » The payment instructions are matched to the account numbers or remit to address reflected on the Oracle Payment Process Job
- » Documentation is reviewed to ensure the items required under "Payment Documentation Requirements" are included on the invoice
- » Proper authorizations and approvals are attached as support for force approved invoices



## CONFLICT OF INTEREST

Conflicts of interest are defined in Section III of ATP's Ethics, Conflicts and Nondisclosure Policy approved on April 21, 2021. In accordance with Section II(B)(7) of the Ethics, Conflicts and Nondisclosure Policy all ATP personnel shall transact ATP business effectively and efficiently and act in good faith to protect ATP's assets from waste, abuse, theft or damage. ATP staff have the continuous obligation to communicate situations that may create a conflict of interest.

## METHODS OF PAYMENT OR REIMBURSEMENT

Payments for goods and services are made payable only to the provider of those goods or services and not to secondary parties.

**Checks/Automated Clearing House (ACH):** Payment documentation should comply with this policy and any other related procedures.

**Wire Transfers:** Payments through a wire transfer should only be used in special circumstances including but not limited to debt service payments. Payment documentation should comply with this policy and any other related procedures.

**Procurement cards:** Procurement cards should not be used to pay vendors that are normally paid through AP. Exceptions should be approved by the Accounting Director. Procurement card usage should be in compliance with the Purchasing and Procurement card policy.

# PAYMENT DISBURSEMENT AUTHORIZATION

All payment disbursements require dual approval in ATP's ERP platform. The Accounting Director and Accountant maintain the authority to create payment batches for all payment forms (Check, ACH, Wire) on the ERP platform. The Senior Vice President of Treasury maintains the authority to approve the payment batches created by either the Accounting Director or Accountant. Only Check and ACH payments are processed and automatically submitted directly to ATP's Bank Depository for processing. Wire payments are not directly transmitted and require creation on the Bank Depository platform. The Accounting Director and Accountant maintain the authority to create payment files on the Bank Depository platform. The Senior Vice President of Treasury maintains the authority to approve the payment file on the Bank Depository platform.

**Checks:** All checks will be disbursed by ATP's Depository Bank. Under special circumstances ATP retains the ability to have checks sent to our address of record should a vendor request.

ACH and Electronic Funds Transfer (EFT) enrollment requests:

- » For new enrollments
  - » A vendor set-up form is completed and returned to Procurement
  - » Procurement works with the supplier portal administrator to get the vendor created in the ERP platform
  - » The Supplier portal administrator utilizes the information obtained by Procurement to create the vendor in the ERP platform
    - » Included during the creation of the vendor is the addition of payment instructions for the vendor
- » For changes to enrollment information
  - » Updated payment instructions are submitted by the vendor to Procurement
  - » The supplier administrator utilizes the "Vendor Banking/Payment Edits" checklist to document the steps taken to confirm the payment instruction change request is legitimate
  - » The supplier profile is updated only after the banking instructions have been confirmed and the "Vendor Banking/Payment Edits" form has been completed.



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## 9. Policies and Procedures

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### Payroll Processing

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership Payroll Processing Policy

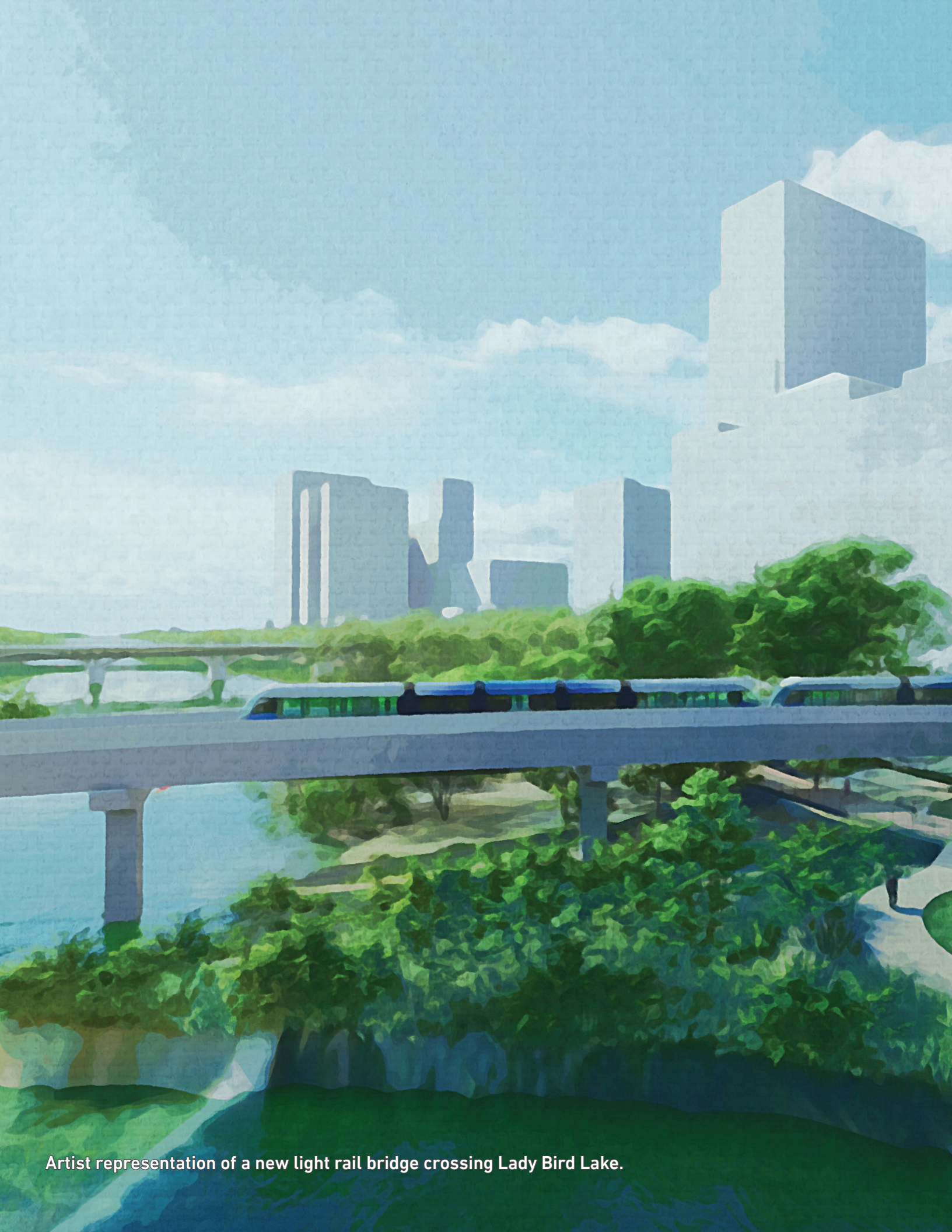
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Artist representation of a new light rail bridge crossing Lady Bird Lake.

# TABLE OF CONTENTS

|                             |   |
|-----------------------------|---|
| PURPOSE                     | 4 |
| OVERVIEW                    | 4 |
| PROCESSES                   | 4 |
| ROLES                       | 4 |
| CONTACTS                    | 5 |
| RELATED FORMS AND DOCUMENTS | 5 |





|                                                                                   |                           |                                          |
|-----------------------------------------------------------------------------------|---------------------------|------------------------------------------|
|  | FINANCIAL POLICIES        | Issued: September 2023                   |
|                                                                                   | PAYROLL PROCESSING POLICY | Revised: NA<br>Approved by: Bryan Rivera |

## PURPOSE

The Payroll Processing Policy outlines the responsible individuals and associated activities for processing payroll in a timely manner, preferably no later than Wednesday before the pay date.

## OVERVIEW

The Austin Transit Partnership (ATP) processes payroll biweekly with the deposits being available for employees on Friday's.

## PROCESSES

Processing payroll is combination of work from the Accounting Department and the Human Resource Department.

The Friday before the pay date, the Accountant sends a reminder to all staff requesting that all timesheets be entered and approved before the end of the day.

Starting on the Monday of the pay date week, or earlier if there is a shorten payroll processing period, the Accountant will begin completing the various steps encompassed in the Payroll Process Run Worksheet. The Accountant will work with the Director of Human Resources and the assigned Human Resource Generalist on several reconciliations outlined in the Payroll Process Run Worksheet to ensure correct deductions are being applied and correct payroll balances are being included in the pay periods run cycle.

The Accountant will work with the Director of Accounting if any errors or warning cannot be resolved prior to moving to the next step in the Payroll Process Run Worksheet. If an error cannot be resolved before moving to the next step than it is documented, the Director of Accounting will work with the Managed Service Technician for Oracle Payroll to bring the documented error to resolution.

## ROLES

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accounting Director                  | <ul style="list-style-type: none"> <li>» Responsible for serving as the Accountant's backup.</li> <li>» Review and approve reconciliations created by the Accountant</li> <li>» Responsible for serving as the Payroll Single Point of Contact for Oracle related questions</li> </ul>                                                                                                                                                             |
| Accountant                           | <ul style="list-style-type: none"> <li>» Responsible for completing the steps documented in the Payroll Process Run Worksheet</li> <li>» Responsible for reconciling and balancing payroll taxes and liabilities each payroll cycle</li> <li>» Responsible for generating the payment file that is transmitted to the Depository for each payroll cycle</li> <li>» Responsible for creating the accounting entry for each payroll cycle</li> </ul> |
| Administrative Coordinator (Finance) | <ul style="list-style-type: none"> <li>» Responsible for serving as the Accountant's backup.</li> </ul>                                                                                                                                                                                                                                                                                                                                            |

**CONTACTS**

- » Shereen Gendy, Director of Accounting
- » Vacant, Accountant
- » Becca Walsh, Administrative Coordinator (Finance)

**RELATED FORMS AND DOCUMENTS**

- » Oracle training or videos on subject materials:
  - » [Oracle Navigation](#)
  - » [Payroll Process Run Worksheet](#)



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## 9. Policies and Procedures

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### Period-End Procedures (General Ledger)

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership General Ledger Policy

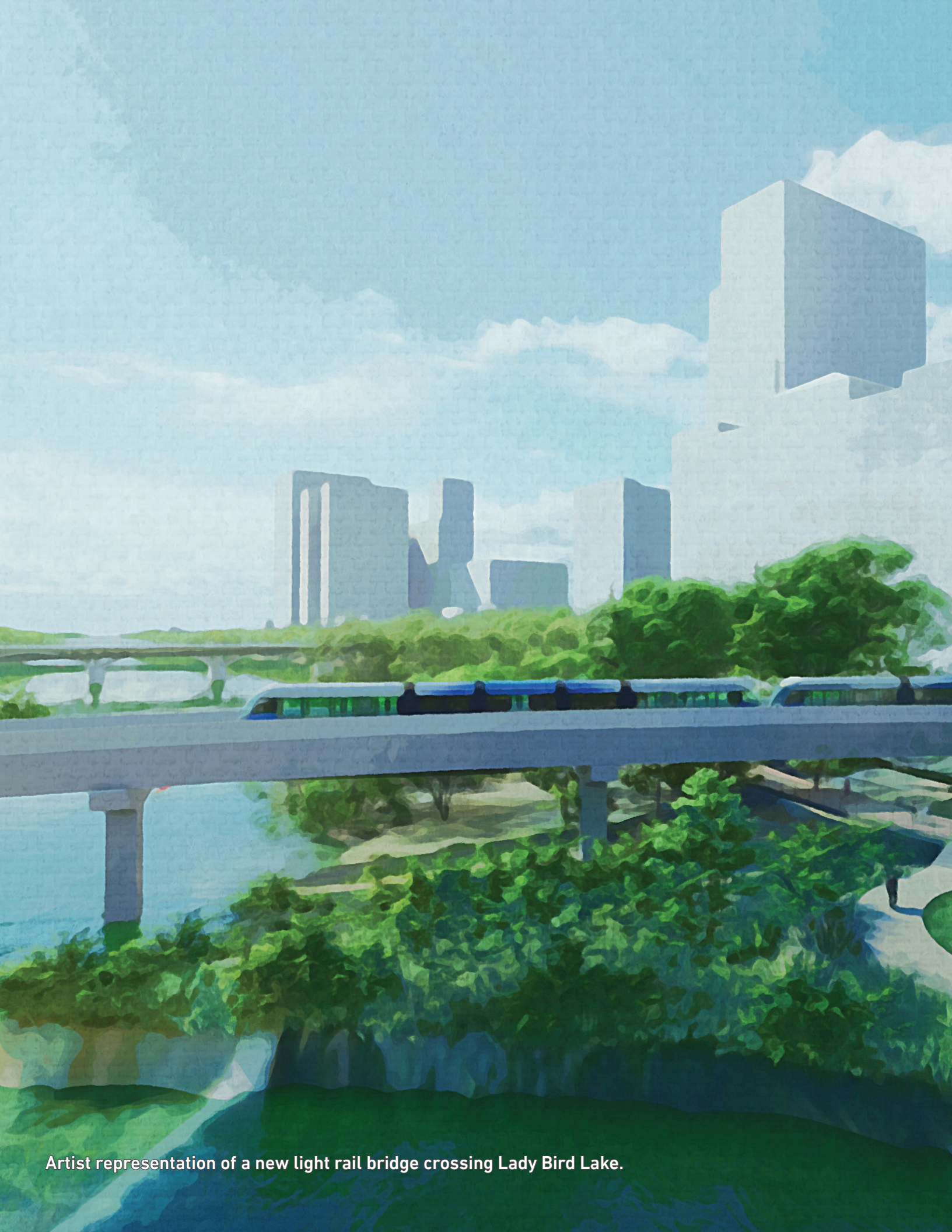
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SEPTEMBER, 2023

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Artist representation of a new light rail bridge crossing Lady Bird Lake.



# TABLE OF CONTENTS

|                             |   |
|-----------------------------|---|
| PURPOSE                     | 4 |
| OVERVIEW AND DEFINITIONS    | 4 |
| PROCESSES                   | 7 |
| ROLES                       | 8 |
| CONTACTS                    | 9 |
| RELATED FORMS AND DOCUMENTS | 9 |



|                                                                                   |                       |                                          |
|-----------------------------------------------------------------------------------|-----------------------|------------------------------------------|
|  | FINANCIAL POLICIES    | Issued: September 2023                   |
|                                                                                   | GENERAL LEDGER POLICY | Revised: NA<br>Approved by: Bryan Rivera |

## PURPOSE

The General Ledger Policy is to ensure that appropriate procedures are in place for the maintenance and recording of transactions into the general ledger. That includes:

- » Changes to the general ledger Chart of Accounts;
- » Journal entries; and
- » General ledger account reconciliations

## OVERVIEW AND DEFINITIONS

- » The general ledger is used to record all financial transactions relating to Austin Transit Partnership (ATP).
- » Summarized general ledger data is used to produce internal reports for management as well as external financial reports.

### ATP Ledgers:

- » ATP maintains two separate ledgers to fulfill the reporting requirements for the Annual Comprehensive Financial Report (ACFR).
  - » **Primary Ledger:**
    - » Used to generate the fund level financial statements; which provides useful information to assess ATP's near-term financing needs. The fund level financial statements generated from the Primary Ledger are:
      - » Governmental Funds Balance Sheet
      - » Governmental Funds Statement of Revenues, Expenditures and Change in Fund Balance
    - » ATP fund financial statements are prepared using the current resources measurement focus and modified accrual basis of accounting
      - » Revenues are recognized when they are both measurable and available.
        - » **Measurable** — the cash flow from the revenue can be reasonably estimated
        - » **Available** — the revenue is available to finance current expenditures to be paid within 60 days
      - » Expenditures, however, are recorded on a full accrual basis because they are always measurable when they are incurred.

**» GASB Ledger:**

- » Used to generate ATP wide financial statements; which provides readers with a broad overview of ATP's financial status in a manner similar to private-sector business. The ATP wide financial statements generated from the GASB Ledger are:
  - » Statement of Net Position
  - » Statement of Activities.
- » ATP wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.
  - » Revenues are recorded when earned
  - » Expenses are recorded when a liability is incurred regardless of the timing of related cash flows
- » Entries posted to the primary ledger gets mirrored in the GASB ledger automatically by Oracle (ATP's ERP platform).
- » Entries posted to the GASB ledger does not have any effect on the primary ledger.
- » ATP's ERP platform includes separate modules for general ledger, payroll, accounts payable, expenses, cash management, accounts receivables, fixed assets, procurement, projects and grant management.
- » Modules, other than the General ledger, are referred to as subledgers.

**General Ledger Chart of accounts:**

- » General ledger account numbers consist of seven segments, separated by a period:
  - » **Fund:**
    - » Three digit numeric segment.
    - » A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
    - » ATP combines the operating and capital projects funds for financial reporting while maintaining two separate funds for internal tracking purposes.
    - » ATP's anti displacement fund is a special revenue fund used to track monies dedicated to Project Connect's anti-displacement efforts. ATP funding approved on November 3, 2020 via Proposition A included \$300 million to prevent transportation investment-related displacement and ensure people of different incomes can benefit from the transportation investment. Per an interlocal agreement between ATP and the City, funds will be provided to the City on a reimbursement basis to administer and implement the Project Connect Anti-Displacement Programs.

**» Activity:**

- » Three digit numeric segment.
- » Serves mostly as the department number but some departments may have multiple activity codes to track separate functions within the department.
- » 000 is the activity code for all balance sheet and revenue accounts.
- » Expenditure accounts should not have 000 as the activity code as activity codes are used by ATP's ERP platform to determine the proper approval flow.

**» Account:**

- » Six digit numeric segment.
- » Account segment is used to identify the nature of the account.
- » Asset account segments start with 1
- » Liability account segments start with 2
- » Fund Balance account segments start with 3
- » Revenue account segments start with 4
- » Expenditure account segments start with 5
  - » Payroll related expenditure account segments start with 51
  - » Service related expenditure account segments start with 52
  - » Supply related expenditure account segments start with 53
  - » Travel, training and administrative expenditure account segments start with 54
  - » Transfer account segments start with 56

**» Project:**

- » Seven digit alphanumeric segment.
- » Project segment is used to track projects

**» Interfund:**

- » Three digit numeric segment.
- » Interfund segment used to track transactions across funds, like transfers, by referencing the corresponding fund number in that segment. For example, to book a transfer from fund 100 to fund 110, the interfund segment will be:
  - » 110 for the transfer out account in fund 100
  - » 100 for the transfer in account in fund 110

» **Future 1:**

- » Six digit numeric segment.
- » Serves as a placeholder for future use

» **Future 2:**

- » Six digit numeric segment.
- » Serves as a placeholder for future use

- » ATP's ERP platform refers to the seven segment account string as "Account Combination"

**PROCESSES**

**General Ledger Maintenance:**

- » Requests to add, activate and deactivate account segments or account combinations should be directed to the accounting and budget directors for approval.
- » The Accounting Director is responsible for maintaining the chart of accounts.
- » The Financial Services Manager is responsible for allocating of budget as needed.

**Subledger Entries:**

- » Payroll, accounts payable, expenses, cash management, accounts receivables, fixed assets, procurement, projects and grant management are subledgers within the general ledger.
- » Entries created by subledgers are based on pre-set configurations to ensure proper consistent booking in the general ledger.
- » Subledger entries are posted to the General Ledger through recurring scheduled processes.
- » The Accountant is responsible for running the manual posting processes for each subledger monthly, as part of the month end closing process, to capture any missed postings.
- » The Accountant is responsible for spot checking the accounting entries for their assigned module(s).
- » The Accounting Director is responsible for spot checking subledger accounting entries for accuracy.

**Manual General Ledger Entries:**

- » All manual journals must have the following characteristics:
  - » The sum of the debits and credits shall be equal for each fund and for the entry as a whole;
  - » Each journal shall have supporting documentation to evidence the purpose of the transaction that would satisfy an independent reviewer and auditor;
  - » Each journal must include a detailed description
- » Each journal shall be reviewed and authorized by an independent approver with the required skill to understand the transaction prior to being posted.
- » System controls are in place to prevent any single employee from entering and approving their own entries.

### Month-End Close Process

- » All balance sheet accounts should be reconciled on a monthly basis, as part of the month-end closing process.
- » All project and grant accounts should be reconciled against E-Builder reports on a monthly basis.
- » All general ledger account reconciliations will:
  - » Have corrective action performed in a timely manner;
  - » Be reviewed and authorized by an appropriate person with the necessary skills that is independent of the preparer;
  - » Have supporting documentation for any reconciling items;
  - » Be stored in a central repository.
- » Accounting Processes are ran for the individual modules in ATP's ERP platform.
- » The period for each of the subledgers and the general ledger are closed by the Accounting Director for the respective month.

### ROLES

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Accounting Director</b>             | <ul style="list-style-type: none"> <li>» Maintains the chart of accounts</li> <li>» Reviews and approves changes to the chart of accounts</li> <li>» Review and approve entries created by the accounting team</li> <li>» Create complex manual general ledger entries</li> <li>» Backup for manual general ledger entries assigned to Accountants.</li> <li>» Spot check subledger accounting entries</li> <li>» Review and approve reconciliations created by Accountants</li> </ul> |
| <b>Financial Services Manager</b>      | <ul style="list-style-type: none"> <li>» Reviews and approves changes to the chart of accounts</li> <li>» Allocates budget to newly created accounts</li> </ul>                                                                                                                                                                                                                                                                                                                        |
| <b>Senior Vice-President, Treasury</b> | <ul style="list-style-type: none"> <li>» Review and approve entries created by the Accounting Director</li> <li>» Review and approve reconciliations created by the Accounting Director</li> </ul>                                                                                                                                                                                                                                                                                     |



|                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Accountants</b></p>                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>» Create recurring manual general ledger entries</li> <li>» Post subledger entries</li> <li>» Reconcile general ledger accounts on a monthly basis</li> <li>» Create Journal entries</li> <li>» Post subledger entries</li> <li>» Post approved entries</li> <li>» Spot check subledger accounting entries</li> <li>» Reconcile general ledger accounts</li> <li>» Reconcile general ledger against subledger accounts</li> <li>» Reconcile project and grant reports</li> </ul> |
| <p><b>CONTACTS</b></p>                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"> <li>» <b>Bryan Rivera</b>, Senior Vice President of Treasury</li> <li>» <b>Shereen Gendy</b>, Accounting Director</li> <li>» <b>Jamie Atkinson</b>, Financial Services Manager</li> </ul>                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>RELATED FORMS AND DOCUMENTS</b></p>                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"> <li>» Oracle training or videos on subject materials:             <ul style="list-style-type: none"> <li>» <a href="#">Oracle Navigation</a></li> <li>» <a href="#">General Ledger Journals, inquiry and balances</a></li> <li>» <a href="#">Payment Processing, GL and Reporting</a></li> </ul> </li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |



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## 9. Policies and Procedures

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### Preventative Maintenance

|                 |                                                   |
|-----------------|---------------------------------------------------|
| <b>Version</b>  | 1                                                 |
| <b>Date</b>     | 9/21/2023                                         |
| <b>Status</b>   | To be developed under future implementation phase |
| <b>Comments</b> |                                                   |

## 9. Policies and Procedures

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### Project Management Approach

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



# Austin Light Rail Project Management Approach

## 1 Introduction

The Austin Transit Partnership (ATP) is the independent Local Government Corporation formed in December 2020 after a successful referendum, and responsible for the overall implementation of the Project Connect Program, including Austin Light Rail. On June 6, 2023, the Austin City Council, CapMetro Board of Directors, and ATP Board of Directors (collectively, the “joint partnership”) concurrently adopted changes to the tri-party agreement (the “Joint Powers Agreement” or “JPA”) regarding the implementation of Project Connect among the entities and confirming ATP’s role as the Project Sponsor and direct grant recipient for federal grants for Austin Light Rail (pending any necessary FTA concurrence).

ATP is responsible for the day-to-day implementation, planning, financing, execution and oversight of Austin Light Rail. Dedicated ATP staff with extensive experience in the delivery of federally-funded light rail capital projects manage and lead the implementation of Austin Light Rail. ATP’s Board of Directors includes three community members, as well as a representative from each of the Austin City Council and the CapMetro Board of Directors.

In June 2023, a locally preferred alternative (LPA) for Austin Light Rail (Phase 1) was approved that is an approximately 10-mile, two-line light rail system that travels north and south of Downtown Austin, as well as into East Austin. The new light rail system will serve the West Campus of the University of Texas, downtown employment and special event destinations, connection points with high-frequency bus and commuter rail service, and diverse, growing neighborhoods. ATP will fund both the capital costs and operating and maintenance of Austin Light Rail. ATP will be looking to federal funding resources to help support the implementation of Austin Light Rail.

ATP will be seeking New Starts funding under the Capital Investments Grant (CIG) Program to support the capital costs for Austin Light Rail. As the entity responsible for funding the long-term operations, as well as any future extensions, in the future, ATP may pursue federal funds to support such extensions of the light rail system, capital improvements to support core capacity expansions, or sub-allocated funds for operations. It should be noted that Austin’s local transit authority, CapMetro, will continue to be the designated federal grant recipient for the region.

What follows below is a summary of the Austin Light Rail project scope and project management approach. The intent is for the project to advance through Project Development (PD) and environmental review, as authorized by the Federal Transit Administration (FTA).

## 2 The Austin Light Rail Project

ATP proposes to construct a 9.8-mile Light Rail Transit (LRT) branched line to points north, south and east of the downtown. Beginning at the intersection of Guadalupe Street and 38th Street, the in-street, LRT-dedicated, double-tracked, 15-station alignment would extend south past the University of Texas and the

Texas State Capital. At the intersection of Guadalupe and 3rd Streets, the alignment would extend east on 3rd Street, cross Congress Avenue, and connect to Trinity Street. The alignment would continue south on Trinity Street and cross Lady Bird Lake on a new LRT bridge. On the south shore of Lady Bird Lake, the alignment would split into two branches. The western branch of the split would cross East Bouldin Creek and extend south on Congress Avenue to serve two stations, with a terminus at the intersection of Congress Avenue and Oltorf Street. The eastern branch would extend east along East Riverside drive to terminate just west of SH-71 at the proposed Yellow Jacket Station. Service on the eastern branch from the 38th Street to the Yellow Jacket Station will provide 10-15 minute all day and evening service to thirteen stations. Additionally, the western branch line service will also operate at 10-15 minute all day and evening service and serve nine stations from 38<sup>th</sup> Street to the Oltorf station. Where these two lines overlap – between the 38th Street station in the north, through Downtown Austin to the Waterfront station in the south - there will be a 5 - 7.5-minute frequency of trains. The LRT system would include an Operations and Maintenance Facility (OMF) located in the vicinity of the US-183/SH-71 interchange.

#### *Priority Extensions*

The first phase of Austin Light Rail provides coverage to the north, east, and south with access to opportunities and connections to key destinations. Responding to top themes from the community leading up to the adoption of the Austin Light Rail Implementation Plan, Yellow Jacket to the Airport was identified as a Priority Extension, along with 38th Street to Crestview. These extensions could be accelerated if additional funding becomes available but are not currently included as part of the first phase of the LRT project.

### 3 Austin Light Rail Project Management Approach

ATP is currently developing advanced conceptual engineering for the first phase of Austin Light Rail. This work will support ATP's completion of National Environmental Policy (NEPA) requirements. In addition, ATP is at the onset of Project Development for Austin Light Rail, with the intent of pursuing New Starts funding under FTA's CIG Program. As part of our organizational readiness activities during the Project Development phase, ATP will be developing plans for future activities associated with the next stages of project implementation in coordination with our partners.

Generally, the following partial listing of regulations, FTA Circulars and Guidance documents, as updated, provide the foundation for the overall approach. Other documents including Oversight Procedures (OP) have also been utilized to influence and develop the project management approach and are referenced throughout this memorandum. When fully developed the Project Management Plan will more fully develop these details.

#### Regulations:

- Project Management Oversight, 49 CFR Part 633
- Major Capital Investment Projects; Final Rule, 49 CFR Part 611, April 9, 2013
- Joint FTA/FHWA regulations, Metropolitan Transportation Planning and Programming, 23 CFR Part 450, Subpart C



- Joint FTA/FHWA regulations, Environmental Impact and Related Procedures, 23 CFR Part 771
- U.S. DOT regulation, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs, 49 CFR Part 24

FTA Circulars:

- C9300.1B Capital Investment Program Guidance and Application Instructions
- C4220.1F, Third Party Contracting Guidance
- C5010.1D, Grant Management Requirements
- C5200.1A, Full Funding Grant Agreements Guidance
- C5800.1, Safety and Security Management Guidance for Major Capital Projects
- FTA Master Agreement (updated and published October 1 of each calendar year)

Guidance:

- Guidance for Transit Financial Plans, June 2000
- Reporting Instructions for the Section 5309 New Starts Criteria
- Interim Guidance on Design-Build Project Delivery and the FFGA Process
- Quality Management System Guidelines, 2019
- Project and Construction Management Guidelines, March 2016 Update
- Construction Project Management Handbook, February 2016 Update
- TCRP G-08 - A Guidebook for the Evaluation of Project Delivery Methods, 2009

The following is a summary of ATP's readiness and project management approach.

## 3.1 Joint Partnership Roles and Responsibilities

The JPA and subsequent agreements identify the partners' respective roles and responsibilities regarding the financing, construction, improvement and implementation of certain components of the Project Connect Program.

### 3.1.1 ATP

As stated in the JPA, ATP is responsible for the overall implementation of the Project Connect Program. Further, as the entity responsible for planning, design, contracting, acquisition, construction, and financing Austin Light Rail, ATP will be the Project Sponsor and future direct grantee for any available federal grants to support the implementation of Austin Light Rail (pending FTA's concurrence). For Project Connect Projects being implemented by CapMetro, ATP holds some oversight responsibilities as outlined in applicable Inter Local Agreements ("ILAs") between the parties.

### 3.1.2 City of Austin

ATP and City of Austin have agreements regarding the transfer of property tax revenues and funding for dedicated City staffing as part of the City’s Project Connect Office. The City of Austin stands as the local agency partner and project supporter for the Project Connect Program. Partnering with ATP and CapMetro, the City will continue to implement plans and policies to support successful program implementation. Additionally, the City of Austin is responsible for the administration of the \$300 million in anti-displacement program funds. The City and ATP will continue to work together to support successful light rail implementation, including operations in the public right-of-way, and necessary updates to permitting, real estate acquisitions, and transit-supportive land use policies.

### 3.1.3 CapMetro

As outlined in the JPA, CapMetro is responsible for managing and financing the implementation of some components of the Project Connect program – including new MetroRapid Lines, improvements to commuter rail, pick-up service and other improvements. CapMetro previously committed its funds to these efforts, however ATP is also investing in these projects. An agreement was established between ATP and CapMetro regarding Expo Center and Pleasant Valley MetroRapid capital projects wherein ATP will provide a certain level of local funding via reimbursement. CapMetro is the Project Sponsor and direct recipient of Small Starts funding via grant agreements executed with FTA for those projects. A similar agreement for commuter rail Red Line improvements is also in place. ATP will work together to ensure long-term planning for funding commitments or obligations of CapMetro that are payable or reimbursable from ATP funds. Any financial contribution on behalf of ATP to fund the implementation of the CapMetro components (as defined in the JPA) will require the approval of the ATP Board.

CapMetro will serve as the operator of Austin Light Rail; funding for operations and maintenance of Austin Light Rail will be provided by ATP.

## 3.2 Organization and Staffing

Staffing for the project will evolve as the project advances through development. In addition to the Agency staffing levels, ATP will utilize a Program Development & Management (PDM) consultant to provide subject matter experts to the project until superseded by ATP hires or the services are no longer needed. The initial staffing assumptions consist of the following and are summarized below.

- ATP will be responsible for the planning, execution and close out of the LRT project with support from engineering and architectural team consultants.
- Utilization of outside consultants to leverage their technical expertise in the planning, design, construction, contracting, and implementation of the LRT project, as well supplement ATP staff to meet the ongoing and fluctuating staffing demand.
- The split between agency staff and consultants may vary throughout the different project phases.

The information below provides a high-level overview of the management structure for ATP. This information will be expanded during the development of a Management Capacity and Capability Plan for the project under OP 21.

### 3.2.1 Business and Legal Affairs

Business and Legal Affairs encompasses several key services and divisions of ATP, including Procurement and Contract administration, Real Estate, Legal Services, IT and Communications Services, Human Resources, and Board Relations. Department outcomes:

- Recruit and retain the personnel necessary to deliver light rail in Austin.
- Finalize delivery and contracting strategy and develop the initial procurements.
- Complete and implement governance reforms recommended by the Board’s governance assessment.
- Solicit and contract local communications resources to position Austin Light Rail for implementation with a priority on transparency and access to public information.

### 3.2.2 Financial Services

ATP’s primary financial goal is to implement Austin Light Rail, as envisioned by its stakeholders, as efficiently and as effectively as possible. The Financial Services team is comprised of Budget, Treasury, Accounting and Grants Management functions, all of which work in partnership to manage the public investment with transparency and accountability throughout the program. Department outcomes:

- Successfully establish ATP’s credit profile, enhancing ATP’s financial credibility and reliability. This will facilitate access to short- and long-term programs, enabling ATP to meet its financial requirements and objectives more effectively.
- Maintain a commitment to transparent reporting on the allocation and utilization of funds received by ATP.
- Provide consistent and satisfactory customer service to both internal and external stakeholders, promptly addressing needs.

### 3.2.3 Architecture and Urban Design

Architecture and Urban Design’s core mission is to ensure that ATP processes, services and products are developed around User Centered Design principles and ensures that the built environment for Austin Light Rail is pleasant, vibrant and instills a sense of civic pride in all Austinites. Department outcomes:

- Advanced Concept Design for Stations and Typical System-wide Elements, including traction powered substations and communications facilities.
- Design Development of typical system design elements for a prototypical modular station design as well as iterations that can be applied to various stations in the system.
- Develop Sustainability Design Criteria, Guidelines, and an interactive toolkit to ensure implementation through project delivery and achieve agency goals.

### 3.2.4 Engineering and Construction

Engineering and Construction leads all phases of light rail engineering efforts and will manage light rail construction with ATP's contracting partners. Engineering and Construction also manages integration of light rail program elements including design coordination; planning and design for operations and maintenance facilities; system and vehicles planning; third party and utilities agreements and program contract management. Department outcomes:

- Advanced engineering and design to support activities related to NEPA and CIG, including the following:
  - LRT design, including guideway, systems, and stations.
  - Utility relocations
  - Concept of operations planning to inform design requirements.

### 3.2.5 Planning, Community and Federal Programs

Planning, Community and Federal Programs comprise several key functions. The Program Controls team implements scheduling, cost reporting, and document controls. The Planning team leads environmental regulatory compliance and coordination to integrate transit service planning, land use planning, and equity, informed by public involvement. A key focus of the planning team is coordination with FTA on federal funding opportunities. The Community participation and public involvement team works across the organization and in stride with ATP's planning efforts for community-informed decision-making throughout light rail implementation. Department outcomes:

- Successfully work with FTA to affirm grant eligibility, as first step of the federal funding process.
- Build on the community participation and public involvement program to provide transparency through regular information and opportunities for timely, meaningful input into the process.
- Complete environmental analysis on advanced conceptual engineering for public review.

### 3.2.6 Internal Audit

Internal Audit aims to help improve ATP's governance, control, and risk management by providing objective audit and advisory services. Organizationally independent of ATP management, Internal Audit reports directly to the ATP Board and aims to strengthen ATP's transparency and accountability for stewardship of government resources and the achievement of community goals. Department outcomes:

- Enhance accountability and transparency by conducting constructive and helpful performance audits.
- Helps build an ethical, community-driven, and improvement-focused culture by operating ATP's ethics hotline and providing resources, guidance, and training to ATP staff.
- Continue to build an internal audit function and annual risk assessment process to address ATP's critical risks and the Board's expectations in adherence with the ATP Internal Audit Charter and quality standards mandated by the International Professional Practices Framework promulgated by the Institute of Internal Auditors.

### 3.2.7 Joint Partners

Working partnerships with CapMetro and the City of Austin are also integral to the success of the Project Connect Program. The City of Austin has formed a dedicated Project Connect Office, to focus on supporting the implementation of the program. Both CapMetro staff and the City Project Connect Office team members have dedicated workspace in the ATP office to facilitate the integration of our teams.

During Project Development, CapMetro will provide input to ATP focused key areas:

- Integration with existing transit systems and coordination with ongoing service planning
- Safety requirements and certification
- ADA requirements and accessibility
- Maintenance and operational requirements to deliver the desired service plan.

This coordination is achieved through an established design coordination and review process, which operates at the staff level with pathways to escalate issued to executive team members from all organizations on a weekly basis.

In addition to design coordination and review, ATP and the City of Austin are collaborating on a set of topics to ensure readiness for light rail, which includes:

- Approach to permitting process for light rail, including potential City ordinance amendments.
- Coordination on utilities, including identification of potential betterments and how those will be handled.
- Austin Energy coordination regarding future power supply, rates and requirements
- Transit signal priority and integration of traffic signals with train control system
- Land use policy changes to support transit-supportive uses along the light rail corridor.
- Real estate acquisition process, right of way use and maintenance agreements.
- Project definition adoption to memorialize key design elements.

Each of these key topics has a work group to focus on actions needed to support the development of Austin Light Rail. Regular meetings are being established at the Executive Director/City Manager level to monitor progress and assign necessary resources.

## 3.3 Procurement

The ATP Board adopted a comprehensive Procurement Policy for ATP in early 2023. ATP will utilize the ATP Board-approved procurement processes for any contracts following a written procurement plan and based on an evaluation of delivery methods.

Each solicitation will include a series of documents, including, but not limited to:

- Bid or Proposal Instructions and Submittal Documents
- General Conditions
- Specifications
- Drawings and Specifications
- List of Real Estate Acquisitions

- Reports: investigations of physical conditions

### 3.4 Project Delivery

ATP is actively evaluating an appropriate method for delivery of Austin Light Rail, including researching and conducting outreach with industry. Key considerations in the evaluation process include:

- Interface Risk: Manage interface risk through strategic bundling of project scopes in both design and construction; consider inclusion of operations and/or maintenance scopes.
- Delivery Method Value-for-Money Comparison: Understand differences between delivery methods, including organizational requirements, contracting strategies, and program management; avoid using one-size-fits-all processes.
- Competition: For large contracts consider strategies to promote competition, including implementing collaborative contracting strategies and refining performance security requirements.
- Industry Feedback: Collect and incorporate feedback received from the industry and lessons learned from peer agencies through the ongoing industry outreach process including the Request for Industry Feedback (RFIF), Industry Expo, one-on-one industry meetings and peer agency discussions.

We anticipate bringing on a Delivery Partner for project management and other scopes, in advance of the final design and construction efforts, and will engage with FTA as part of the project delivery evaluation process, which will be documented in accordance with the applicable operating procedures.

### 3.5 Safety and Security

The current Safety and Security Management Plan (SSMP) (dated August 12, 2022) for Project Connect projects, communicates the policy, methodology, and commitment of ATP and CapMetro to achieve the highest practical level of safety and security for passengers, employees, and the general public. It also establishes responsibility and accountability for safety and security during the Initial Planning, Preliminary Engineering (PE), Final Design (FD), Construction, Testing, Startup, and Operational phases of the Project, otherwise known as the Project life cycle. The SSMP will be updated to reflect appropriate roles for ATP and CapMetro to be aligned with the June 2023 JPA Supplemental Agreement defining which projects in the Project Connect Program will be managed by ATP vs CapMetro. At a minimum, the current SSMP will be reviewed and updated in accordance with the requirements set forth in FTA Circular 5800.1 and the Program Standard.

### 3.6 Quality Management

ATP has implemented stringent quality management practices, based on industry best-practices in order to develop the Quality Management Plan (QMP). The existing QMP will be updated to reflect appropriate roles for ATP and CapMetro to be aligned with the June 2023 JPA Supplemental Agreement. The QMP was developed based in part, on the following principles and approaches:

- Lessons Learned and Best Practices
- Organizational Reviews and Strategic Approach to Quality
- Quality Audit Approach and State of the Art Technology



### 3.7 Technical Documents

ATP will be designing and constructing Austin’s first light rail project. Design Criteria, Standard and Directive Drawings, and other technical documents have been and will be developed in coordination with existing standards from other organizations and national standards.

#### 3.7.1 Design by ATP

ATP will be responsible for all design and engineering elements of the Austin Light Rail project. ATP will maintain ownership of all plans and specifications and will hold all future contracts for the planning, design, project management, construction, and acquisition of vehicles for light rail.

#### 3.7.2 Design by Others

CapMetro is responsible for all design and engineering elements of Project Connect BRT and commuter rail projects. CapMetro has developed design criteria, standard and directive drawings, and other technical documents using existing standards from previous projects, lessons learned, and documents from other organizations and national standards.

Other entities may provide technical documents as design develops. These documents will meet applicable standards and be coordinated with other requirements and improvements under consideration.

### 3.8 Third Party Interface

ATP acknowledges that additional interfaces exist beyond the City of Austin and CapMetro including TxDOT and private utility companies and has utilized OP 39 Review of Third-Party Agreements for Major Capital Projects as a tool to document and implement ATP’s approach. ATP has initiated strong third-party interface practices particularly with utility companies. Utilities are widely recognized as a cause of schedule risk in project delivery. Early identification and treatment of utilities has the potential to avoid later scope changes, additional excavation, redesign, delays, and change orders etc. Close coordination with all interfacing governmental entities and jurisdictions is important. Through early coordination efforts, the objectives include:

- Minimize the lack of accurate, complete information about existing utility infrastructure and facilities that might be in conflict with the project.
- Institute a robust utility conflict process that uses a variety of invasive and non-invasive means to accurately locate utilities and thus identify potential conflicts.
- Resolve, mitigate, and overall management of any conflicts.

### 3.9 Public Involvement

Throughout the distinct phases of developing the light rail project, ATP has provided community members, organizations and businesses extensive opportunity to learn about the Program and its projects. Stakeholders have been asked to provide input on design options and discuss issues or concerns with the collective staff. This input has been considered at key decision points and used to make the most informed choices possible.

Community outreach efforts have been specifically designed to provide information and seek input from diverse communities throughout the region. ATP aims to include people of diverse economic, cultural, racial, and ethnic backgrounds, including new immigrants with an extensive range of first languages and communities with special needs associated with ages, health, and disabilities. Provisions of the JPA specific to community engagement will be achieved or exceeded.

### 3.10 Project Record Keeping

At a minimum, ATP has been responsible for compliance with the Texas Local Government Records Act (Title 6, Subtitle C, Local Government Code) that provides that each local government must establish an active and continuing records management program. Each of the Partners have written a plan to prescribe policies and procedures consistent with the Local Government Records Act and in the interests of cost effective and efficient recordkeeping. Any federal requirements or guidance will be incorporated into the respective records and information management system to ensure that federal and state laws, regulations, and best practices for the transit industry are followed.

ATP utilizes eBuilder as the project management information system (PMIS) for Austin Light Rail. Workflows and other processes will be conducted in accordance with the current Project Controls Plan, Document Controls Plan, and associated procedures.

#### 3.10.1 Change Process

Documents and engineering drawings within the document control process shall be reviewed and updated at each critical milestone or phase on a project-by-project basis. ATP is responsible for ensuring distribution of the final document to Austin Light Rail Project Team members and other involved organizations, as necessary. A Change Control Plan will be developed to guide ATP’s management of the Austin Light Rail Project.

### 3.11 Environmental Compliance and NEPA

The implementation of Austin Light Rail will require compliance with federal, state, and local environmental laws and statues. ATP will complete an Environmental Impact Statement based on regulations developed by the Council on Environmental Quality (CEQ) for the National Environmental Policy Act (NEPA). The NEPA document will also be developed in accordance with Section 106 of the National Historic Preservation Act (NHPA), with Consulting Parties engaged as part of this process. As an additional example, ATP will also adhere to other regulation including Section 4(f) regulations codified under 23 Code of Federal Regulations (CFR) Part 774 to assess parks, recreational areas, and historic sites, conducted in consultation with the State Historic Preservation Office (SHPO). ATP will also abide by the Texas Parks and Wildlife Code Chapter 26 statute warranting parkland impact assessment and mitigation considerations.

During the advanced conceptual engineering work, general principles will include:

- Avoid, minimize, and mitigate impacts.
- Avoid and minimize need for additional right-of-way (ROW).
- Enhance the sustainability of communities and neighborhoods.

Accordingly, ATP is developing the advanced engineering and EIS in coordination with CapMetro and the City of Austin to facilitate early collaboration on potential environmental issues. A Mitigation Monitoring Plan will be included as part of the Final Environmental Impact Statement / Record of Decision (FEIS/ROD).

All environmental documents completed for the project will reflect coordination with OP 32A (Project Transit Capacity Review, OP32B NEPA and Design Document Comparison, and OP32C Project Scope Review).

### 3.11.1 Federal Review and Consultation

Each of the Program Partners will coordinate with the federal modal agencies in a One DOT (Department of Transportation) process along with a One Federal Decision (OFD) review when appropriate. Because of the multiple DOT modes in the area including, the international airport, railroad, highway and transit facilities, a One DOT process should be used to coordinate planning, environmental, design and construction issues with their respective programs.

## 3.12 Capital Cost Reporting

In 2005, FTA implemented the Standard Cost Categories (SCC) to establish a consistent format for the reporting, estimating, and managing of capital costs for New Starts projects. Information gathered from projects across the country has been developed into a database called the Capital Cost Database, a cost-estimating resource useful to FTA and the transit industry as a whole. The SCC Workbook is a project management tool that is project-based as opposed to grant-based.

On projects with a federal funding component, ATP will use the most recent SCC Workbook issued by FTA for reporting the capital cost and schedules for proposed projects. ATP will report costs in constant dollars and use the most recent Templates issued by FTA. The SCC worksheets provide a project management tool. Over the life of a project, the consistent format should make it easier to track, evaluate and control cost changes. In addition to the SCC, ATP will develop capital cost estimate review utilizing OP 33 Capital Cost Estimate Review.

### 3.12.1 Risk and Contingency Management

For each FTA-funded project, a Risk and Contingency Management Plan (RCMP) will be developed that will include a cost management plan. The RCMP in conformance with OP40c Risk and Contingency Review, will describe how the project is organized and the procedures used to manage the project risks, addressed in the plan.

ATP is responsible for establishing and monitoring its process of risk management in the RCMP. Pro-active, continual management of risk prevents risk events from becoming crises. A project sponsor may find it important to have an independent risk management staff that reports primarily to a level above that of the project manager. This avoids conflicts of interest that occur when cost and schedule compliance responsibilities conflict with the candid reporting of some likelihood of not meeting these goals.

### 3.13 Operations

ATP is responsible for funding the operations and maintenance of the light rail system. As part of this obligation, ATP will be working with CapMetro and the City of Austin on an operations agreement that outlines the roles and responsibilities of the parties during the start-up, testing and operating phase of the program. ATP will develop plans meeting the requirements of multiple OPs including but not limited to OP 37 Fleet Management Plan, OP54 Readiness for Revenue Operations and OP 62 Asset Management.

## 4 Project Funding and Financing

Local funding for the capital costs of light rail is provided by Proposition (Prop) A funding. Prop A will be the local funding source and serve as a match for New Starts Capital Investment Grants (CIG) funding. ATP’s debt financing program will rely on the voter-authorized Prop A revenues to pay back principal and interest payments on the debt service over time. All obligations will be liabilities of only ATP. ATP will serve as the direct grant recipient for the light rail project.

It is expected that discretionary federal funds (FTA New Starts 5309 program) will provide a portion of the funding necessary for implementation of the project. Additional funding may be available from federal sources including Surface Transportation Program (STP) as well as programs included in the Bipartisan Infrastructure Law. ATP will pursue these funds as appropriate.

Prop A funds will also fund the operations and maintenance of Austin Light Rail.

### 4.1 Financing

ATP shall be responsible for establishing any and all finance programs and securing and approving any and all financing structures that it deems necessary to finance, and sufficiently fund operations, maintenance and state of good repair, of the Austin Light Rail, including the issuance of short-term and long notes and bonds, any loans secured under federal programs, as well as necessary debt and operating reserve requirements. Obligations issued by ATP shall never constitute an indebtedness or general obligation of the City of Austin, CapMetro, the State of Texas or any other political subdivision of the State. The parties acknowledge that the obligation of the City of Austin to transfer funds to ATP is subject to the budgetary process of the City and is subject to annual appropriation by the City in accordance with its budgetary process.

## 9. Policies and Procedures

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Project Controls Plan

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |



# Austin Transit Partnership

## Project Connect

### *Project Control Plan*

*Austin, TX*

Version 1 – August 29, 2023





## Document History

| Version   | Date            | Status | Comments                                |
|-----------|-----------------|--------|-----------------------------------------|
| Version 0 | July 27, 2022   | Final  |                                         |
| Version 1 | August 29, 2023 | Final  | Updated graphics, titles, admin updates |
|           |                 |        |                                         |

## Contents

- 1 List of Definitions ..... 6
- 2 General..... 10
  - 2.1 Roles and Responsibilities ..... 11
  - 2.2 Work Breakdown Structure ..... 14
  - 2.3 Project Controls Tools and Procedures ..... 15
- 3 Schedule Management ..... 15
  - 3.1 Schedule Management Approach ..... 16
  - 3.2 Schedule Management Tools ..... 16
  - 3.3 Integrated Program Master Schedule Development and Guidelines..... 16
    - 3.3.1 Establishing the IPMS Baseline..... 16
    - 3.3.2 Recovery Schedule ..... 17
    - 3.3.3 Re-Baselining ..... 17
    - 3.3.4 Schedule Development ..... 17
      - 3.3.4.1 Data Input and Arrangement ..... 17
      - 3.3.4.2 Activity Definition ..... 18
      - 3.3.4.3 Activity Sequencing..... 18
      - 3.3.4.4 Duration Estimating ..... 18
      - 3.3.4.5 Schedule Calendars ..... 19
      - 3.3.4.6 Accuracy and Credibility ..... 19
      - 3.3.4.7 Consultant and Contractor Schedule Input ..... 19
  - 3.4 Master Project Schedule ..... 20
  - 3.5 Project Schedules ..... 20
    - 3.5.1 Establishing the Project Baseline ..... 20
    - 3.5.2 Recovery Schedule ..... 20
    - 3.5.3 Time Impact Evaluation of Change Orders..... 21
    - 3.5.4 Re-Baselining ..... 21
    - 3.5.5 Schedule Development..... 21
    - 3.5.6 Consultant and Contractor Schedule Management and Coordination..... 21
      - 3.5.6.1 Consultant Schedule Management and Coordination..... 21
      - 3.5.6.2 Consultant Schedule Control ..... 21
      - 3.5.6.3 Contractor Schedule Management and Coordination ..... 22
    - 3.5.7 Contractor Schedule Control..... 22
    - 3.5.8 Contractor Schedule Revisions..... 22
  - 3.6 Schedule Baseline Control..... 23
    - 3.6.1 Project Schedule Baseline ..... 23
    - 3.6.2 IPMS Baseline ..... 23
  - 3.7 Status Updates and Schedule Maintenance..... 23
    - 3.7.1 Update Methodology ..... 23
      - 3.7.1.1 Project Schedule Updates ..... 23
      - 3.7.1.2 IPMS Update ..... 24
    - 3.7.2 Update frequency ..... 25
    - 3.7.3 Schedule data backup and archive..... 25
  - 3.8 Schedule Assessment and Analysis ..... 25
    - 3.8.1 Schedule Assessment ..... 25

- 3.9 Schedule Risk Analysis .....26
- 3.10 Schedule Change Control .....26
- 3.11 Schedule Reporting .....26
- 4 Cost Management and Control .....27
  - 4.1 Project Cost Estimating .....27
    - 4.1.1 Independent Cost Estimates .....27
    - 4.1.2 Project Cost Estimating .....27
    - 4.1.3 Cost Estimates Corresponding to ATP Phases .....27
    - 4.1.4 Preliminary Cost Estimate .....28
    - 4.1.5 Independent Cost Estimate .....28
    - 4.1.6 Establish Project Segmentation .....29
    - 4.1.7 Identify scope elements .....29
      - 4.1.7.1 Bid Items .....30
      - 4.1.7.2 Composite Items .....30
      - 4.1.7.3 Parametric Items .....30
      - 4.1.7.4 Allowances and Percentage Items .....30
    - 4.1.8 Quantity Takeoff .....30
    - 4.1.9 Quantity reconciliation .....30
    - 4.1.10 Cost estimating .....31
    - 4.1.11 Major Estimated Categories .....31
    - 4.1.12 Major Cost Components .....31
    - 4.1.13 Contingency .....32
      - 4.1.13.1 Allocated Contingency .....32
      - 4.1.13.2 Un-Allocated Contingency .....32
    - 4.1.14 Project Estimate – Pre-Bid .....32
    - 4.1.15 Change Order Estimates .....33
  - 4.2 Risk Management Process .....33
  - 4.3 Value Methodology Process .....34
    - 4.3.1 Value Methodology .....34
    - 4.3.2 Pre-Workshop .....34
    - 4.3.3 Workshop Phases .....34
  - 4.4 Project Budget Control .....35
    - 4.4.1 Initial Project Budget .....35
    - 4.4.2 Project Budget Setup and Refinement .....35
    - 4.4.3 Project Budget Baseline Approval .....35
    - 4.4.4 Project Budget Changes .....36
  - 4.5 Cash Flow Analysis .....36
  - 4.6 Cost Management .....37
    - 4.6.1 Cost Management Approach .....37
    - 4.6.2 Cost Management Tools .....37
    - 4.6.3 Commitments/Change Orders .....38
      - 4.6.3.1 Contracts .....38
      - 4.6.3.2 Task Orders/Purchase Orders .....38
  - 4.7 ATP Costs .....38
    - 4.7.1 Forecasting and Trends .....39
    - 4.7.2 Monitoring, Reporting and Controlling .....39
  - 4.8 Cost Allocation Plan .....39
    - 4.8.1 General .....39
    - 4.8.2 Approach .....40

- 4.8.3 Allocation of Costs.....40
- 4.9 Cost Code Structure .....40
- 4.10 Cost Code Organization Structure .....40
- 4.11 Cost Accounting.....40
  - 4.11.1 Work Directives, Purchase Order and Direct Payments.....40
  - 4.11.2 Processing of Invoices .....40

**Tables**

- Table 1-1: Definitions.....6
- Table 2-1: WBS Program Levels .....15

**Appendices**

- Appendix A. Organizational Chart for Project Controls .....41
- Appendix B. Work Breakdown Structure.....42
- Appendix C. Integrated Program Master Schedule .....43
- Appendix D. Standard ATP Invoice Template .....44
- Appendix E. Procedures List.....45

## Acronyms and Abbreviations

| Term/Acronym | Definition                                                    |
|--------------|---------------------------------------------------------------|
| ATP          | Austin Transit Partnership                                    |
| B            | billion                                                       |
| Board        | Board of Directors                                            |
| CapMetro     | Capital Metropolitan Transportation Authority                 |
| CIG          | Capital Investment Grants                                     |
| CR           | Change Request                                                |
| DBE          | Disadvantaged Business Enterprise                             |
| DMP          | Document Management Plan                                      |
| EV           | Earned Value                                                  |
| ERP          | Enterprise Resource Planning                                  |
| FFGA         | Full Funding Grant Agreement                                  |
| FTA          | Federal Transit Administration                                |
| IPMS         | Integrated Program Master Schedule                            |
| Jr.          | Junior                                                        |
| M            | million                                                       |
| MPS          | Master Project Schedule                                       |
| OPCC         | Opinion of Probable Construction Cost                         |
| P6           | Oracle® Primavera P6® Enterprise Project Portfolio Management |
| PC           | Project Connect                                               |
| PMOC         | Project Management Oversight Consultant                       |
| PMIS         | Project Management Information Systems                        |
| PO           | Purchase Order                                                |
| PV           | Planned Value                                                 |
| SCC          | Standard Cost Category                                        |
| SPI          | Schedule Performance Index                                    |
| Sr.          | Senior                                                        |
| SSGA         | Small Starts Grant Agreement                                  |
| SV           | Schedule Variance                                             |
| TIE          | Time Impact Evaluation                                        |
| VE           | Value Engineering                                             |
| WBS          | Work Breakdown Structure                                      |

# 1 List of Definitions

Table 1-1 provides terminology definitions that are supplementary to this document and are not controlled. This table may be revised at any time as needed. Refer to the [Master Definitions List](#) for a comprehensive list of definitions including Austin Transit Partnership (ATP) position descriptions.

**Table 1-1: Definitions**

| Term                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuals Approved            | The amount of all approved invoices. In a process, this status is automatically applied once the process enters a specific step.                                                                                                                                                                                                                                                                                                                                 |
| Actual Cost to Complete     | The total invoice amount needed to fulfill all commitments. The formula is as follows: (projected commitments) - (actuals approved).                                                                                                                                                                                                                                                                                                                             |
| Actuals Paid                | This is the check value/amount paid to the consultant or contractor. In a process, this status might automatically be applied once the process enters a specific step.                                                                                                                                                                                                                                                                                           |
| Actuals Received            | The amount of all approved invoices including those marked as received. Received is a status that may or may not be used, but once invoices have been approved, they will automatically display in this column whether they were marked received or not.                                                                                                                                                                                                         |
| Agreement                   | A binding understanding, enforceable by law, between two or more competent parties, obligating the seller to furnish the supplies or services and the buyer to pay for them (“Contract” and “Agreement” may be used interchangeably).                                                                                                                                                                                                                            |
| Allocated Contingency       | An amount set aside to cover uncertainty in the approved Standard Cost Category (SCC) line item. As the design and construction process evolve, items will be identified that are not specifically covered in the current budget. Funds can be deducted from allocated contingency providing unencumbered funds are forecast to be encumbered in the future and therefore not available for transfer and certain approval criteria are met to cover those items. |
| Amount Retained             | The total amount being retained.                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Approved Budget Changes     | The amount of approved budget changes.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Approved Commitment Changes | The amount of all approved changes to the original commitment.                                                                                                                                                                                                                                                                                                                                                                                                   |
| Audit                       | A documented activity performed in accordance with written procedures or checklists to verify, by examination and evaluation of objective evidence, that applicable elements of the Quality Assurance Program have been developed, documented, and effectively implemented in accordance with specified requirements.                                                                                                                                            |
| Asset                       | An item with a unit cost of \$5,000 or more and useful life of more than one year.                                                                                                                                                                                                                                                                                                                                                                               |
| Base Scope                  | The Scope of Services to be provided by the contractor for the contract price.                                                                                                                                                                                                                                                                                                                                                                                   |
| Budget                      | A fiscal year amount approved by the ATP Board, or the project budget as agreed with FTA (typically at the time of Entry to Engineering).                                                                                                                                                                                                                                                                                                                        |
| Commitment                  | A contractual obligation to pay a certain amount for a scope of work. For example, issuing a notice to proceed for \$50,000 to a company to deliver a certain scope of work creates a commitment with a value of \$50,000.                                                                                                                                                                                                                                       |
| Consultant                  | Any individual, firm, partnership, joint venture, corporation, or combination thereof who enters into a contract or agreement with the ATP.                                                                                                                                                                                                                                                                                                                      |



| Term                                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contract                                | A binding understanding, enforceable by law, between two or more competent parties, obligating the seller to furnish the supplies or services and the buyer to pay for them (“Contract” and “Agreement” may be used interchangeably).                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Contract Change Order                   | A written order to the contractor issued by agency’s contracting officer changing the terms or conditions of the contract or adding, deleting, or modifying the work.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Contract Closure                        | A completed contract is one that is both physically and administratively complete.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Contract Modification                   | See Contract Change Order                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Contractor                              | Any individual, firm, partnership, joint venture, corporation, or combination thereof who enters into a contract or agreement with the ATP or Capital Metropolitan Transportation Authority (CMTA).                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Control Account                         | The Control Account is the level at which costs are recorded in the PMIS system. It comprises a string of characters, which define the following parameters: FTA SCC and Project ID. The Control Account is within the Work Breakdown Structure.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Cost Proposal                           | The cost proposal submitted to ATP in response to a request for proposal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Cost-Reimbursable Contracts             | A cost-reimbursable contract is one where most of the cost risk is assumed by ATP which must not only pay the contractor any guaranteed fee but allowable and allocable costs regardless of if they exceed or fall short of original cost estimates.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Current Budget                          | This is the approved original budget and all approved budget changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Current Commitments                     | This is the amount of all approved commitment changes plus original commitments and approved general invoices. The formula is as follows: (approved commitment changes) + (original commitments) + (approved general invoices).                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Current Over/(Under)                    | This figure represents the amount above or below the current budget. It is the difference between current commitments and the current budget. The formula is as follows:<br>(current commitments) - (current budget).                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Current Retainage Held Days             | This is the amount of retainage currently held (not yet paid).<br>Refers to calendar days unless otherwise noted.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Direct Costs                            | Allowable, allocable, and reasonable costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Disadvantaged Business Enterprise (DBE) | ATP employee principally responsible for ensuring compliance with ATP’s Disadvantaged Business Enterprise (DBE) policy and federal laws pertaining to DBEs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Design-Build Contract                   | A design-build contract involves a procurement process in which both the design and construction of a project are procured from a single entity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| E-Builder                               | The software program used for the cost and document control.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Emergency Procurement                   | ATP is not required to engage in competitive bidding in an emergency. ATP’s board may delegate to the Chief Executive Officer or designee the authority to waive any procedures in the Procurement Manual in accordance with State law when making emergency purchases of supplies, equipment, materials, or services. “Emergency,” as used in this manual, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health or safety of any person, preservation or protection of property, or essential public services and functioning of ATP’s operations. |

| Term                                     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enterprise Resource Planning (ERP)       | Enterprise Resource Planning (ERP) refers to a type of software that organizations use to manage day-to-day business activities such as accounting, procurement, project management and human resources. Oracle Cloud Enterprise Resource Planning is a cloud-based ERP software application suite introduced by Oracle Corporation in 2012. Oracle ERP Cloud manages enterprise functions including accounting, financial management, project management, and procurement. |
| Estimate At Completion (EAC)             | This is the amount needed to complete the project based on the current budget. The formula is as follows:<br>(projected commitments) + (forecasted commitments) + (unallocated reserve).                                                                                                                                                                                                                                                                                    |
| Fixed-Price Contract                     | A fixed-price contract is one in which the total contract price or all of the unit prices comprising the total contract work are fixed.                                                                                                                                                                                                                                                                                                                                     |
| Forecasted Commitments                   | This is the commitment line item amount that is included in the forecast. For more information on the forecasted feature, see Forecasted.                                                                                                                                                                                                                                                                                                                                   |
| Forecasted Over/(Under)                  | This figure represents the forecasted spending that is over/(under) the current budget. It is the difference between the estimate at completion and the current budget. The formula is as follows:<br>(estimate at completion) - (current budget).                                                                                                                                                                                                                          |
| Integrate Program Master Schedule (IPMS) | The main overall schedule that contains all elements of Project Connect (PC) projects.                                                                                                                                                                                                                                                                                                                                                                                      |
| Labor Compliance Officer                 | Responsible for monitoring the labor compliance provisions of contracts and purchase orders involving public works. These guidelines apply to all public works projects, whether federally or state funded, that are paid for in whole, or in part, with public funds.                                                                                                                                                                                                      |
| Master Project Schedule (MPS)            | A detailed schedule for each project within the program that incorporates schedules from multiple consultants and contractors to depict the elements of the entire project.                                                                                                                                                                                                                                                                                                 |
| Net Actuals Paid                         | This is the amount of all invoices that have been paid, not including retainage. The formula is as follows:<br>(Paid invoices) – (retainage held [retainage not yet paid]).                                                                                                                                                                                                                                                                                                 |
| Non-Commitment Costs                     | This is the amount of all approved general invoices.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Offer                                    | A proposal or bid submitted to ATP in response to a Request for Qualifications, request for proposals, or invitation for bid.                                                                                                                                                                                                                                                                                                                                               |
| Offeror                                  | Any individual, firm, partnership, joint venture, corporation, or combination thereof submitting a bid or proposal for the work contemplated, acting directly through a duly authorized representative.                                                                                                                                                                                                                                                                     |
| Opinion Of Probable Construction Cost    | Is the cost to complete the work for Construction. This cost includes all labor, materials, equipment, bond premiums, and actual costs of procurement or construction that the Contractor will use for the duration of Construction.                                                                                                                                                                                                                                        |
| Original Budget                          | The total approved budget amount, which can include commitment changes against the original commitment value instituted prior to a Full Funding Grant Agreement (FFGA) or Small Starts Grant Agreement (SSGA) being executed.                                                                                                                                                                                                                                               |
| Original Commitments                     | The amount of all approved commitments, which can only change as a result of an executed contract change document.                                                                                                                                                                                                                                                                                                                                                          |
| Oversight Procedure                      | Describes the administrative conditions and requirements associated with the performance of oversight by the FTA appointed Project Management Oversight Contractors.                                                                                                                                                                                                                                                                                                        |

| Term                         | Description                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pending Budget Changes       | Budget changes pending a hard signature. The status is automatically set once the change process enters a specific step.                                                                                                                                                                                                                     |
| Pending Commitment Changes   | Commitment changes pending authority approval and execution. The status is automatically set once the change process enters a specific step.                                                                                                                                                                                                 |
| Pending Commitments          | Pending commitments are pending authority approval and execution. This status is applied once the process enters a specific step.                                                                                                                                                                                                            |
| Percent Cost Complete        | The percentage amount of the costs necessary to complete the project based on the current budget, which is derived by dividing approved invoices by projected commitments. The formula is as follows:<br>% = (approved invoices) / (projected commitments).                                                                                  |
| Projected Budget             | This total includes the original budget amount plus all pending and approved budget changes.                                                                                                                                                                                                                                                 |
| Projected Budget Changes     | This is the amount of projected budget changes. The projected status is used to account for anticipated changes to the budget. This status is set once the process enters a specific step. This status does not affect the project budget.                                                                                                   |
| Projected Commitment Changes | The projected status is used to account for anticipated commitment changes and applied once the process enters a specific step. This status does not affect Projected Commitments, which are sometimes used in conjunction with Trends, see definition in this section.                                                                      |
| Projected Over/(Under)       | The projected over/under is the difference between projected commitments and the projected budget. The formula is as follows:<br>(projected commitments) - (projected budget).                                                                                                                                                               |
| Progress Payments            | A clause providing for payments to the contractor prior to delivery or completion if certain conditions are met.                                                                                                                                                                                                                             |
| Project Connect              | Comprehensive transit plan for Austin, Texas administered by ATP.                                                                                                                                                                                                                                                                            |
| Project Controls Proposal    | The systems used to plan, schedule, budget, and measure project performance.<br>An offer submitted to ATP to enter into a contract, contract modification, or termination settlement that allows for negotiation.                                                                                                                            |
| Purchase Order               | The form signed by a duly authorized signatory constituting written authorization to a vendor to furnish ATP with materials, equipment, or supplies of the kinds, and in the amounts, specified.                                                                                                                                             |
| Purchase Requisition         | A document that, when submitted to Contracts and Procurement, officially initiates a particular procurement action.                                                                                                                                                                                                                          |
| Remaining Budget             | The amount of uncommitted funds that remain in the budget. The formula is as follows:<br>Remaining budget = (Current Budget + Pending Budget Changes) - Projected Commitments - Forecasted Commitments.<br>Note: The Remaining Budget will not reflect negative values and is intended to show what is left to be committed, not a variance. |
| Request For Change           | A written request to amend a scope, budget, or scheduled completion date.                                                                                                                                                                                                                                                                    |
| Request For Proposal         | A solicitation document used in other-than-sealed-bid procurements. Requests for proposals are used in negotiated procurements to communicate requirements to prospective contractors and to solicit proposals from them.                                                                                                                    |
| Retainage Released           | The amount approved for release.                                                                                                                                                                                                                                                                                                             |
| Schedule Of Values           | A document used that lists out the value and cost of every billable work item on a step-by-step project timeline, and the percentage of the work that has been completed to date. It is a comprehensive cost breakdown of the entire contract that Owners use to verify the work performed and release payment.                              |

| Term                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Schedule Performance Index | Schedule Performance Index (SPI) measures the progress achieved against that planned. SPI is calculated as Earned Value (EV)/Planned Value (PV). If EV is equal to PV, the value of the SPI is one. If EV is less than the PV then the value is less than one, which means the project is behind schedule. If EV is greater than the PV the SPI value is greater than one, which means the project is ahead of schedule. A well performing project should have its SPI as close to one as possible, or maybe even a little under one.                                                                                  |
| Schedule Variance          | Schedule variance (SV) is a measurement of the schedule performance for a project. It is calculated by taking the EV and subtracting the PV. Because EV is the actual value earned and PV is the projected project plan value, when PV is subtracted from EV, the measurement details the baseline schedule status according to the project plan. If SV is zero, then the project is perfectly on schedule. If sv is greater than zero, the project is earning more value than planned thus it is ahead of schedule. If SV is less than zero, the project is earning less value than planned and thus behind schedule. |
| Stakeholders               | Third party public or private agencies, jurisdictional authorities, regulatory agencies and other persons having a bona fide interest in the program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Task Order                 | The form signed by a duly authorized signatory constituting written authorization to a vendor to furnish ATP with services that fall within the Scope of Work set forth in an agreement for specialized engineering, construction management support, and other professional consulting services where ATP anticipates recurring requirements but cannot predetermine the precise quantities or services to be provided.                                                                                                                                                                                               |
| Third Party                | A person or entity (other than ATP/CMTA and its project consultants or contractors) such as a utility, railroad, or local jurisdiction that is, or may be, affected by the project.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Total Commitments          | The sum of current commitments, pending commitments, and pending commitment changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Trend                      | An item that has the potential, if approved, to change the cost of one or more cost accounts or the schedule dates and may lead to a contract change order. For reporting purposes, Projected Commitment Changes are considered to be Trends, see definition in this section.                                                                                                                                                                                                                                                                                                                                          |
| Unallocated Contingency    | An amount set aside to cover uncertainty at the project level. As the design and construction process evolve, items will be identified that are not specifically covered in the current budget. Funds can be deducted from unallocated contingency and transferred to specific project budget line items provided certain approval criteria are met and no other unencumbered funds or allocated contingency is available.                                                                                                                                                                                             |
| Work Breakdown Structure   | A Work Breakdown Structure (WBS) is used to define a project and separate each of the project's elements into defined group entities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## 2 General

Development and implementation of project control processes that will ensure effective performance of PC work are critical to the successful delivery of the program approved by City of Austin voters in November 2020. The cost and schedule controls used to support PC management are described in this Project Controls Plan, including the WBS, cost management (estimating, budgeting, and control), schedule management, and

progress reporting. The related subjects of document, quality, and configuration and change control are addressed in separate plans.

The Project Controls Plan is a management control tool intended to serve as a living document as the program progresses and be responsive to program requirements and development attributes.

## 2.1 Roles and Responsibilities

The project controls team is comprised of ATP staff and consultants that will undertake the duties and responsibilities of this plan. For a full view of the organizational chart, please see Appendix A.

Moving forward with program procurement strategies, a training program will be implemented for new staff and consultants coming on-board.

Executive Director (ED):

- Approves budget changes and use of allocated and unallocated contingency above the Level of Authority Matrix for the direct reports as outlined in the Organizational Chart.
- Approves all Work Directives and Purchase Orders (POs) above the Level of Authority Matrix for the direct reports as outlined in the Organizational Chart.
- Approves the use of schedule contingency above the Level of Authority Matrix for the direct reports as outlined in the Organizational Chart.
- Approves all invoices for payment above the Level of Authority Matrix for the direct reports as outlined in the Organizational Chart.

Executive Vice President (EVP):

- Approves all invoices for payment above the Level of Authority Matrix for direct reports.
- In the absence of the Executive Director may perform the duties of the Executive Director as authorized via a Delegation of Authority.
- Approves release of retention.

Senior Vice President, Program Controls (SVPPC):

- In the absence of both the Executive Director and Executive Vice President performs the duties of these individuals as authorized via a Delegation of Authority.
- Recommends budget transfers and use of allocated contingency above the Level of Authority Matrix for direct reports.
- Recommends use of schedule contingency above the Level of Authority Matrix for direct reports.
- Ensures project management information systems (PMIS) processes support the program's requirements and objectives.
- Ensures schedule management processes are applied and followed in a manner that supports the program's requirements and objectives.

- Ensures the processes and procedures, necessary resources, and tools and techniques are applied to ensure requirements are adhered to by the team.
- Sets standards for risk management teams and supervises associated staff.
- Sets standards for value engineering teams and supervises associated staff.

Project Manager:

- In conjunction with the responsibilities and limits as defined in the Procurement Policy & Guidelines is responsible for:
- Approves budget transfers from one line to another line based on forecast availability, and the use of allocated contingency within a line item.
- Approves invoices.
- Recommends use of schedule contingency.
- Recommends approval of changes up to the limit of their level of authority.

Director, Scheduling and Cost:

- Supervises the preparation of all budgets, budget changes and budget transfer requests.
- Supervises the preparation of all commitments and commitment change requests.
- Supervises implementation and maintenance of the cost control system.
- Sets standards for estimating teams and supervises associated staff.
- Sets standards for scheduling teams and supervises associated staff.
- Recommends corrective actions to the project team as appropriate.
- Responsible, with support from project control personnel, for the schedule development guidelines, IPMS and MPS development, baseline control.
- Responsible, with support of project control personnel, for cost development guidelines, PMIS development, and providing the processes, procedures, training, necessary resources, tools and techniques to ensure team adherence to requirements.

Manager of Document Control:

- Sets standards for document control and supervises associated staff.

The Estimating Team comprises multiple Senior (Sr.) Estimators:

- Establishes and maintains estimating best practices used throughout the PC estimates.
- Reviews all estimates prior and confirms Quality Assurance.
- Manages all estimates in support of independent cost estimates in support of change management efforts.

The Schedule team: The schedule team comprises the Senior Scheduler and a team Junior Schedulers and Project Control Analyst:



The schedule team is familiar with the program technical scope and able to translate that information into the IPMS and MPS, through training sessions and familiarity with this Project Controls Plan. The schedule team accomplishes this, in part, by providing:

- Planning through coordination of the WBS with the program teams to define program requirements and schedule objectives, and to develop the MPS.
- Analysis and insight to the program team by reporting schedule progress, performance, variances, forecasts, evaluating risks, and performing “what-if” analyses.
- Schedule control by assisting the program team to manage changes to the MPS, which includes baseline control.

Senior Scheduler:

- Develops, tracks and updates ATP schedule and recommends measures to correct any forecast impacts to approved ATP schedule milestones.
- Responsible for maintaining the IPMS and providing direction to the consulting Sr. Schedulers working for the construction management firms.
- Provides monthly reports to ATP management and stakeholders.
- Provides schedule information for cash flow forecasting purposes.
- Helps the Cost Engineer correlate schedule activities to cost control accounts.

Jr. Schedulers:

- Depending on the size and complexity of the project, the Sr. Scheduler may have a staff of Jr. Schedulers working within the construction management teams. These schedulers will work with the contractors to review and incorporate the current status of the project schedules into the IPMS or MPS.
- Provide feedback on any changes contemplated by the contractor to the contractor’s schedulers and
- Coordinate with reviewers of the schedule of values to coordinate compliance between the documents.

Other Program Team Members:

- The role of other program team members and stakeholders is to understand the MPS and how it relates to their specific work processes and responsibilities.

Cost Management Team: The Cost Management Team comprises the Sr. Cost Engineer, Cost Controls Specialists, and the Sr. Estimators.

- This role is to implement a set of cost management processes providing cost data to management to monitor and successfully Achieve its objectives.
- The cost management team must be familiar with the program’s funding restrictions, ATP internal processes, and contractor and consultant contract responsibilities while translating this information into the PMIS system.

- The cost management team coordinates with the project team in defining program requirements and objectives; reporting cost performance, variances, and forecasts; Evaluating “what-if” analyses; and providing control of change management. The cost management team has primary responsibility for using the cost management module within PMIS and other program management software tools and techniques available to ATP.

#### Sr. Cost Analyst:

- Prepares all cost analysis, cash flow and cost reports.
- Reviews all cost reports prior to issue to SVPPC.
- Manages all input into the cost control system.

#### Cost Control Specialist:

- Depending on the size and complexity of the project, the Sr. Cost Engineer may have a staff of Cost Control Specialists working within the construction management teams. These specialists will work with the contractors to incorporate the current status of the project into the PMIS system.
- Coordinate with Reviewers of the schedule of values to coordinate compliance between the schedule of values and the PMIS system.

#### Other Program Team Members:

- The role of other program team members is to understand the inputs required and reports available through PMIS and how it relates to their specific work processes and responsibilities.

## 2.2 Work Breakdown Structure

A WBS, including the FTA’s SCC codes, has been developed to organize all program work elements. By coding cost and schedule information to the appropriate WBS element, detailed reports are produced for all levels of reporting. The WBS forms the basis for all scheduling, cost, and estimating, and interfaces with ATP’s Oracle Fusion Cloud ERP system.

Cost and schedule data integration for ATP is achieved by using a WBS common to both the cost and schedule elements. Schedules are resource-loaded with cost data to enable time-phased cost projections and develop the controlled cost baseline for measurement. Designers and contractors use the WBS as the basis for developing their Schedules of Values, which manage cost and schedule at a more detailed level.

WBS levels represent the program hierarchy. The Level of complexity of the structure is designed to maintain a constant level of “phase of work” across all segments from preliminary design, to construction, to turnover for revenue operations at project completion. All tasks are tracked in the WBS coding structure.

Utilization of the WBS ensures uniformity of project planning, control, and reporting. Table 2-1 shows the high level WBS levels that have been set up for the Program. Appendix B shows the detailed WBS for the Program.

Table 2-1: WBS Program Levels

| Level                                | Description                                                                                                                               |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Project Code                     | Allows data to be summarized at the project level                                                                                         |
| (2) Contract Number                  | Grouping of tasks by Contract Number                                                                                                      |
| (3) Fiscal Year Encumbrance          | Segregates the project by the year the task is being performed and costs are encumbered (PO Number in the internal ATP accounting system) |
| (4) Phase                            | Identifies the life cycle of the project (i.e., Project Development, Engineering)                                                         |
| (5) Area                             | Identifies the project location                                                                                                           |
| (6) Category (FTA SCC code)          | Grouping of tasks by FTA SCC codes                                                                                                        |
| (7) Sub Category (FTA Sub-SCC Level) | Grouping of tasks by sub-SCC Level codes                                                                                                  |
| (8) Activity Type                    | Grouping of tasks by activity type                                                                                                        |

### 2.3 Project Controls Tools and Procedures

ATP employs control systems that provide information about project schedule and cost. ATP team uses a combination of commercially available software packages and custom applications for management control. The selected software packages are:

- Accounting: Oracle® Fusion Cloud ERP
- Cost and Document Control: e-Builder®
- Scheduling: Primavera® P6 Enterprise Project Portfolio Management
- Cost Estimating: HeavyBid®

Project Controls Procedures and Reports are currently under development. Once developed, they will be added as appendices to the Project Controls Plan. Please refer to Appendix E, for a list of procedures that are currently under development.

The Document Management Plan and Document Controls Procedures are currently under development. Upon conclusion of the Project Controls Plan draft, it will be shared with the Project Management and Project Controls team for their reference. The Project Controls Plan will be finalized following resolution and discussion of comments from PMOC. Once finalized, the plan will be baselined and managed as a Control Document per the DMP.

## 3 Schedule Management

ATP participants include government agencies, advocacy groups, private and public utilities, consultants, suppliers, and construction companies. These participants may provide information that is used as input to the MPS or rely on it as a basis for planning their own activities. The MPS is an essential management tool for program schedule control. The MPS is used to effectively monitor and manage progress on all elements of

ATP program, including activities for which the ATP Owner's team, contractors, and third parties (e.g., municipalities, regulatory agencies) are responsible for executing. The MPS serves as the baseline program schedule control. The Lead Scheduler will report any variance in milestone dates via monthly management reports to enable timely action.

## 3.1 Schedule Management Approach

Schedule management encompasses the development, maintenance, control, and archival of the IPMS, MPS, and Project Schedules. The IPMS constitutes the basis for time phasing and coordinating all program efforts to ensure that objectives are accomplished within the approved scope and schedule commitments. The MPS contains the necessary activities and milestones that reflect the total integrated plans for each project and phase of the program. The level of detail in the IPMS will vary to accommodate the specific management needs established at the program level.

## 3.2 Schedule Management Tools

The IPMS is a Primavera P6® Enterprise Project Portfolio Management. Use of P6 to manage the schedule allows for the following:

- Provides entering and editing of the baseline plan, current/forecast plan, and accomplished (actual) schedule data.
- Specifies relational dependencies between activities and milestones.
- Defines project calendars that reflect the business schedule (e.g., workdays, non-workdays, holidays, work hours, and special work limitations prescribed in the contract documents).
- Displays and prints program schedules in Gantt and network diagram form.
- Calculates total float and free float for all activities and milestones.
- Provides both ATP WBS and user-defined code fields for filtering, grouping, summarizing, and organizing data.
- Allows for creating, viewing, and printing basic reports.

## 3.3 Integrated Program Master Schedule Development and Guidelines

The IPMS is a critical path method schedule, developed by the schedule team in collaboration with the ATP team and stakeholders.

### 3.3.1 Establishing the IPMS Baseline

Prior to establishing the IPMS baseline, it is essential that the entire scope of work for the program is included. Each phase or element of the program is reflected in the IPMS. Furthermore, each phase or element has at least one corresponding activity.

The schedule for consultants or contractors will not be fully incorporated into the IPMS. The WBS will be the source for summarizing consultant and contractor schedules into the IPMS. The Lead Scheduler will be responsible to collect and update the summary activities into the IPMS. The ATP IPMS represents the plan for execution and completion of the ATP using the delivery methods for contract packaging strategies, sequencing, and durations established by the various project teams. Schedule forecasts are measured against the approved IPMS baseline and predict any changes to major or otherwise critical milestone dates or activities. This schedule serves as a basis for discussions with contractors during negotiations; once agreed to, it becomes the working baseline for the scheduling team led by the Director, Scheduling and Cost. The IPMS shall be in alignment with more detailed schedules developed and maintained by each contractor. As the program becomes more defined, added detail will be incorporated. As an example, once a consultant's or contractor's baseline schedule is reviewed and approved, it will be summarized and incorporated into the IPMS.

### 3.3.2 Recovery Schedule

The IPMS baseline will not change unless the program is re-scoped or otherwise impacted irrecoverably. In case a Program Monthly Update shows a completion date of any key milestone beyond the contract milestone dates, the contractor shall submit to the ATP proposed revisions to recover lost time. A recovery schedule is to be developed and submitted after the contractor has exhausted all other means of adjusting their current schedule to remove impacts.

### 3.3.3 Re-Baselining

In cases where the baseline schedule changes beyond recovery and the critical path changes due to major delays or scope changes, the Director, Scheduling and Cost, with the help of the Lead Scheduler and schedule team, will recommend to Director, Scheduling and Cost whether the IPMS should be re-baselined. Any change will be documented and require approval from the Executive Vice President.

### 3.3.4 Schedule Development

#### 3.3.4.1 Data Input and Arrangement

Data input and arrangement based on an activity-oriented approach. Activities include, but are not limited to, design, construction, testing, and vehicle procurement. Schedule data focused on using an activity-oriented approach, with milestones included to reflect major contractually obligated events, ATP or contractor identified key interface points, and/or design decision points. Schedule data that is activity oriented lends itself to a more meaningful approach to monitoring activity progress. With this strategy, each activity is reflected with an assigned duration that is monitored and updated on a periodic basis to show its progress leading to completion.

The ATP has a defined WBS structure that provides an organized format to roll up schedules from different projects, consultants, and contractors into the IPMS. Each consultant and contractor will be required to apply the ATP WBS into the Activity Code structure of the P6 schedule. This will not preclude the consultant or contractor from using their own Schedule Breakdown Structure to organize the schedules for their own best use.

Project schedules will reflect the interdependence of design activities, permitting, design and construction submittals, material procurement, testing and commissioning, and construction activities. Project schedules will be cost loaded; cost loading specifics will be on a project by project basis.

#### 3.3.4.2 Activity Definition

The activity level of detail should be sufficient to allow for a meaningful measure of progress and practical establishment of defined finish-to-start network logic relationships. Activity descriptions are concise yet complete. The activity description must be complete enough to stand on its own, but concise enough to facilitate ease of use. Acronyms and abbreviations are acceptable as long as they are standardized and used consistently throughout all project documentation.

#### 3.3.4.3 Activity Sequencing

Logic relationships are critical to accurately model the program's planned activities in the IPMS. These relationships also satisfy the requirement for horizontal traceability within the IPMS. The following is a list of acceptable logic relationships for this program:

- Finish to Start: The Start of a Successor Activity is Dependent on the Finish of the Predecessor Activity.
- Start to Start: The Start of a Successor Activity is Dependent on the Start of the Predecessor Activity.
- Finish to Finish: The Finish of a Successor Activity is Dependent on the Finish of the Predecessor Activity.
- Lag Time: A delay between two tasks in a precedence relationship. Lag Time is entered as a positive value only. An explanation for Lag Time must be documented in the basis of schedule document or narrative accompanying the P6 XER File to ensure credibility is maintained. This documentation is also necessary for schedule rationale during later schedule reviews.

#### 3.3.4.4 Duration Estimating

Duration is the length of calendar time, as defined by the calendar section of P6, an activity is expected to take to complete. Methods and sources for deriving or enhancing duration estimates in the IPMS include the following:

- Established standards: hourly or daily production rates per required quantity based on historical records of accomplishment.
- Expert experience and judgment: time estimates based on personal knowledge and/or experience with the same personnel, or from similar project work or specialized training.
- Analogous comparisons using historical or related data.
- Time estimates based on historical data gained from past similar or related projects.
- Team brainstorming time estimates derived from knowledgeable team discussion and insight.



The basis of estimates for activity durations in the IPMS are documented to ensure credibility is maintained. This documentation is also necessary for schedule rationale during later schedule reviews. In addition, durations are revisited periodically as work progresses and new information become available.

#### 3.3.4.5 Schedule Calendars

Calendars specify valid time units that an activity may be worked. All calendars need to be defined in the Basis of Schedule document or narrative, which is submitted with the P6 XER. Calendars in P6 must match the Basis of Schedule file or narrative and:

- Define what Hours in a day are workable and non-workable.
- Set what Days of the week are workable and non-workable.
- Pick what Days of the Month/Year are workable or non-workable.
- For consistency, the IPMS will use a single 7-day calendar for the entire program. This project will have consultants, manufacturers, and contractors on various locals across the country that have differing non-work constraints. The single 7-day calendar for the IPMS is intended to mitigate these various constraints.

#### 3.3.4.6 Accuracy and Credibility

Network logic is reviewed by the schedule team to ensure it is complete, accurate, and realistic. Due to the number of summary activities for the various project schedules in the IPMS, there will be activities with no successors or predecessors identified. These instances only occur with valid, documented reasons. Forced or fixed dates (constraints) are sometimes used when an external influence or action by a third party has a potential to impact or control the schedule.

The schedule team verifies that the duration for each activity entered is accurate and realistic, based on the information provided for activities in the underlying project schedules. All assumptions made in determining activity durations are recorded.

All schedules prepared by consultants and contractors will be based on and incorporate the milestones and dates identified in the individual contracts and consistent with any proposal schedule. Project schedules developed by consultants and contractors will not be allowed to have open ended activities. All but the initial and final activities will require at least one predecessor and one successor activity.

#### 3.3.4.7 Consultant and Contractor Schedule Input

P6 offers user defined calendars for consultant and contractor efforts. ATP may establish non-work times based on internal and external constraints that the consultants and contractors must take into consideration when developing their schedules. Examples of these constraints are:

- Weather delays
- Time of work determined by Authority Having Jurisdiction for noise and vibration.
- Time of work determined by Authority Having Jurisdiction for special events.
- Work restrictions imposed by the ATP, CMTA, or other Authority Having Jurisdiction

Consultants and contractors can use multiple calendars in the schedules to establish the most efficient schedules for their work but are encouraged to keep the total number of calendars to a minimum.

## 3.4 Master Project Schedule

The MPS follows a similar framework as that of the IPMS (Refer to section 3.3). Currently, only the Orange Line, Blue Line, and Tunnel form the MPS. The tunnel, although a separate contract, will not be a separate project for FTA purposes. This contract may be split between two projects (Orange Line and Blue Line).

## 3.5 Project Schedules

### 3.5.1 Establishing the Project Baseline

All consultants and contractors shall provide their project schedules to enable ATP to evaluate work progress, determine payment, evaluate the cost of schedule recovery, and make contract time adjustments. Upon contract award, the consultants and contractors shall submit the Preliminary 90-day schedule and Baseline Schedule to ensure compliance with all critical path method schedule submittal requirements. A Baseline Schedule shall be submitted in P6, along with the corresponding Basis of Schedule document.

Notwithstanding the acceptance of the project schedule submittal, failure to include any element of work required for performance of the contract or to complete any activity within the time indicated in the project schedule shall not excuse the contractor or consultant from timely completion of work required to achieve contract milestones. If the contractor or consultant has failed to incorporate any element of work, they shall incorporate that element of work into the project schedule with no impact to contract milestones.

The ATP will comment on the Baseline Schedule submission per the workflow established in the PMIS system. Based on the schedule review process, the ATP may reject the schedule if all comments have not been addressed by the contractor or consultant.

Lack of an accepted schedule shall result in an inability of the ATP to evaluate progress for payment. If the consultant/contractor fails at any time to timely submit an acceptable schedule, update or revision, the ATP reserves the right, without waiver of remedies available to it, to suspend all payments for completed work until the due schedule is submitted and accepted by the ATP.

### 3.5.2 Recovery Schedule

The project baseline will not change unless the project is re-scoped or otherwise impacted irrecoverably. If a project monthly update shows a completion date of any key milestone beyond the contract milestone dates, the contractor/consultant shall submit to the ATP proposed revisions to recover lost time. A recovery schedule is to be developed and submitted after the contractor/consultant has exhausted all other means of adjusting their current schedule to remove impacts. The contractor or consultant shall submit a Recovery Schedule for all delays to the contract milestone dates, including, but not limited to contractor/consultant or ATP caused delays. If the delay is an ATP caused delay, the contractor/consultant shall follow contract requirements to request a Time Extension if applicable including a mitigation plan if a Time Extension is being requested.

### 3.5.3 Time Impact Evaluation of Change Orders

Time Impact Evaluations (TIEs) are only to be used when the contractor is directed to proceed with changed work or issued a Change Notice. The contractor shall prepare and submit, per the contract requirements, a TIE which includes both a written narrative and schedule diagram (fragnet) depicting how the changed work affects other scheduled activities. The fragnet shall show how the contractor proposes to incorporate the changed work into the schedule. The TIE shall be based on the last accepted Project Schedule update.

The contractor shall demonstrate how the changed work impacts the current schedule Critical Path. The fragnet must be tied to the main sequence of schedule activities to enable the ATP to evaluate the impact of changed work on the schedule Critical Path. The consultant/contractor is also responsible for requesting time extensions based on the TIE's impact on the Critical Path.

The contractor shall be responsible for all costs associated with preparation of TIEs and the process of incorporating them into the last accepted Project Schedule Update. The TIE schedule will not be incorporated into the IPMS until it has been accepted by the ATP.

### 3.5.4 Re-Baselining

If the baseline schedule changes beyond recovery and the critical path changes due to major delays or scope changes, Senior Scheduler, and schedule team, will recommend to the Director, Scheduling and Cost whether the Project Schedule should be re-baselined. Any change will be the result of an official Change Order.

### 3.5.5 Schedule Development

The consultants and contractors shall follow the details under section 3.5.6 while developing the schedule.

### 3.5.6 Consultant and Contractor Schedule Management and Coordination

#### 3.5.6.1 Consultant Schedule Management and Coordination

The Senior Scheduler, with the help of the schedule team, coordinates with the responsible consultant's lead scheduler to develop the consultant's schedule requirements, management, and reporting for each procurement authorization. These requirements are contained in the respective task orders. The objective is to obtain from consultants the schedule information necessary to manage their deliverables, enable informed decision making in a timely manner, and inform the MPS.

#### 3.5.6.2 Consultant Schedule Control

Consultant's schedules are continually monitored, assessed, and managed to facilitate successful program performance. To effectively accomplish each of these functions, the consultant is required to electronically submit its schedule through the PMIS system monthly in P6 and PDF file formats, along with a narrative pertaining to the baseline, current update, and potential issues. Having access to the consultant's schedules in their native format allows the Sr. Scheduler, supported by the schedule team, to provide the functional project managers information to monitor, assess, and evaluate, at any level of detail, the quality and integrity of its activity sequencing, projected dates, primary and secondary critical paths, assigned constraints, resources, coding, structure, and status. Results of the analysis can be detailed and made available to the

consultant for consideration or correction. This approach enables the team to partner with the consultant in identifying potential schedule risks and selecting the best strategies for mitigation.

The schedule team is in the process of developing a Schedule review procedure consistent with the Project Controls Plan. This procedure will provide the methods and instructions on how to monitor, assess and evaluate schedules.

### 3.5.6.3 Contractor Schedule Management and Coordination

The help of the schedule team, coordinates with the responsible contractor's scheduler to develop the schedule management and reporting requirements for applicable procurements. These requirements are contained in the respective contract special provisions. The objective is to obtain from contractors the schedule information necessary to manage the milestone dates, enable informed decision making and inform the MPS.

### 3.5.7 Contractor Schedule Control

Contractor schedules are continually monitored, assessed, and managed to facilitate successful program performance. To effectively accomplish each of these functions, the contractor is required to electronically submit its schedule through the PMIS system, monthly in P6 XER and PDF file formats. Having access to the contractor schedules in their native format allows the Director of Scheduling and Cost, supported by the schedule team, to monitor, assess, and evaluate, at any level of detail, the quality and integrity of its activity sequencing, projected dates, primary and secondary critical paths, assigned constraints, resources, coding, structure, and status. Results of the analysis can be detailed and made available to the contractor for consideration or correction. This approach enables the team to partner with the contractor in identifying potential schedule risks and selecting the best strategies for mitigation.

The contractor is expected to schedule all work to be completed as a part of this contract. The contractor will employ critical path method scheduling based on the longest path as a Gantt chart, incorporating cost loading based on the total value of the contract, and project status reporting. The contractor is expected to provide the P6 XER file, Gantt chart of the schedule (PDF), and filtered Gantt chart showing longest path activities (PDF) with all schedule submissions.

When part of their contract, the contractor's project schedules will reflect the interdependence of design activities, permitting, design and construction submittals, material procurement, testing and commissioning, and construction activities. All schedule activities will be coded with appropriate WBS program codes which include FTA SCC, so that the activities may be filtered by WBS codes and grouped as requested.

The schedule team is in the process of developing a Schedule review procedure consistent with the Project Controls Plan. This procedure will provide the methods and instructions on how to monitor, assess and evaluate schedules.

### 3.5.8 Contractor Schedule Revisions

Contractor schedule revisions may be initiated by either the contractor or ATP management. Schedule revisions affecting contract milestones will require a Change Order and follow the Change Management process in the PMIS system and agreed to by ATP management and the contractor. Updating the project schedule to reflect actual progress shall not be considered revisions to the project schedule.

For schedule revisions where the contractor progress shows the contracted milestones to be affected, the contractor shall provide a recovery schedule that includes a narrative and schedule impact analysis to be used by the line section Sr. Director and Deputy Program Officer to make an informed decision on contractual entitlement before any schedule revisions are granted.

Schedule revisions that do not affect contract milestones can be made by the contractor; however, payment for work related to those schedule revisions will not be made until 30 days after the revision is made.

## 3.6 Schedule Baseline Control

### 3.6.1 Project Schedule Baseline

Within the duration outlined in each contract after the Contract Notice of Award, the consultant/contractor shall make a presentation to the ATP concurrently with the submittal for acceptance of the schedule. The schedule shall contain the consultant/contractor's proposed schedule for completing all the work in the time allowed in the contract terms and conditions. A schedule with a longer time duration than that specified in the contract terms and conditions will not be accepted. The schedule shall conform in all respects to the criteria set forth in the contract.

Within the time outlined in the contract from receipt of the schedule, the ATP will review and return it to the consultant/contractor with comments. During this time, the consultant/contractor shall review and evaluate the schedule from the ATP. Within the duration outlined in the contract after comments are received, the contractor shall address the ATP's comments and resubmit a corrected schedule for acceptance. The consultant/contractor shall repeat this process as many times as required until the ATP accepts the schedule document at no additional cost to the ATP.

### 3.6.2 IPMS Baseline

Details of setting up the IPMS baseline were previously discussed in Section 3.3.1.

## 3.7 Status Updates and Schedule Maintenance

### 3.7.1 Update Methodology

#### 3.7.1.1 Project Schedule Updates

The Sr. Scheduler, and appropriate team scheduler shall participate with the ATP in Monthly Schedule Review/Update Meetings to obtain joint agreement on job progress shown on the progressed activities; update the schedule document and discuss schedule-related problem areas and proposed logic changes; and resolve any schedule questions. These meetings shall precede the formal submittal of the monthly updated schedule document. Both the date and location of the meeting will be determined by the ATP. The IPMS, MPS, and project schedules will be updated monthly.

Based on the requirements of the contract, the contractor shall provide the Resident Engineer, Sr. Scheduler, and team scheduler with a P6 XER schedule file and schedule narrative.

A Schedule Review Meeting will be set up by the Resident Engineer to discuss the submitted schedule activities. The Contractor is required to provide schedule updates with each application for payment. ATP may withhold payments or portions of payments if the contractor does not provide an acceptable schedule timely.

When the schedule update is received, the Resident Engineer will review the schedule to assure it accurately reflects current progress. The Resident Engineer should note and report to ATP any major changes in logic or contract milestone, and improper or unnecessary constraint that creates the appearance of delay.

If the schedule reflects negative float against a contract milestone, the contractor shall submit to the ATP proposed revisions to recover lost time. A recovery schedule is to be developed and submitted after the contractor has exhausted all other means of adjusting their current schedule to remove impacts.

On every progress update, the consultant/contractor shall also report physical percent complete as of the status date, for all activities in progress, whether related to design or construction. Each schedule update needs to be accompanied with a schedule narrative.

The detailed template of the schedule narrative is part of the Schedule Update Process document. All inconsistencies with the Project Baseline or the previous approved schedule update will be included in the narrative. The narrative shall detail and explain all the findings of the schedule review in a narrative format.

### 3.7.1.2 IPMS Update

When updating the IPMS, the schedule is first copied and archived. This ensures proper historical records and helps with future audit activity.

Activity status is gathered in various ways, including:

- Providing task owners with a printout containing their specific activities that require updated information
- Face-to-face meetings with task owners to discuss and redline the schedule.
- Use of contractor and consultant submittals.

Once the updated information is gathered, it is incorporated into the IPMS. All activities before the status date are updated with actual status information, including actual start and finish dates and in-progress percentage or completion date. Otherwise, activities are re-forecasted to a more accurate start and/or completion date.

After all status updates have been incorporated into the IPMS, the schedule is analyzed for impacts. This analysis includes identifying the current critical path and comparing to the previous critical path, identifying, and correcting status input efforts as necessary, identifying activities with missing status, new schedule related risks, and necessary logic changes that are required. All changes will be identified in a narrative prepared by lead scheduler, that will accompany the issuance of the schedule to the other team members, explaining the changes and providing details for the underlying need of the change.

After the status updates are incorporated and impact analysis and resolution are complete, the IPMS is provided to program management and stakeholders as appropriate.



### 3.7.2 Update frequency

The schedules are updated on a monthly basis. Consultant and contractor schedules are also updated on a monthly basis to support the IPMS update. Once a contractor schedule is reviewed and approved, the schedule will be summarized and incorporated into the IPMS.

The schedule team has developed a Monthly Update Procedure. This procedure provides the methods and instruction on how to conduct a monthly update to the IPMS (see Appendix C).

### 3.7.3 Schedule data backup and archive

The IPMS is backed up prior to every update to ensure that a record of changes is maintained. Backup data is verified and stored in a secure location with controlled access.

Each month the scheduling team will back up the XER file to the PMIS for official recording of progress of the schedule for each project.

## 3.8 Schedule Assessment and Analysis

### 3.8.1 Schedule Assessment

During the implementation phase of the program, it is likely that the current IPMS will at some point deviate from the IPMS baseline. Comparisons of the baseline schedule to the current schedule will identify variances. Variances will be analyzed to understand the impacts to program completion so that appropriate corrective action can be planned.

Each month the Schedule Lead will provide a report that reviews the following schedule attributes:

- Project Summary
  - Data Date
  - Activities Complete & percentage
  - Activities in Progress & percentage
  - Activities Remaining & percentage
  - Major Milestones & Dates
  - Number of Level of Effort Activities
  - Total Cost
- Additions and Deletions of Activities
- Relationship Changes
- Calendar Changes
- Description Changes
- Activity Type changes

- Baseline Duration Changes
- Total Float
- Activity Starts during the Report Period
- Activity Finished during the Report Period
- Critical path Changes
- Longest Path Changes

In addition, the schedule report will include a discussion on SV and SPI.

## 3.9 Schedule Risk Analysis

A schedule risk analysis is performed during program formulation and implementation planning, as described in ATP Risk and Contingency Management Plan. It is an important analysis process used to assess potential schedule risks and duration uncertainty and evaluate the likelihood of a schedule being achievable at that moment in time. The risk parameters associated with activities include the minimum, maximum, and most likely durations expected for each activity. As numerous simulations are executed and calculated, the analysis will factor in the assigned likely parameters and use the assigned activity interdependencies to provide the probability percentages for achieving key selected milestones within the schedule.

These percentages aid the management team in determining an adequate amount of schedule contingency to be included in the IPMS and MPS before baselining. For further discussion of schedule risk analysis see the Risk and Contingency Management Plan document, which is currently under development to be completed by Fall 2022.

## 3.10 Schedule Change Control

Please refer to Section 3.5.3 for Time Impact Evaluation of Change Orders. Changes to the IPMS and MPS baseline will be made following the TIE process and detailed in the configuration and change control process document. A change to the baseline is initiated with a Change Request (CR). This request is originated by a responsible program technical lead who coordinates with the schedule team to determine the resulting impacts caused by the proposed change. The CR documents a clear description of the proposed change and the before and after effects of the proposed change on the IPMS. The CR then follows the approved program change control process. Once the CR has been formally approved, the schedule team issues an updated schedule with a new revision designator assigned to the IPMS baseline. The schedule team maintains a log of all revisions to the baseline. This log provides the ongoing baseline schedule traceability required for sound project configuration control.

## 3.11 Schedule Reporting

Schedule reporting is the dissemination of information about the schedule's overall status, progress to date, and forecast to complete. Schedule reporting helps determine if the program's schedule objectives are being met and will vary based on the level of management interest in the elements contained in the program.

A schedule narrative is prepared monthly and includes a critical and near-critical path analysis, program issues and impacts, and schedule trending.

The process for the issuance of a monthly schedule report template is provided to contractors as part of their contract documents. Details of the schedule reporting is included in the schedule review procedure.

## 4 Cost Management and Control

### 4.1 Project Cost Estimating

#### 4.1.1 Independent Cost Estimates

Prior to contract solicitation issuance, an independent cost estimate is prepared to incorporate current pricing, market conditions, and assumptions that may differ from the baseline estimate for the respective contract packages. These independent cost estimates are an indicator of the anticipated magnitude of the bids and must be reconciled with the baseline ATP budget figure.

Independent cost estimates are additionally developed for contract change orders and claims negotiations to assure that change order values are fair and reasonable. An independent cost estimate is prepared for negotiating agreements and amendments to agreements for professional services, design consulting, and other contracted services.

#### 4.1.2 Project Cost Estimating

ATP cost estimates are used for budgeting, funding, prioritizing, managing, executing, and closing out projects and the program as a whole. Cost estimates can assist in the development of scope for a project, aid in alternatives evaluation, facilitate planning for consultant and agency staff use, and in the analysis and negotiation of contract change orders or claims related to a project or the program.

ATP cost estimating guidelines for ATP are developed in accordance with the American Association of Cost Engineers guidelines, which establish the methodology to be followed during development of all cost estimates for the program. In accordance with the prescribed guidelines, each designer is responsible for preparing quantities for their assigned scope of work for inclusion in the estimates.

ATP cost estimates provide the basis for budget development. Capital cost estimates for the ATP are prepared by consultants during the project development and the engineering phases leading to award of construction contracts.

#### 4.1.3 Cost Estimates Corresponding to ATP Phases

Cost estimating is a process that provides progressively more accurate cost information on ATP as the program moves from the design phase through procurement, construction, and into start-up and pre-revenue operations.

With completion of the ATP planning phase, the cost estimates to support the design, construction, procurement, start-up and pre-revenue phases are:

- Preliminary Cost Estimate

- Project Cost Estimate - Pre-Bid (Engineer's Independent Cost Estimate)
- Project Cost Estimate at Contract Award
- Change Order Estimates

There may be occasions when additional cost estimates are prepared during the engineering phase. These are determined on an as-needed basis by the Project Manager and are used to determine if specific portions of the design progression have maintained their budget or if a revised forecast at completion should be issued.

Additionally, special cost estimates may be prepared for agency direct costs, agency consultants, other third parties such as utilities and right-of-way. Other specifically identified elements of the program may on occasion require a specific cost estimate. Cost estimates may also be prepared for specific contracts.

Cost estimates are typically built from labor, material, and equipment quantities for the specific project scope. Unit prices, pricing guides, or past bid history are used where more detailed information is not available. In addition to labor, equipment, and material, other factors considered are general conditions/overhead, market adjustments based on bidding climate, bonds, insurance, profit, and escalation. All are evaluated using established ATP practice in conjunction with experience of the cost estimator drawing upon similar past projects.

#### 4.1.4 Preliminary Cost Estimate

The preliminary cost estimate, Conceptual, 15% and 30% are provided by the designers and the PMOR. Upon delivery of a draft design submittal, all teams begin the quantity takeoff of the line sections. The teams initially meet to formulate an understanding of components for the various units of work to create a common language or definition of the work.

This effort is undertaken to establish a mutual understanding of the project components and determine a common point to generate costs. Upon individual verification of the final units from the final designs, the teams provide their estimate in separate secure files. In conjunction with ATP senior management, the estimates are reviewed, and a reconciliation meeting is conducted to determine the estimate cost.

As part of the overall effort associated with establishing the current year cost estimate, a series of Risk Review workshops takes place to both identify risks for the projects and determine a relative level of contingency based on the identified risks.

The final piece of the estimate is to determine the probable level of inflation the projects will experience through revenue service date. The designers and PMOR provide their assessments of the probable levels of inflation for consideration by the ATP.

#### 4.1.5 Independent Cost Estimate

ATP engaged the financial consultant to provide an independent cost estimate that will be based on their own independent quantity takeoffs and cost pricing. This team will also lend their expertise on inflation factors expected over the project timeline.

The preliminary cost estimate is prepared based on the final drawing package deliverable from the preliminary design and environmental consultants. The requirements for this cost estimate include:

- Construction cost and base procurement cost estimates prepared based on quantity estimates for all identified elements of the project and applicable unit costs.
- Contingency on base construction costs applied to reflect the level of design and scope definition.
- Escalation developed using a high-level cash flow approach. Costs are assigned to specific categories such as major or minor SCC categories that are then spread over time based on program and/or construction schedules. The actual annual rate of escalation is yet to be determined by the program team. Once determined, this rate would be compounded annually and applied to the costs associated with any given year thus building up the overall cost of escalation for the program.
- Right-of-way and utility relocation costs estimated based on specific requirements for the project as best known at the time of the estimate.
- Soft costs based for the planning phase work, work plans for design, conceptual or preliminary work plans for construction management, and railroad support based on a first cut of estimated requirements.
- Project contingencies based on historic percentages for the level of design presented.

The process used to develop the Independent Cost Estimate (ICE) is made up of the following general steps.

- Establish project segmentation
- Identify scope elements
- Quantity takeoff
- Cost estimating

#### 4.1.6 Establish Project Segmentation

To this point in time, the project has been divided into several segments that are tied generally to geographic locations that make up each corridor. During this step, the estimating teams and agency staff will work together to validate this segmentation or establish a new and/or more detailed segmentation approach. Agency input is critical when establishing the program segmentation as it is key to having flexibility once the ICE is complete to conduct alternatives analysis, report costs in various buckets, or have multiple stakeholders in different formats. It is typically better to have more granular segmentation during the estimating process so that estimators can arrange quantities appropriately while that effort is underway. Multiple segments will be combined in the future than to have to revisit plans and break apart quantities to be able to answer specific cost-related questions. The results of this step will be a hierarchy of geographic or other project segments, subsegments, and/or locations that the estimating teams will use to catalogue scope items and quantities during the takeoff.

#### 4.1.7 Identify scope elements

A list of project elements will be developed to adequately define all aspects of project construction while reflecting the level of design development and quantities that can be readily measured from the preliminary design and environmental consultants design plans and documentation. The elements will fall within one of the four groups below.

#### 4.1.7.1 Bid Items

Bid items represent basic construction elements such as excavation, pavement, curb and gutter, or embedded track that are typically bid by a contractor on a given project. These items can typically be taken from the design plans or developed from other design documentation. Bid items are built up in a production-based format.

#### 4.1.7.2 Composite Items

Composite items are generated to account for a combination of anticipated bid items or other construction elements that may not be well or easily defined, or where an alternative unit of measure is desired for estimating purposes. Composite items are built up from bid items as described above and quantities for typical arrangements or layouts (e.g., the price per square yard of hot mix asphalt paving may be built up with quantities estimated from a typical cross-section and costs of activities required to construct the pavement section).

#### 4.1.7.3 Parametric Items

Parametric items are generated to account for a combination of anticipated bid items or other construction elements that may not be well or easily defined, or where an alternative unit of measure is desired for estimating purposes. Parametric items are based on analysis of similar projects (e.g., parametric costs for train signals and controls may be based on a calculated per track foot cost from other projects). With this approach, all of the individual bid items associated with this element are summed up and converted to a representative per track foot cost for the source project. This per track foot cost is then time and location adjusted and applied to the parameter for the project.

#### 4.1.7.4 Allowances and Percentage Items

Allowances and percentage-based items are intended to capture elements known to be a part of this type of project, but not known and/or defined at the time the ICE was prepared (e.g., mobilization, traffic control, contractor indirect costs). These costs are based on historical sources or prevailing experience.

### 4.1.8 Quantity Takeoff

The financial consultants estimating teams developed the quantities associated with each scope item. Quantities are established based on the segmentation previously developed.

### 4.1.9 Quantity reconciliation

The Owner's Estimating Team will facilitate a quantity reconciliation workshop for the estimating teams to review and agree on the quantities associated with each scope item, and to flush out any remaining discrepancies in assumed scope that were identified during the quantity takeoff effort.



#### 4.1.10 Cost estimating

Base Costs are developed to eliminate patent and latent contingency to the greatest extent possible. Escalation and contingency are not included in the development of the base cost estimates, but will be applied programmatically later in the budgeting process.

Pricing will be developed in the same format as a bidding contractor self-performing the work with subcontractor costs for specialty items. The self-perform items will be estimated primarily in a cost-based crew format and include costs for labor, construction equipment, permanent materials, and construction expendable materials. Crews will be set up using equipment applicable for the operation and typical craft division labor. Productivity will be derived from the estimator's historical archives, engineered basis of units per shift (or other measured basis) and for some minor items a published database with specific considerations for the project.

The estimate will be delivered in a Microsoft® Excel® based file with formatting to meet program and/or other reporting needs.

#### 4.1.11 Major Estimated Categories

Three major cost categories are combined to generate the final bid item unit price - direct costs, indirect cost, and fixed fee as described in more detail below.

Direct Costs include all activities associated with completing the actual work. These costs will be developed from quantities for each work item provided by the design team, with independent detailed quantity take-offs of major items developed by the estimating team. Additional quantities that are estimated include formwork for concrete, bolts for structural steel, and anticipated material waste/spoil during construction. Detailed direct cost breakdowns will be provided for each bid item that summarize costs for labor, permanent materials, construction materials, equipment, and subcontract work.

Indirect Costs include the total of all costs for the contractor's onsite overhead to support the field construction and are comprised of fixed costs, craft hour-related costs, and time-related costs. Fixed costs include items such as movement of equipment and personnel in and out of the site, docks, bulkheads or other access to the water and insurances. These costs are independent of schedule. Craft hour-related costs include safety supplies, small tools, and other costs related to the man-hours of the direct costs. Time-related costs include on-site management, supervision, engineering, quality control, monthly office costs and overhead vehicles. These are variable costs tied to the overall project duration and will be developed in conjunction with the construction schedule.

Fixed Fee includes profit, general and administrative costs, and any other added home office overhead cost and is either a lump sum or percentage of total project cost. The PMOR will analyze current local market conditions to justify escalations and profit margins used in the estimate and ensure that fixed fee costs are in line with current industry standards.

#### 4.1.12 Major Cost Components

Labor Rates - includes base wages, fringe benefits, state and federal taxes, workers compensation, and overtime rules. Base labor rates and fringe benefits will be developed to meet Davis-Bacon requirements or current union agreements.

Equipment Rates - includes rental rates and operating expenses. Rental rates will be determined through adjusted Blue Book rental rates, local equipment vendors, or other similar sources. Equipment operating expenses are determined from manufacturer documentation and experience working with similar equipment in the field.

Material and Subcontractor Pricing - The overall cost of materials will be a significant component of the final bid price. The ICE prices are validated with quotes from local vendors or subcontractors. Suppliers often do not provide their most competitive rates until they know a contract is potentially on the table. Therefore, material rates are considered to be somewhat conservative.

#### 4.1.13 Contingency

Contingency is included in the program cost estimate based on the results of an active risk management process followed by the program team. Its foundation is based on in-depth risk analysis of various project parameters accompanied by rigorous statistical modeling to establish a range of possible financial outcomes. During the workshops, various members of the project team and other industry experts will be on hand to discuss the risks associated with the project. These risks will be discussed, and evaluated to establish likelihood of occurrence, as well as potential cost and schedule implications. As the project progresses, the team will work to mitigate the risks identified during the workshops, and at times, identify new risks to add. This active management of potential risks will allow the project team to focus on areas of high concern to the project budget and schedule, and result in an ongoing fluctuation of assumed contingency based on these efforts.

##### 4.1.13.1 Allocated Contingency

Allocated contingency is associated with individual SCC line items. The amount of allocated contingency will be determined based on the risk evaluation. Additional information and about allocated contingency is found in the Risk and Contingency Management Plan.

##### 4.1.13.2 Un-Allocated Contingency

Un-allocated contingency is associated with the overall project. The unallocated contingency will be determined based on the risk evaluation. Additional information and about allocated contingency is found in the Risk and Contingency Management Plan.

#### 4.1.14 Project Estimate – Pre-Bid

This estimate is based on the completion of procurement documents and an assessment of the number of contractors or suppliers likely to bid on a contract. The Total Construction Cost Estimate or Total Procurement Cost Estimate constitutes the Engineer’s Estimate for purposes of bid evaluation. The estimate is prepared while procurement documents are being completed. An estimate is due to procurement prior to posting the advertisement for any requisition. The requirements for the project estimate at pre-bid include:

- Base Construction Cost and Base Procurement Cost Estimates prepared based on quantity estimates for all identified project elements and any established applicable unit costs.
- Contingency on base construction/procurement costs applied to reflect the completed level of design and scope definition.

- Escalation to mid-point of construction based on the planned construction/procurement schedule.
- Right-of-Way and utility relocation costs based on actually incurred costs for right-of-way and utility supplied costs or detailed estimates for utility relocations.
- Soft costs based on planning and design phases of work, construction management work plan, and railroad support costs based on a final estimate of requirements.
- Project contingencies based on any updated historic percentages or the project's risk register at the time of the estimate's preparation.
- Pre-bid independent cost estimates to support the procurement of professional services will be prepared based on agency scope descriptions, estimated hours to provide requested services at the contractual billing rates and other direct costs.

#### 4.1.15 Change Order Estimates

During contract execution, changes occur that result in contractors requesting additional contract time or cost. The program team will develop independent estimates of the proposed changes. In some circumstances, the blended rate agreed to during contract negotiations/award may be applied to a given changed scope item if the characteristics of the change are not drastically different from those developed as part of the contract. Other circumstances may require costs to be built up using a production-based methodology to ensure that the specific scope associated with any given change is addressed appropriately. The requirements for change order estimates include:

- Entitlement analysis by the Project Manager to assure that the requested change is contractually entitled.
- account work, verification of contractor time and material records as the work is performed.
- Application of appropriate unit costs.
- Application of appropriate markups for general conditions, overhead, and profit as specified in the relevant contract.

## 4.2 Risk Management Process

Risk management happens continually throughout the lifecycle of the project. The initial round of identification occurs during a risk workshop. Staff involved in all aspects of the project are brought together to review the cost, schedule, and scope of the project with subject matter experts who have experience with similar projects. During the review, risks are identified, assessed, and quantified based on previous experience and characteristics specific to the project. Mitigation strategies are also developed and then risks are assigned to specific risk owners. The risks and mitigation strategies form the risk register and become inputs into the risk model that is used to review contingency.

## 4.3 Value Methodology Process

The ATP uses the Value Methodology Process, which is a systematic process using a multidisciplinary team to improve the value of a project through analysis of its functions. The process incorporates, to the extent possible, the values of design; construction; maintenance; contractor; state, local, and federal approval agencies; other stakeholders; and the public.

The primary objective of a Value Engineering (VE) study is value improvement. Value improvements might relate to scope definition, functional design, constructability, coordination (both internal and external), or the schedule for project development. Other possible value improvements are reduced environmental impacts, reduced public (traffic) inconvenience, or reduced project cost.

### 4.3.1 Value Methodology

The ATP VE team will employ the eight-phase Value Methodology in analyzing the project, which also is recommended by SAVE International®.

### 4.3.2 Pre-Workshop

**Preparation** - Prior to the start of a VE study, the Project Manager and VE facilitator conduct the following activities:

- Initiate study – Identify study project and define study goals.
- Organize study – Conduct Pre-VE study meeting and select team members.
- Prepare data – Collect and distribute data and prepare cost models.

All the information gathered prior to the VE study is given to the team members for their review and use.

### 4.3.3 Workshop Phases

**Information** - The team reviews and defines the current conditions of the project and identifies the goals of the study.

**Function Analysis** - The team defines the project functions using a two-word active verb/measurable noun context. The team reviews and analyzes these functions to determine which need improvement, elimination, or creation to meet the project's goals.

**Creativity** - The team employs creative techniques to identify other ways to perform the project's function(s).

**Evaluation** - The team follows a structured evaluation process to select those ideas that offer the potential for value improvement while delivering the project's function(s) and considering performance requirements and resource limits.

**Development** - The team develops the selected ideas into alternatives (or proposals) with a sufficient level of documentation to allow decision makers to determine if the alternative should be implemented.

**Presentation** - The team facilitator develops a report and/or presentation that documents and conveys the adequacy of the alternative(s) developed by the team and associated value improvement opportunity.

## 4.4 Project Budget Control

### 4.4.1 Initial Project Budget

The initial program revenues were approved by the citizens of Austin, Texas in November 2020. The program budget is comprised of individual project budgets that are informed by the overall financial model for the program. As individual projects develop, the ATP will continue to update individual project estimates during subsequent design and construction phases as needed.

The project budget will be defined according to each contract package: design, design-bid-build, design-build, and construction. The contract packages will be consistent with the ATP's established WBS, which can be easily converted to the FTA's SCCs.

ATP budgets are set and funded for each fiscal year, which runs from October 1 of the current year to September 30 of the next. Therefore, ATP has a total approved program budget that is funded incrementally on a fiscal-year basis. Each year in March, the annual budgeting process begins, culminating in the ATP Board action to approve the fiscal year budgets in September for adoption in October.

The current ATP funding plan based on information that was established in 2020 to support Proposition A and as amend based on board level decisions. Refer to ATP Financial Plan for more information.

The ATP project budgets are sorted and reported monthly as required by the stakeholders in various formats, including by SCC code, contract, or funding source. All the base data for these reports is controlled by Oracle with additional levels of control organized and reported by the PMIS system.

### 4.4.2 Project Budget Setup and Refinement

As more information becomes available, each project budget will be reevaluated and new estimates compiled. Estimates are anticipated to be compiled at the 15 percent, Entry into Engineering, and Pre-Bid. Once a project receives a Full Funding Grant Agreement (or a grant agreement through another CIG funding program), cost estimates will be completed yearly to determine the estimated cost at completion. Should a project not begin for at least one year after the 90 percent estimate has been issued, the project will require a new estimate to be completed to validate the funding available is sufficient to cover the costs.

### 4.4.3 Project Budget Baseline Approval

For projects that seek funding through the FTA's Capital Improvement Grant program, there is a rigorous requirement for completion and submittal of documents defined in Oversight Procedure 51. As part of the process, the grant applicant is required to submit a complete SCC workbook that lays out all the budget components and is supported by the grantee's estimates. The project budget is set during Project Development phase as part of this evaluation process. Estimates are progressed during the Project Development phase of the CIG evaluation process. Upon FTA approval for Entry into Engineering phase, the dollar amount of federal participation in the project is determined. Upon FTA approval for Entry into Engineering the cost estimate becomes the "official" baseline project budget. All subsequent changes are compared against this amount.

#### 4.4.4 Project Budget Changes

Changes to baseline project budgets are monitored and controlled in the PMIS system. Any budget change request must include a review of the Estimate at Completion report issued through the PMIS system.

A budget change at the detail account level results in one of the following actions:

- A projected over-run of a detail project budget line item (i.e., 10.04) is offset by a numerically equal but opposite change that is available from a projected under-run from one or more detail project budgets (i.e., 10.05 or 10.06) within the same major SCC code (e.g., budget transfer within the same major SCC account [i.e., SCC 10 or 20]).
  - This action requires the Project Manager to initiate a Project Budget Change within the PMIS system, provide documentation to show projections of the affected line item supporting the budget transfer is not expected to cause a cost over-run in the future. Based on recommendation from Sr. Cost Analyst and concurrence from the Director Scheduling and Cost, the change can be finalized by the Project Manager.
- A projected over-run of a detail project budget line item (i.e., 10.04) is offset by a numerically equal but opposite change available from the Allocated Contingency line item within the same major SCC code (e.g., budget transfer within the same major SCC account [i.e., SCC 10 or 20]).
  - This action requires the Project Manager to initiate a Project Budget Change within the PMIS system, provide documentation to show projections of the affected line item supporting the budget transfer is not expected to cause a cost over-run in the future. Based on recommendation from Sr. Cost analyst and concurrence from the Director Scheduling and Cost the change can be finalized by SVPPC with notification to the EVP.
- A projected over-run of a detail project budget line item (i.e., 10.04), is offset by a numerically equal but opposite change is available from Unallocated Contingency (e.g., budget transfer to any major SCC code from SCC 90).
  - This action requires the Project Manager to initiate a Project Budget Change within the PMIS system, provide documentation to show projections of the affected line item supporting the budget transfer is not expected to cause a cost over-run in the future. Based on recommendation from Sr. Cost Analyst and concurrence from the SVPPC, the change can be finalized through concurrence by the EVP. The process for change management will be further described in the Change and Configuration Management Plan.

### 4.5 Cash Flow Analysis

Cash flow analysis is performed to provide the ATP's Finance and Treasury departments with a projection of the monthly cash requirements to pay ATP consultants, contractors, vendors, and internal costs. The cash flow analysis also projects the expected flow of funds/revenue from each grantor. This may involve shifting the timing of certain transactions and also determines the amount of cash and time that needs to be financed.



Initially, cash flow for the ATP is determined by time phasing the cost elements identified in the baseline budget according to the MPS. This information is used to provide the various funding partners with the time-phased need for reimbursement of qualified expenditures for the ATP.

Contractors and vehicle manufacturers provide a cost loaded schedule, which helps generate a cash flow for their respective contracts to provide to the ATP for incorporation into the overall ATP cash flow analysis. Cash flows generated from all the individual projects will inform the program cash flow.

This additional information will provide ATP's Finance and Treasury departments with a more finely tuned projection of ATP cash needs.

## 4.6 Cost Management

ATP stakeholders include federal, state, regional, and local government agencies. Many of these agencies provide funding and rely on ATP to maintain control of costs by creating a tracking system to record actual, forecast future costs, and forecast spending throughout the project. A cost management system is an essential set of management tools for controlling costs, effectively monitoring, and managing progress on all cost elements of the ATP program, including ATP Owner's team, contractors, and third parties (i.e., municipalities, regulatory agencies).

### 4.6.1 Cost Management Approach

Cost management encompasses the development, maintenance, control, and archival of documents. The ATP will use the cost management module within the selected PMIS system as the basis for coordinating all program efforts to ensure that objectives are accomplished within approved commitments. Oracle Fusion, ATP's ERP system, will be integrated with the PMIS system to support cross reference of funding and invoices captured from sources outside the specific contracts tracked within the PMIS system. Oracle Fusion will also be the source of accounts payable data. The PMIS system contains the necessary contract and WBS controls to reflect the total integrated plan for each phase and project of the program. The level of detail in the PMIS system will vary to accommodate the specific management needs established at the program level.

### 4.6.2 Cost Management Tools

ATP employs a set of software tools and associated procedures that allows the cost management team to manage the projects financial status and includes:

- Oracle® Fusion is ATP's enterprise financial system. All base data resides within Oracle® Fusion. All contracts, task orders, and POs are processed and issued through Oracle® Fusion. All grants are spent and billed through Oracle® Fusion. All invoices and payments are processed through Oracle® Fusion.
- The PMIS system is the cost management software system that ATP will use as its primary source of cost reporting. The PMIS system has the capability to receive downloads of data from Oracle® Fusion. The cost management team works within the PMIS system to break down the data into the lower WBS levels. The PMIS system is also used to record accruals and forecasts. The PMIS system is configured to produce various reports as required by management and stakeholders.

- Microsoft® Excel® has capabilities to provide analyses, custom graphs, and tables, and is also used to move, manipulate, and present data to meet the needs of Oracle® Fusion, the PMIS system, stakeholders, and management.
- Oracle® Primavera® P6 is another backbone element to the cost management team. Contractors with contract values above \$100 Thousand (T) will be required to cost load their schedules and provide the information to the ATP. The cost-loaded activities become the baseline of the contractors forecast to complete and forecast cash flow for the contract and monthly draw downs.
- Activities within the contractor's schedules are evaluated on a monthly basis to determine the percent complete and thus the amount of billing for each activity resulting in a total monthly invoice. This information is loaded into the PMIS system for analyses and Oracle® Fusion for payment.

### 4.6.3 Commitments/Change Orders

#### 4.6.3.1 Contracts

Vendors include consultants, contractors, and suppliers that have a direct contractual relationship with the ATP. Contracts can be for one or more years and set the base scope of services the vendor is requested to perform.

The contract sets the maximum value a vendor can be assigned for each contract. Increases to the contract value requiring ATP Board action follow ATP Change Management procedures.

#### 4.6.3.2 Task Orders/Purchase Orders

Task orders/POs are recorded in Oracle® Fusion, are assigned a portion of the Annual Budget for a project and encumber specific funding of the project. Each task order/PO is recorded, funded, approved, and issued via Oracle® Fusion's internal process. This information is then integrated into the PMIS system. The total of the task orders/POs issued for the project creates the encumbered budget for the project.

## 4.7 ATP Costs

Costs are generated in many ways. Some costs are generated internally, some from contractors or consultants.

All ATP costs are captured in Oracle® Fusion. All consultant and contractor invoices are recorded initially in the PMIS system. Expenditures are based on invoices received for contracts managed in e-Builder and from ERP that collects direct charges, and ATP in-house costs, which are structured by project, task order/PO, WBS, and expenditure type. The WBS is key because it correlates with the FTA SCC codes. The project fiscal year budget performance is tracked against the expenditures on a period-to-period and cumulative cost basis. Period and cumulative variance analyses are performed to explain any underruns or overruns. Inception-to-date costs will be reported in accordance with the FFGA requirements and comply with the established project WBS.

### 4.7.1 Forecasting and Trends

Once the baseline schedule and project budget are established, periodic updates to forecasted costs to the baseline are documented through trend analysis. A trend analysis allows for early detection of potential cost overruns, schedule slips, and project risks associated with individual contracts or elements of the project. Forecasting and trend analysis will be performed quarterly.

The SVPPC will chair a quarterly meeting with ATP project leads based on their areas of responsibility to review and if needed, revise cost forecast information. The SVPPC has the responsibility to review all trends for adequacy and provide the results of the review to the ATP Executive Team.

### 4.7.2 Monitoring, Reporting and Controlling

Monitoring and controlling project work involves tracking and reviewing work progress against the performance objectives defined in the annual work plan (budget) developed by the Project Management team(s). Monitoring is performed throughout the project and includes progress measurement, forecasting, and status reporting. Continuous monitoring and reporting give the project management team insight into the progress of the project and identify any areas that may require special attention. Control comes through adjustments to and correction of observed deviations from the baseline documents.

Control includes determining corrective or proactive actions and following up on the results. Accurate and timely reporting by ATP team is critical to controlling the work effectively. Several regular reports produced by the ATP team that are used to monitor and control progress are noted Section 4.8 of this plan.

## 4.8 Cost Allocation Plan

### 4.8.1 General

The ATP uses a cost management system (e-Builder), with elements of cost sorted or grouped by WBS within project identifiers. The primary objectives of the cost account structure are to ensure that the record keeping system separately identifies the receipts, disbursements, assets, liabilities, and fund balances for each project/grant, and to provide a summary of information used for the periodic reports required by grantor agencies.

When construction activities within an element are executed as separate or distinct contracts, these construction activities are assigned a subproject number that allows costs to be separated from the overall project cost. The segregated costs are separately identified for several reasons, including supporting definition of management responsibility, scope control, cost accounting for reporting by SCC, fund tracking, or cost reimbursement. This structure forms the basis for budgeting and cost accounting. It defines the detailed cost accounts used to track and report costs incurred for the ATP.

In Oracle® Fusion, ATP costs are charged using a combination of project number, task order number, WBS, consultant- or contractor-defined account code, funding code, and general ledger number. Costs include all items of contracted and force account labor, materials, equipment, professional services, right-of-way acquisition, permits, temporary facilities, security, insurance, legal costs, and other fees. All cost budgeting, tracking, forecasting, and auditing is coded to the cost structure. Additional cost information is developed by summarizing or combining cost accounts, as appropriate. The structure is outlined in the WBS (Appendix B).

## 4.8.2 Approach

Costs are collected via invoices received from each vendor working on the project. ATP labor costs are downloaded bi-weekly from ATP's financial accounting system Oracle® Fusion into ATP cost management system the PMIS system. This approach provides ATP with up-to-date incurred cost status.

## 4.8.3 Allocation of Costs

Allocation of costs across the projects is identified in the cost control structure shown in section 4.3, Table 4-1. ATP is developing a cost allocation plan for review and approval by FTA.

## 4.9 Cost Code Structure

The cost code structure is similar to the WBS structure, per Appendix B

## 4.10 Cost Code Organization Structure

Each task order contains each element of the cost code. As previously discussed, the WBS, phase, task, and subtask have been developed in support of the FTA SCC code structure. This coding provides a logical distribution of cost across all construction activities and the overall cost provides flexibility for the consultants and contractors to further breakdown their work elements into manageable pieces as defined in the request for proposal documents.

## 4.11 Cost Accounting

All accounting work by the ATP is performed in Oracle® Fusion (Oracle), which is the ATP/CMTA's official ERP software.

### 4.11.1 Work Directives, Purchase Order and Direct Payments


Work directives, POs, and direct payments are processed from the beginning through Oracle® Fusion. All pass a check for funding and an approval process based on each approver's level of authority. Work is not authorized until an appropriate document (Work directives, POs, etc.) has been released to the vendor.

### 4.11.2 Processing of Invoices

Consultants submit invoices to the ATP using the standard invoice template (Appendix D). Contractors submit a schedule of values which is based on the cost loaded schedule. ATP requires invoices or copies of agreements for all payments it makes. The ATP Project Controls staff will review all invoices for accuracy, completeness, and compliance with contract requirements, and submit a cover sheet with the appropriate SCC and WBS coding. The Project Manager will finalize and approve the invoice.

# Appendix A. Organizational Chart for Project Controls





**AUSTIN  
TRANSIT**  
PARTNERSHIP

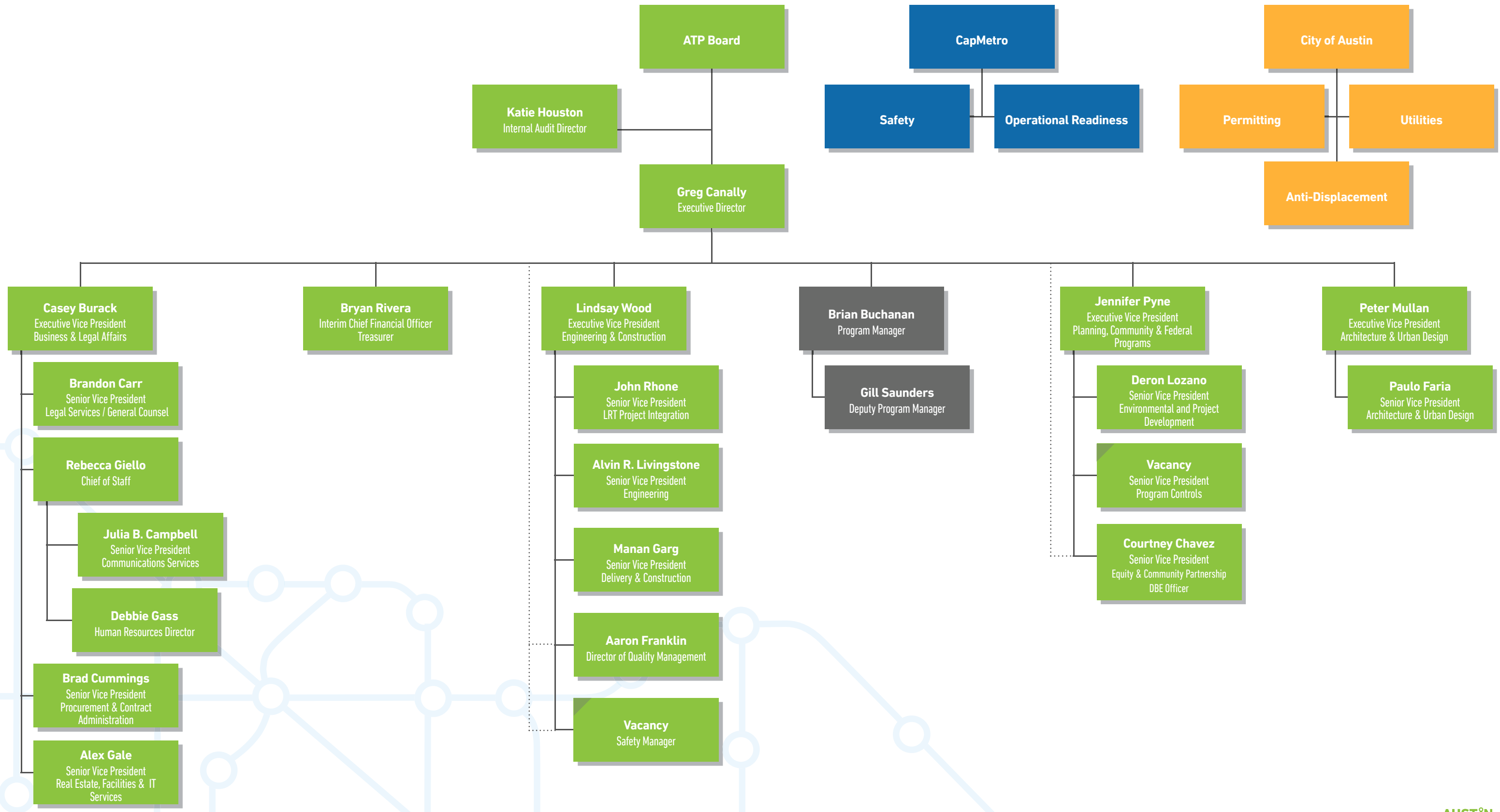
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**AUSTIN LIGHT RAIL ORGANIZATIONAL CHART**



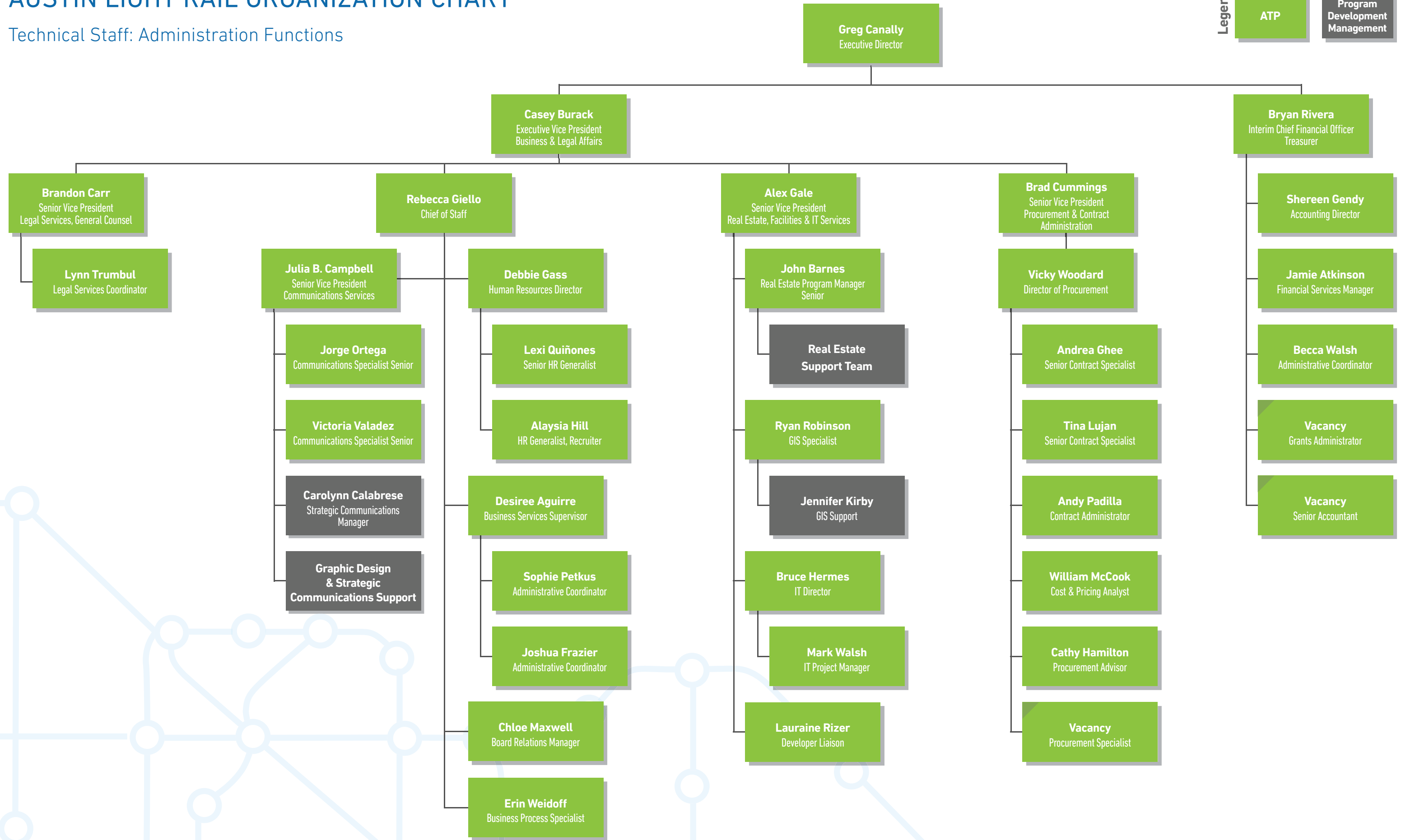
# AUSTIN LIGHT RAIL ORGANIZATION CHART

ATP - Senior Management / Key Function Leads



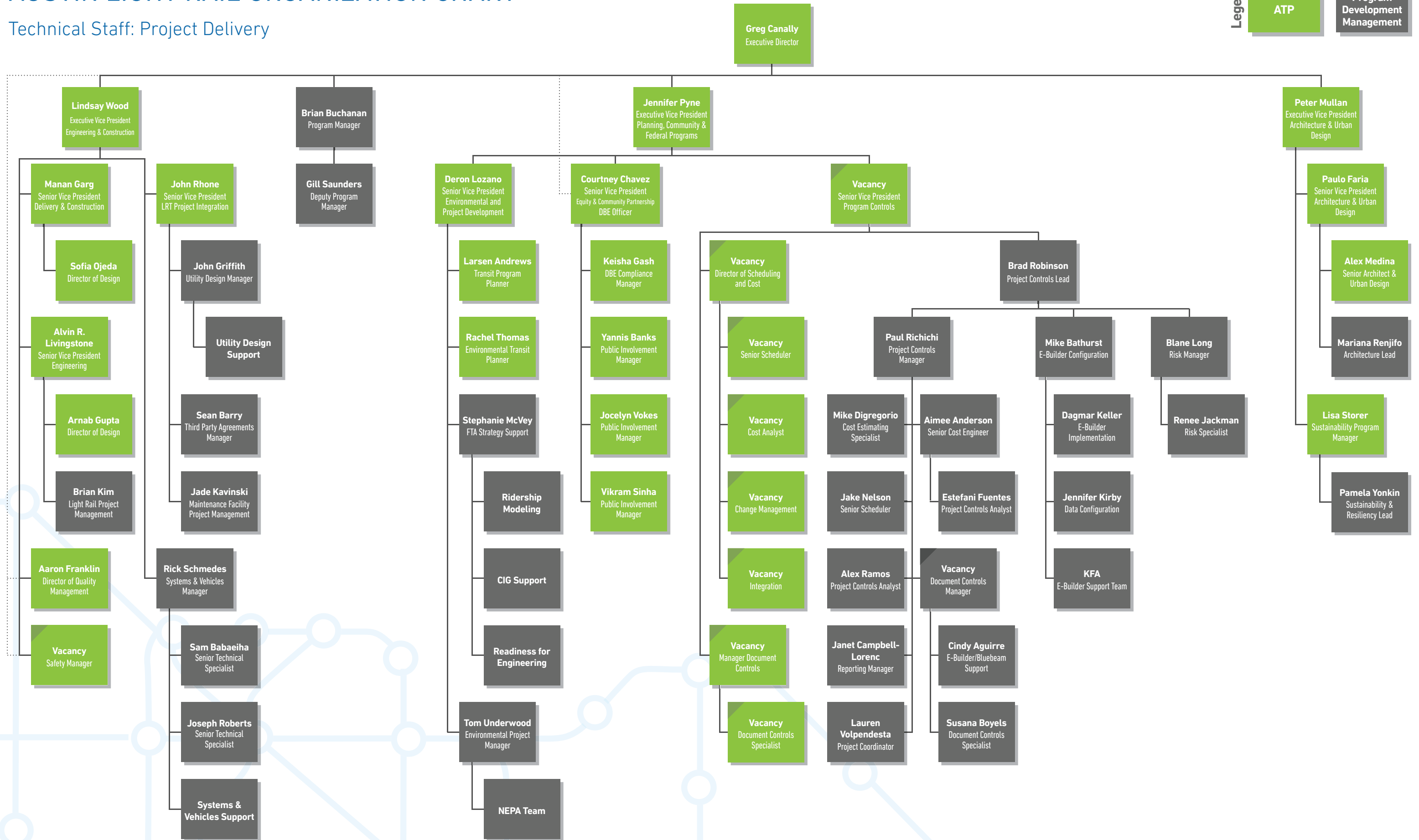
# AUSTIN LIGHT RAIL ORGANIZATION CHART

Technical Staff: Administration Functions



# AUSTIN LIGHT RAIL ORGANIZATION CHART

## Technical Staff: Project Delivery



# Appendix B. Work Breakdown Structure

# ATP Work Breakdown Structure

(1) Project Code - Example: PLN2107 - MetroRapid Expo Center

(2) Contract Number

(3) Fiscal year encumbrance (PO Number as called in AX)

(4) Phase - Project development (PD - covers feasibility, alternative analysis, environmental assessment, prelim. engg) , Engineering (ENG covers 30% and beyond), Construction (CON).

- PP - Pre-Development/Planning
- PD - Project Development
- EN - Engineering
- CN - Construction
- TC - Test & Commissioning
- CL - Close Out

(5) Area

(6) Category (FTA SCC)

(7) Cost Code (FTA Sub SCC level)

(8) Activity Type

- 01 FTA Non reimbursable items will need be coded separate from SCC's below such as public art. They will also need to be identified separately in the financial system.
- 02 Concurrent Non project activities - need to be coded separate from SCC's below. They will also need to be identified separately in the financial system.
- 03 Betterments - Need to be coded separate from SCC' below. They will also need to be identified separately in the financial system
- 04 Work by others
- 01- 09 can be left for any other items unidentified at this time that we will need to track and report to FTA but FTA considers non -reimbursable

Examples below:

- Airport
- 183 Bridge
- Montopolis
- PV/Riverside
- 1-35 crossing
- Riverwalk
- Statesman
- Lady Bird Bridge
- BL South Portal
- East Tunnel
- 4th St. Tunnel

- Republic Square
- The Drag
- OL North Portal
- North Tunnel
- South Tunnel
- OL South Portal
- Triangle
- State Hospital
- Government Center

10/26/21- Break OL into Segments (for now)

- Segment 1
- Segment 2
- Segment 3
- Segment 4
- Segment 5
- Segment 6
- Segment 7

**Metro Rapid BRT - Expo & PV**

- Trinity / 8TH STREET (NB)
- SIMOND (NB)
- SIMOND (SB)
- MANOR AT ROGGE (NB)
- DELCO CENTER (SB)
- LBJ (SB)

10 Infrastructure

20 Stations, Stops, Terminals, Intermodal

30 Support Facilities: Yards, Shops, Admin. Bldgs

40 Sitework & Special Conditions

50 OCS/Communications Systems

- 10.01 Guideway: At-grade exclusive right-of-way
- 10.02 Guideway: At-grade semi-exclusive (allows cross-traffic)
- 10.03 Guideway: At-grade in mixed traffic
- 10.04 Guideway: Aerial structure
- 10.05 Guideway: Built-up fill
- 10.06 Guideway: Underground cut & cover
- 10.07 Guideway: Underground tunnel
- 10.08 Guideway: Retained cut or fill
- 10.09 Track: Direct fixation
- 10.10 Track: Embedded
- 10.11 Track: Ballasted
- 10.12 Track: Special (switches, turnouts)
- 10.13 Track: Vibration and noise dampening

- 20.01 At-grade station, stop, shelter, mall, terminal, platform
- 20.02 Aerial station, stop, shelter, mall, terminal, platform
- 20.03 Underground station, stop, shelter, mall, terminal, platfo
- 20.04 Other stations, landings, terminals: Intermodal, ferry, tro
- 20.05 Joint development
- 20.06 Automobile parking multi-story structure
- 20.07 Elevators, escalators

- 40.01 Demolition, Clearing, Earthwork
- 40.02 Site Utilities, Utility Relocation
- 40.03 Haz. mat'l
- 40.04 Environmental Mitigation
- 40.05 Site structures Retaining Walls,
- 40.06 Pedestrian / bike access and accommodation, landscapin
- 40.07 Automobile, bus, van accessways including roads, parking
- 40.08 Temporary Facilities and other indirect costs during const

- 50.01 Train control and signals
- 50.02 Traffic signals and crossing protection
- 50.03 Traction power supply: (Substations)

- 0001 Procurement and Contracting Requirements
- 0010 Solicitation
- 0011 Advertisements and Invitations
- 0020 Procurement
- 0051 Notice of Award
- 0055 Notice to Proceed
- 0061 Bonds
- 0072 General Conditions
- 0121 Allowances
- 0124 Value Analysis
- 0131 Project Management and Coordination
- 0132 Construction Progress Documentation
- 0135 Special Procedures (Includes Owner's Safety Requirements)
- 0141 Regulatory Requirements
- 0143 Quality Assurance
- 0145 Quality Control
- 0150 Temporary Facilities and Controls
- 0151 Temporary Utilities
- 0153 Temporary Construction
- 0164 Owner-Furnished Products
- 0177 Closeout Procedures
- 0178 Closeout Submittals
- 0179 Demonstration and Training
- 0181 Facility Performance Requirements
- 0190 Life Cycle Activities
- 0191 Commissioning
- 0220 Assessment
- 0221 Surveys
- 0222 Existing Conditions Assessment
- 0224 Environmental Assessment
- 0225 Existing Material Assessment
- 0226 Hazardous Material Assessment
- 0230 Subsurface Investigation
- 0231 Geophysical Investigations
- 0232 Geotechnical Investigations
- 0241 Demolition
- 0243 Structure Moving
- 0250 Site Remediation
- 0260 Contaminated Site Material Removal
- 0270 Water Remediation

(1) Project Code - Example: PLN2107 - MetroRapid Expo Center

(2) Contract Number

(3) Fiscal year encumbrance (PO Number as called in AX)

(4) Phase - Project development (PD - covers feasibility, alternative analysis, environmental assessment, prelim. engg) , Engineering (ENG covers 30% and beyond), Construction (CON).

PP - Pre-Development/Planning  
 PD - Project Development  
 EN - Engineering

(5) Area

(6) Category (FTA SCC)

(7) Cost Code (FTA Sub SCC level)

|                                   |                                     |                                                                   |      |                                              |
|-----------------------------------|-------------------------------------|-------------------------------------------------------------------|------|----------------------------------------------|
| PURPLE SAGE (SB)                  |                                     | 50.04 Traction power distribution: (Catenary)                     | 0280 | Facility Remediation                         |
| JOHNNY MORRIS (NB)                |                                     | 50.05 Communications                                              | 0330 | Cast-in-Place Concrete                       |
| COLONY PARK (NB)                  |                                     | 50.06 Fare collection system and equipment                        | 0331 | Structural Concrete                          |
| Berkman / MUELLER TOWER (NB)      |                                     | 50.07 Central Control                                             | 0333 | Architectural Concrete                       |
| Berkman / MUELLER TOWER (SB)      | 60 ROW, Land, Existing Improvements |                                                                   | 0338 | Post-Tensioned Concrete                      |
| Susquehanna / SPRINGDALE (SB)     |                                     | 60.01 Purchase of real estate                                     | 0340 | Precast Concrete                             |
| JOHNNY MORRIS (SB)                |                                     | 60.02 Relocation of existing households and businesses            | 0345 | Precast Architectural Concrete               |
| COLONY PARK (SB)                  | 70 Vehicles                         |                                                                   | 0351 | Cast Roof Decks                              |
| UT STADIUM (NB)                   |                                     | 70.01 Light Rail                                                  | 0353 | Concrete Topping                             |
| UT STADIUM (SB)                   |                                     | 70.02 Heavy Rail                                                  | 0360 | Grouting                                     |
| ALEXANDER (NB)                    |                                     | 70.07 Commuter Rail                                               | 0370 | Mass Concrete                                |
| ALEXANDER (SB)                    |                                     | 70.04 Bus                                                         | 0400 | Masonry                                      |
| BARBARA JORDAN (NB)               |                                     | 70.05 Other                                                       | 0425 | Unit Masonry Panels                          |
| BARBARA JORDAN (SB)               |                                     | 70.06 Non-revenue vehicles                                        | 0443 | Stone Masonry                                |
| MANOR AT ROGGE (SB)               |                                     | 70.07 Spare Parts                                                 | 0500 | Metals                                       |
| Northeast / UNIVERSITY HILLS (NB) | 80 Professional Services            |                                                                   | 0503 | Conservation Treatment for Period Metals     |
| Northeast / UNIVERSITY HILLS (SB) |                                     | 80.01 Project Development                                         | 0510 | Structural Metal Framing                     |
| DELCO CENTER (NB)                 |                                     | 80.02 Engineering Management (E & C)                              | 0520 | Metal Joists                                 |
| LBJ (NB)                          |                                     | 80.03 Project Management for Design and Construction              | 0530 | Metal Decking                                |
| PURPLE SAGE (NB)                  |                                     | 80.04 Construction Administration & Management                    | 0551 | Metal Stairs & Ladders                       |
| Downtown / BRUSH SQUARE (NB)      |                                     | 80.05 Professional Liability and other Non-Construction Insurance | 0558 | Formed Metal Fabrications                    |
| Downtown / BRUSH SQUARE (SB)      |                                     | 80.06 Legal, Permits, Review fees                                 | 0570 | Decorative Metal                             |
| Trinity / 8TH STREET (SB)         |                                     | 80.07 Surveys, testing, Investigation, Inspection                 | 0610 | Rough Carpentry                              |
| CAPITOL/WATERLOO (NB)             |                                     | 80.08 Start up                                                    | 0620 | Finish Carpentry                             |
| CAPITOL/WATERLOO (SB)             | 90 Unallocate Contingency           |                                                                   | 0640 | Architectural Woodwork                       |
| MEDICAL SCHOOL (NB)               | 00 Finance Changes                  |                                                                   | 0700 | Thermal and Moisture Protection              |
| MEDICAL SCHOOL (SB)               |                                     |                                                                   | 0710 | Dampproofing and Waterproofing               |
| EAST DEAN KEETON (NB)             |                                     |                                                                   | 0720 | Thermal Protection                           |
| EAST DEAN KEETON (SB)             |                                     |                                                                   | 0725 | Weather Barriers                             |
| AIRPORT & MANOR (NB)              |                                     |                                                                   | 0750 | Roofing                                      |
| AIRPORT & MANOR (SB)              |                                     |                                                                   | 0746 | Siding                                       |
| 52nd at MANOR (NB)                |                                     |                                                                   | 0760 | Flashing and Sheet Metal                     |
| 52nd at MANOR (SB)                |                                     |                                                                   | 0780 | Fire and Smoke Protection                    |
| Susquehanna / SPRINGDALE (NB)     |                                     |                                                                   | 0810 | Doors and Frames                             |
| Todd Lane / MISSION HILL (NB)     |                                     |                                                                   | 0830 | Specialty Doors and Frames                   |
| IROQUOIS (NB)                     |                                     |                                                                   | 0840 | Entrances, Storefronts, and Curtain Walls    |
| IROQUOIS (SB)                     |                                     |                                                                   | 0850 | Windows                                      |
| Burleson / OLTORF AT BURTON (NB)  |                                     |                                                                   | 0860 | Roof Windows and Skylights                   |
| Burleson / OLTORF AT BURTON (SB)  |                                     |                                                                   | 0890 | Louvers and Vents                            |
| OLTORF EAST (NB)                  |                                     |                                                                   | 0930 | Tiling                                       |
| SHERINGHAM (NB)                   |                                     |                                                                   | 0950 | Ceilings                                     |
| Lakeshore / ROY G. GUERRERO (NB)  |                                     |                                                                   | 0960 | Flooring                                     |
| Lakeshore / ROY G. GUERRERO (SB)  |                                     |                                                                   | 0970 | Wall Finishes                                |
| Todd Lane / MISSION HILL (SB)     |                                     |                                                                   | 0990 | Painting and Coating                         |
| OLTORF EAST (SB)                  |                                     |                                                                   | 0996 | High Performance Coatings                    |
| SHERINGHAM (SB)                   |                                     |                                                                   | 0997 | Specialty Finishes                           |
| CESAR CHAVEZ (NB)                 |                                     |                                                                   | 1010 | Information Specialties                      |
| ACC EASTVIEW (NB)                 |                                     |                                                                   | 1011 | Visual Display Units                         |
| ACC EASTVIEW (SB)                 |                                     |                                                                   | 1014 | Signage                                      |
| VILLAGE SQUARE (NB)               |                                     |                                                                   | 1051 | Lockers                                      |
| VILLAGE SQUARE (SB)               |                                     |                                                                   | 1056 | Storage Assemblies                           |
| DOVE SPRINGS (NB)                 |                                     |                                                                   | 1073 | Canopies / Shelter                           |
| DOVE SPRINGS (SB)                 |                                     |                                                                   | 1100 | Equipment                                    |
| St. Elmo / FRANKLIN PARK (NB)     |                                     |                                                                   | 1111 | Vehicle Service Equipment                    |
| St. Elmo / FRANKLIN PARK (SB)     |                                     |                                                                   | 1112 | Vehicle-Washing Equipment                    |
| RIVERSIDE (NB)                    |                                     |                                                                   | 1113 | Vehicle Charging Equipment                   |
| RIVERSIDE (SB)                    |                                     |                                                                   | 1114 | Pedestrian Control Equipment                 |
| CESAR CHAVEZ (SB)                 |                                     |                                                                   | 1115 | Security Control Equipment                   |
| 9th STREET (NB)                   |                                     |                                                                   | 1157 | Shop Equipment                               |
| 9th STREET (SB)                   |                                     |                                                                   | 1180 | Facility Maintenance and Operation Equipment |
| GOODNIGHT RANCH (END-OF-LINE)     |                                     |                                                                   | 1181 | Vacuum Equipment                             |
| McKinney Falls / EASTON PARK (NB) |                                     |                                                                   | 1190 | Other Equipment                              |



**(1) Project Code - Example: PLN2107 - MetroRapid Expo Center**

**(2) Contract Number**

**(3) Fiscal year encumbrance (PO Number as called in AX)**

**(4) Phase - Project development (PD - covers feasibility, alternative analysis, environmental assessment, prelim. engg) , Engineering (ENG covers 30% and beyond), Construction (CON).**

PP - Pre-Development/Planning  
 PD - Project Development  
 EN - Engineering

**(5) Area**

McKinney Falls / EASTON PARK (SB)  
 William Cannon / ONION CREEK (NB)  
 William Cannon / ONIONCREEK (SB)  
 ELMONT (NB)  
 ELMONT (SB)  
 OAK SPRINGS (NB)  
 OAK SPRINGS (SB)

**(6) Category (FTA SCC)**

**(7) Cost Code (FTA Sub SCC level)**

- 1200 Furnishings
- 1210 Art
- 1230 Casework
- 1240 Furnishings and Accessories
- 1300 Special Construction
- 1330 Special Structures
- 1350 Special Instrumentation
- 1400 Conveying Equipment
- 1420 Elevators
- 1430 Escalators and Moving Walks
- 1440 Lifts
- 1470 Turntables
- 2100 Fire Suppression
- 2122 Clean Agent Fire Suppression
- 2200 Plumbing
- 2310 Facility Fuel Systems
- 2334 HVAC Fans
- 2335 Engine Exhaust Systems
- 2380 Decentralized HVAC Equipment (Includes Computer Room Systems)
- 2500 Integrated Automation
- 2510 Integrated Automation Network Equipment
- 2530 Integrated Automation Instrumentation and Terminal Devices
- 2550 Integrated Automation Facility Controls
- 2600 Electrical
- 2608 Commissioning of Electrical Systems
- 2609 Instrumentation and Control for Electrical Systems
- 2610 Medium-Voltage Electrical Distribution
- 2620 Low-Voltage Electrical Distribution
- 2630 Facility Electrical Power Generating and Storing Equipment
- 2631 Photovoltaic Collectors
- 2633 Battery Equipment
- 2635 Power Filters and Conditioners
- 2636 Transfer Switches
- 2640 Electrical Protection
- 2641 Facility Lightning Protection
- 2643 Surge Protective Devices
- 2650 Lighting
- 2651 Interior Lighting
- 2652 Safety Lighting
- 2655 Special Purpose Lighting
- 2656 Exterior Lighting
- 2700 Communications
- 2701 Operation and Maintenance of Communications Systems
- 2708 Commissioning of Communications
- 2710 Structured Cabling
- 2711 Communications Equipment Room Fittings
- 2713 Communications Backbone Cabling
- 2715 Communications Horizontal Cabling
- 2720 Data Communications
- 2721 Data Communications Network Equipment
- 2722 Data Communications Hardware
- 2724 Data Communications Peripheral Data Equipment
- 2725 Data Communications Software (Includes Specialized IT Software)
- 2726 Data Communications Programming and Integration Services
- 2730 Voice Communications
- 2731 Voice Communications Switching and Routing Equipment
- 2732 Voice Communications Terminal Equipment
- 2733 Voice Communications Messaging
- 2735 Call Management
- 2740 Audio-Video Communications
- 2741 Audio-Video Systems
- 2742 Electronic Digital Systems

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 EN - Engineering

**(5) Area**

**(6) Category (FTA SCC)**

**(7) Cost Code (FTA Sub SCC level)**

- 2750 Distributed Communications and Monitoring Systems
- 2751 Distributed Audio-Video Communications Systems
- 2753 Distributed Systems
- 2800 Electronic Safety and Security
- 2808 Commissioning of Electronic Safety and Security
- 2810 Access Control
- 2820 Video Surveillance
- 2830 Security Detection, Alarm, and Monitoring
- 2840 Life Safety
- 2846 Fire Detection and Alarm
- 2847 Mass Notification
- 2850 Specialized Systems
- 2851 Information Management & Presentation
- 3100 Earthwork
- 3110 Site Clearing
- 3120 Earth Moving
- 3130 Earthwork Methods
- 3140 Shoring and Underpinning
- 3150 Excavation Support and Protection
- 3160 Special Foundations and Load-Bearing Elements
- 3170 Tunneling and Mining
- 3200 Exterior Improvements
- 3210 Bases, Ballasts, and Paving
- 3230 Site Improvements
- 3231 Fences and Gates
- 3232 Retaining Walls
- 3233 Site Furnishings
- 3235 Screening Devices
- 3239 Manufactured Site Specialties
- 3270 Wetlands
- 3280 Irrigation
- 3290 Planting
- 3300 Utilities
- 3310 Water Utilities
- 3330 Sanitary Sewerage
- 3340 Stormwater Utilities
- 3346 Stormwater Detention and Retention Facilities
- 3350 Hydrocarbon Utilities
- 3360 Hydronic and Steam Energy Utilities
- 3370 Electrical Utilities
- 3371 Electrical Utility Transmission and Distribution
- 3372 Utility Substations
- 3373 Utility Transformers
- 3374 Extra High Voltage (EHV) Switchgear and protection devices
- 3375 High-Voltage Switchgear and Protection Devices
- 3377 Medium-Voltage Utility Switchgear and Protection Devices
- 3378 Substation Converter Stations
- 3379 Site Grounding
- 3380 Communications Utilities
- 3381 Communications Structures
- 3400 Transportation
- 3406 Schedules for Transportation
- 3410 Guideways/Railways
- 3411 Rail Tracks
- 3420 Traction Power
- 3421 Traction Power Distribution (includes Traction Power Sub Station)
- 3423 Overhead Traction Power
- 3424 Third Rail Traction Power
- 3440 Transportation Signaling and Control Equipment
- 3441 Roadway Signaling and Control Equipment
- 3442 Railway Signaling and Control Equipment
- 3443 Airfield Signaling and Control Equipment

**(1) Project Code - Example: PLN2107 - MetroRapid Expo Center**

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**(5) Area**

**(6) Category (FTA SCC)**

**(7) Cost Code (FTA Sub SCC level)**

- 3448 Bridge Signaling and Control Equipment
- 3450 Transportation Fare Collection Equipment
- 3454 Passenger Fare Collection
- 3470 Transportation Construction and Equipment
- 3471 Roadway Construction
- 3472 Railway Construction
- 3473 Airfield Construction
- 3475 Roadway Crossing Control Equipment
- 3476 Railway Equipment
- 3477 Transportation Equipment
- 3478 Weighing Equipment
- 3480 Bridges
- 3481 Bridge Machinery
- 3482 Bridge Specialties
- 4060 Process Control and Enterprise
- 4066 Network and Communication Equipment
- 4067 Control System Equipment Panels and Racks
- 4068 Process Control Software
- 4069 Packaged Control Systems
- 4080 Commissioning of Process Systems
- 4122 Cranes & Hoists
- 4162 Bus Vehicle
- 4163 Non revenue Vehicle
- 4164 Rail Vehicles
- 4165 Bus Vehicles
- 4167 Plant Maintenance Equipment (includes Lube Oil System)
- 4301 Pressure Washers
- 4420 Noise Pollution Control
- 4440 Water Pollution Control Equipment
- 4513 Mining Machinery and Equipment
- 4544 User-Defined Computer and Electronic Product Manufacturing Equipment
- 4545 Electrical Equipment, Appliance, and Component Manufacturing Equipment
- 4546 User-Defined Electrical Equipment, Appliance, and Component Manufacturing Equipment
- 4547 Transportation Manufacturing Equipment
- 4548 User-Defined Transportation Manufacturing Equipment
- 4660 Water and Wastewater Advanced Treatment Equipment
- 4800 Electrical Power Generation
- 4808 Commissioning of Electrical Power Generation
- 4809 Instrumentation and Control for Electrical Power Generation
- 4810 Electrical Power Generation Equipment
- 4811 Fossil Fuel Plant Electrical Power Generation
- 4814 Solar Energy Electrical Power Generation Equipment
- 4815 Wind Energy Electrical Power Generation Equipment
- 4819 Electrical Power Control Equipment
- 4870 Electrical Power Generation Testing
- 8099 CMTA/ATP Provided Information
- 8132 Entry into Project Development Documentation
- 8200 PMP and Associated Plans
- 8133 Evaluation and Rating Documents
- 8134 Financial Plan
- 8135 3rd Party Agreements
- 8137 Travel Demand Forecast
- 8138 O & M Study
- 8139 Other Planning & Coordination
- 8140 NEPA Process
- 8141 Public Involvement
- 8210 Preliminary Engineering (15% Deliverable)
- 8220 Project Development (30% Deliverable)
- 8230 Engineering (60% Deliverable)
- 8240 Final Engineering (90% Deliverable)
- 8250 Issued for Bid (IFB)
- 8260 Issued for Construction (IFC)

**(1) Project Code - Example: PLN2107 - MetroRapid Expo Center**

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PP - Pre-Development/Planning  
 PD - Project Development  
 EN - Engineering

**(5) Area**

**(6) Category (FTA SCC)**

**(7) Cost Code (FTA Sub SCC level)**

- 8270 Bulletin
- 8280 Design Service During Construction (DSDC)
- 8302 Structures
- 8304 Track
- 8305 Tunnel
- 8306 Stations / Support Facilities / Park & Rides
- 8307 Right-of-Way
- 8308 Utilities
- 8309 Systems / Communications / Traction Power
- 8310 Vehicle Design
- 8400 Project Management
- 8401 Environmental Services
- 8402 Sustainability Management
- 8403 Commissioning Services
- 8404 Planning
- 8405 Community Engagement
- 8406 Public Relations
- 8407 Visualizations
- 8408 Operations Coordination
- 8420 Construction Management
- 8430 Grant Management
- 8440 Financial Management
- 8450 IT Systems
- 8460 Commuter Rail Coordination
- 8470 Oversight
- 8500 Project Controls
- 8501 Schedule Control
- 8502 Cost Estimating
- 8503 Procurement
- 8504 General Procurement Assistance
- 8505 Risk Management
- 8506 Contract Management
- 8507 Change Management
- 8508 Value Engineering
- 8510 Document Management
- 8520 Quality Management
- 8530 Safety & Security
- 8535 Safety & Security Certification
- 8540 Legal
- 8545 Real Estate Services
- 8551 Utility Coordination
- 8800 Benefits (ATP / CMTA Only)
- 8810 Board of Directors (ATP / CMTA Only)
- 8811 Internal Audit (ATP / CMTA Only)
- 8812 Administrative Services (ATP / CMTA Only)
- 8813 Legal (ATP / CMTA Only)
- 8814 Human Resources (ATP / CMTA Only)
- 8815 Information Technology (ATP / CMTA Only)
- 8816 Equity & DBE (ATP / CMTA Only)
- 8820 Finance (ATP / CMTA Only)
- 8825 Property Management (ATP / CMTA Only)
- 8829 Debt Service (ATP / CMTA Only)
- 8830 Marketing & Communications (ATP / CMTA Only)
- 8831 Community Engagement (ATP / CMTA Only)
- 8870 Project Management (ATP / CMTA Only)
- 8871 Construction & Engineering (ATP / CMTA Only)
- 8872 Controls & Compliance (ATP / CMTA Only)
- 8873 Real Estate (ATP / CMTA Only)
- 8874 Architecture & Urban Design (ATP / CMTA Only)
- 8875 Public Art (ATP / CMTA Only)
- 8880 Transfer for CMTA Operations (ATP / CMTA Only)
- 8892 Project Connect Support (ATP / CMTA Only)

| <b>(1) Project Code - Example: PLN2107 - MetroRapid Expo Center</b>                                                                                                                         |                                                                   |  |  |  |  |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--|--|--|--|--|
| <b>(2) Contract Number</b>                                                                                                                                                                  |                                                                   |  |  |  |  |  |
| <b>(3) Fiscal year encumbrance (PO Number as called in AX)</b>                                                                                                                              |                                                                   |  |  |  |  |  |
| <b>(4) Phase - Project development (PD - covers feasibility, alterative analysis,envrionmental assessment, prelim. engg) , Engineering (ENG covers 30% and beyond), Construction (CON).</b> |                                                                   |  |  |  |  |  |
| PP - Pre-Development/Planning<br>PD - Project Development<br>EN - Engineering                                                                                                               |                                                                   |  |  |  |  |  |
| <b>(5) Area</b>                                                                                                                                                                             |                                                                   |  |  |  |  |  |
| <b>(6) Category (FTA SCC)</b>                                                                                                                                                               |                                                                   |  |  |  |  |  |
| <b>(7) Cost Code (FTA Sub SCC level)</b>                                                                                                                                                    |                                                                   |  |  |  |  |  |
| 8894                                                                                                                                                                                        | Orange Line (ATP / CMTA Only)                                     |  |  |  |  |  |
| 8895                                                                                                                                                                                        | Blue Line (ATP / CMTA Only)                                       |  |  |  |  |  |
| 8896                                                                                                                                                                                        | Facilities (ATP / CMTA Only)                                      |  |  |  |  |  |
| 8890                                                                                                                                                                                        | Capital Projects (ATP / CMTA Only)                                |  |  |  |  |  |
| 8891                                                                                                                                                                                        | Capital Project Reimbursements (ATP / CMTA Only)(ATP / CMTA Only) |  |  |  |  |  |
| 8893                                                                                                                                                                                        | CMTA Shared Services (ATP / CMTA Only)                            |  |  |  |  |  |
| 8988                                                                                                                                                                                        | Fee                                                               |  |  |  |  |  |
| 8989                                                                                                                                                                                        | ODC's                                                             |  |  |  |  |  |
| 9999                                                                                                                                                                                        | Contingency                                                       |  |  |  |  |  |

# Appendix C. Integrated Program Master Schedule

Under development - to be provided



# Appendix D. Standard ATP Invoice Template

Under development- to be provided

## Appendix E. Procedures List

| No. | Owner/Category             | Topic               | Standard Operating Procedure                               | Status 8.30.23 |
|-----|----------------------------|---------------------|------------------------------------------------------------|----------------|
| 1   | Program/Project Controls   | Document Control    | How to submit a Pre-Travel Authorization Form              | Completed      |
| 2   | Planning                   | FTA Coordination    | How to transmit NEPA deliverables                          | In Progress    |
| 3   | Business & Financial       | Procurement         | How to set up invoices in eBuilder                         | In Progress    |
| 4   | Business & Financial       | Procurement         | Process map of Oracle to pay invoice                       | In Progress    |
| 5   | Program/Project Controls   | Cost                | How to submit a requisition request                        | In Progress    |
| 6   | Program/Project Controls   | Document Control    | Contract set up and Task Order creation in be (PM centric) | In Progress    |
| 7   | Program/Project Controls   | PMIS                | How to review and approve invoices                         | In Progress    |
| 8   | Program/Project Controls   | Schedule            | How to complete the schedule review process                | In Progress    |
| 9   | Program/Project Controls   | Schedule            | How to complete the baseline schedule approval process     | In Progress    |
| 10  | Program/Project Controls   | Schedule            | How to                                                     | In Progress    |
| 11  | Program/Project Controls   | Cost                | How to print standard cost reports                         | In Progress    |
| 12  | Program/Project Controls   | PMIS                | How to request new user e-Builder access                   | In Progress    |
| 13  | Program/Project Controls   | PMIS                | How to log in to e-Builder                                 | In Progress    |
| 14  | Program/Project Controls   | PMIS                | How to request user support for e-Builder                  | In Progress    |
| 15  | Program/Project Controls   | PMIS                | How to correctly add a markup in Bluebeam                  | In Progress    |
| 16  | Program/Project Controls   | PMIS                | How to perform a Milestone Review Process through Bluebeam | In Progress    |
| 17  | Program/Project Controls   | PMIS                | How to create a Bluebeam studio session                    | In Progress    |
| 18  | Program/Project Controls   | PMIS                | How to join a Bluebeam studio session                      | In Progress    |
| 19  | Program/Project Controls   | PMIS                | How to create a pdf template in Bluebeam for manuals       | In Progress    |
| 20  | Business & Financial       | HR                  | How to onboard new employees                               | Planned        |
| 21  | Business & Financial       | HR                  | How to make updates to employee records                    | Planned        |
| 22  | Business & Financial       | Procurement         | How to develop and complete a Task Order modification      | Planned        |
| 23  | Business & Financial       | Procurement         | How to close out task orders or contracts                  | Planned        |
| 31  | Digital Advancement        | Data Policy         | How to.....data policy                                     | Planned        |
| 32  | Engineering & Construction | Project Integration | How to ... third party agreements                          | Planned        |
| 33  | Planning                   | FTA Coordination    | FTA correspondence                                         | Planned        |
| 34  | Planning                   | FTA Coordination    | How to transmit CIG deliverables                           | Planned        |
| 35  | Planning                   | FTA Coordination    | How to transmit financial reports                          | Planned        |
| 36  | Planning                   | Project Development | How to .... Project Development                            | Planned        |
| 37  | Program/Project Controls   | Document Control    | How to record, transmit and review meeting minutes         | Planned        |
| 38  | Program/Project Controls   | Document Control    | How to determine where to upload/file your document        | Planned        |
| 39  | Program/Project Controls   | Document Control    | How to onboard new employees for PMIS access               | Planned        |
| 40  | Program/Project Controls   | PMIS                | How to use standard e-Builder process functions            | Planned        |
| 41  | Program/Project Controls   | PMIS                | How to submit invoices                                     | Planned        |
| 42  | Program/Project Controls   | PMIS                | How to obtain approval for a requisition request           | Planned        |

## 9. Policies and Procedures

---

Maintaining an Infrastructure for the Development of Cost Allocation Plans (CAPS) or Indirect Cost Rate Proposals (ICRPs)

|                 |                                                   |
|-----------------|---------------------------------------------------|
| <b>Version</b>  | 1                                                 |
| <b>Date</b>     | 9/21/2023                                         |
| <b>Status</b>   | To be developed under future implementation phase |
| <b>Comments</b> |                                                   |

## 9. Policies and Procedures

---

### Accounting for Fuel Utilizations

|                 |                                                   |
|-----------------|---------------------------------------------------|
| <b>Version</b>  | 1                                                 |
| <b>Date</b>     | 9/21/2023                                         |
| <b>Status</b>   | To be developed under future implementation phase |
| <b>Comments</b> |                                                   |

## 9. Policies and Procedures

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Accounting Operations and Finance Operations

|                 |                                                   |
|-----------------|---------------------------------------------------|
| <b>Version</b>  | 1                                                 |
| <b>Date</b>     | 9/21/2023                                         |
| <b>Status</b>   | To be developed under future implementation phase |
| <b>Comments</b> |                                                   |



## 9. Policies and Procedures

---

### Fixed Assets

|                 |                                                   |
|-----------------|---------------------------------------------------|
| <b>Version</b>  | 1                                                 |
| <b>Date</b>     | 9/21/2023                                         |
| <b>Status</b>   | To be developed under future implementation phase |
| <b>Comments</b> |                                                   |



## 10. 3-5 Year Financial Plan

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

Austin Light Rail

3-5 Year Financial Plan

September 2023 - **DRAFT**

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**Transforming Transit Together**



## Table of Contents

|                                                                   |    |
|-------------------------------------------------------------------|----|
| <b>1. Chapter 1: Introduction</b> .....                           | 2  |
| <b>1.1 Austin Transit Partnership</b> .....                       | 2  |
| <b>1.2 Austin Light Rail Implementation Plan</b> .....            | 2  |
| <b>1.3 The Joint Partnership</b> .....                            | 3  |
| <b>1.4 Proposition A</b> .....                                    | 4  |
| <b>1.4.1 Historic &amp; Projected Prop A Revenues</b> .....       | 5  |
| <b>1.5 Other Austin Light Rail Revenues</b> .....                 | 6  |
| <b>2. Chapter 2: Light Rail Capital Plan</b> .....                | 7  |
| <b>2.1 Austin Light Rail Estimated Capital Requirements</b> ..... | 7  |
| <b>2.2 Contingency Planning</b> .....                             | 8  |
| <b>2.3 Plan of Finance</b> .....                                  | 8  |
| <b>2.4 Capital Cost and Schedule</b> .....                        | 9  |
| <b>3. Chapter 3: Operating Plan</b> .....                         | 11 |
| <b>3.1 Operating Period Cash Flow Projection</b> .....            | 11 |
| <b>4. Conclusion &amp; Path Forward</b> .....                     | 12 |

# 1. Chapter 1: Introduction

## 1.1 Austin Transit Partnership

On November 3, 2020, Austin voters approved a referendum (Prop A) to increase Austin’s property tax rate to provide a dedicated revenue stream to fund investments in Project Connect, a program of transit improvements, including Austin Light Rail. The Austin Transit Partnership (ATP) is the local government corporation responsible for the overall implementation of the Project Connect program.

On June 6, 2023, the Austin City Council, CapMetro Board of Directors, and ATP Board of Directors (collectively, the “joint partnership”) concurrently adopted changes to the tri-party agreement (the “Joint Powers Agreement” or “JPA”) regarding the implementation of Project Connect among the entities and confirming ATP’s role as the Project Sponsor and direct grant recipient for federal grants for Austin Light Rail (pending any necessary FTA concurrence).

ATP is responsible for the day-to-day implementation, planning, financing, execution and oversight of Austin Light Rail. Dedicated ATP staff with extensive experience in the delivery of federally-funded light rail capital projects manage and lead the implementation of Austin Light Rail. ATP’s Board of Directors includes three community members, as well as a representative from each of the Austin City Council and the CapMetro Board of Directors.

## 1.2 Austin Light Rail Implementation Plan

In June 2023, a locally preferred alternative (LPA) for Austin Light Rail (Phase 1) was approved that is an approximately 10-mile, two-line light rail system that travels north and south of Downtown Austin, as well as into East Austin. The new light rail system will serve the West Campus of the University of Texas, downtown employment and special event destinations, connection points with high-frequency bus and commuter rail service, and diverse, growing neighborhoods.

The Austin Light Rail Implementation Plan was developed by ATP, in coordination with the City of Austin and CapMetro, after an extensive priority population-focused feedback process. ATP engaged with over 7,000 community members regarding the proposed modifications to the project, hosted over eighty community engagement events, and connected with more than 3,000 core transit riders at 45 unique bus stop locations. More information on the details can be found in the [Austin Light Rail Implementation Plan<sup>1</sup>](#).

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<sup>1</sup> [https://www.flipsnack.com/FDA7E8EEFB5/20230522\\_recrypt\\_v14/full-view.html](https://www.flipsnack.com/FDA7E8EEFB5/20230522_recrypt_v14/full-view.html)

# Financial Plan –WORKING DRAFT

Figure 1: Austin Light Rail Implementation Plan



### 1.3 The Joint Partnership

The JPA and subsequent agreements identify the partners’ respective roles and responsibilities regarding the financing, construction, improvement and implementation of certain components of Austin Light Rail, and the other projects included the Project Connect Program.

**ATP.** As stated in the JPA, ATP is responsible for the overall implementation of the Project Connect Program. Further, as the entity responsible for planning, design, contracting, acquisition, construction, and financing Austin Light Rail, ATP will be the Project Sponsor and future direct grantee for any available federal grants to support the implementation of Austin Light Rail (pending FTA’s concurrence). ATP will be the owner of all light rail assets. For projects being implemented by CapMetro, ATP holds certain oversight responsibilities as outlined in applicable ILAs between the parties.

**City of Austin.** ATP and City of Austin have agreements regarding the transfer of property tax revenues and funding for dedicated City staffing as part of the City’s Project Connect Office. The City of Austin stands as the local agency partner and project supporter for the Project Connect Program. Partnering with ATP and CapMetro, the City will continue to implement plans and policies to support successful program implementation. Additionally, the City of Austin is responsible for the administration of the \$300 million in anti-displacement program funds. The City and ATP will continue to work together to support successful light rail implementation, including operations in the public right-of-way, and necessary updates to permitting, real estate acquisitions, and transit-supportive land use policies.



**CapMetro.** As outlined in the JPA, CapMetro is responsible for managing and financing the implementation of some components of the Project Connect program – including new MetroRapid Lines, improvements to commuter rail, pick-up service and other improvements. CapMetro previously committed its funds to these efforts, however ATP is also investing in these projects. An agreement was established between ATP and CapMetro regarding Expo Center and Pleasant Valley MetroRapid capital projects wherein ATP will provide a certain level of local funding via reimbursement. CapMetro is the Project Sponsor and direct recipient of Small Starts funding via grant agreements executed with FTA for those projects. A similar agreement for commuter rail Red Line improvements is also in place. ATP will work together to ensure long-term planning for funding commitments or obligations of CapMetro that are payable or reimbursable from ATP funds. Any financial contribution on behalf of ATP to fund the implementation of the CapMetro components (as defined in the JPA) will require the approval of the ATP Board. CapMetro will serve as the operator of Austin Light Rail; funding for operations and maintenance of Austin Light Rail will be provided by ATP.

## 1.4 Proposition A

During the planning phase for the public transportation investments, the City in consultation with their advisors, determined that the best and most viable method to provide funding for Project Connect was through a dedicated property tax. Due to Texas state law limitations, a Tax Rate Election (TRE) was necessary for voters to approve the new tax increase and its uses. Thus, on July 27, 2020, City Council adopted [Resolution No. 20200727-002](#), creating an initial investment for public transportation by directing the City Manager to include an additional \$0.0875 per \$100 valuation in the proposed Fiscal Year 2020-2021 property tax rate. Based on this structure, Prop A asked voters for approval of an increase in the property tax rate in dedicating 8.75-cents of the “operations and maintenance portion” of the Fiscal Year 2020-21 tax rate for this purpose. On November 3, 2020, Prop A was approved with nearly 60% voter support.

Upon success of the referendum, an [Interlocal Agreement \(ILA\)](#) was established between ATP and the City to define the process and procedures for the allocation and distribution of Prop A revenues. Prop A revenue transfers from the City of Austin to ATP must be appropriated in the City’s budget annually. The \$300 million of Prop A revenue committed to anti-displacement initiatives is governed, both with respect to timing and amount, in a subsequent ILA executed by ATP and the City.

With respect to the non-light rail components of the Project Connect vision plan, ATP will also contribute some Prop A funds via ILA(s) developed, or to be developed, between ATP and CapMetro. These revenues will supplement a commitment of “Capital Expansion Funds” from CapMetro and an ongoing contribution of sales tax monies to support the CapMetro Components.

ATP’s primary source of non-FTA funding is Prop A taxes levied on property within the City of Austin full purpose jurisdiction. Unlike sales taxes, which are commonly used for transit, property taxes tend to be less sensitive to short-term economic disruptions and are generally not subject to significant declines in recessionary environments. This revenue source will serve as the local match to federal funds, be utilized to secure the debt obligations issued in the public market and fund ongoing operations and maintenance of the Austin Light Rail. The [ILA](#) between the City and ATP stipulates that 20.7% of the annual operations & maintenance property tax revenue of the City is transferred to ATP to fulfill the requirements of the Prop A election.



### 1.4.1 Historic & Projected Prop A Revenues

The strength of the Prop A revenue stream is in its stability and the ability for ATP to accurately forecast the amount of revenue available for Austin Light Rail. Prop A revenue projections remain mostly consistent with those established at the time of the Prop A referendum. Continued growth in property tax collections is supported by the robust growth in Austin’s economy. As further described in the table below, the 8.12% growth in housing values in the Austin metro area since 2010 is buoyed by rapid growth in population 2.90%, employment 3.08%, and personal income 8.42% in the Austin metro and Travis County jurisdictions. Forecasts show the same robust underlying conditions persisting into the medium and long-term future, including population 2.10% and employment growth 1.40%. The positive trajectory of these metrics, along with the underlying construct of Prop A to mitigate year-over-year volatility, results in a stable, dedicated revenue stream to fund Austin Light Rail construction and operations.

*Figure 2 Historical Economic Growth Metrics*

| Historical Growth Metrics                     | Austin MSA Historical CAGR | US Historical CAGR |
|-----------------------------------------------|----------------------------|--------------------|
| <b>Housing Prices (2010-2023)<sup>2</sup></b> | 8.12%                      | 5.85%              |
| <b>Population Growth (2010-2020)</b>          | 2.90% <sup>3</sup>         | 0.64% <sup>4</sup> |
| <b>Employment (2010-2022)<sup>5</sup></b>     | 3.08%                      | 1.09%              |
| <b>Personal Income (2010-2022)</b>            | 8.42% <sup>6</sup>         | 5.05% <sup>7</sup> |

*Figure 3 Forecasted Economic Growth Metrics*

| Forecast Growth Metrics              | Austin MSA Forecast CAGR | US Forecast CAGR    |
|--------------------------------------|--------------------------|---------------------|
| <b>Population Growth (2020-2060)</b> | 2.10% <sup>8</sup>       | 0.50% <sup>9</sup>  |
| <b>Employment (2022-2032)</b>        | 1.40% <sup>10</sup>      | 0.28% <sup>11</sup> |

<sup>2</sup> Source: U.S. Federal Housing Finance Agency, All-Transactions House Price Index for Austin-Round Rock-Georgetown, TX (MSA) as found on <https://fred.stlouisfed.org/series/ATNHPIUS12420Q>. Accessed June 27, 2023.

<sup>3</sup> Source: Austin Chamber of Commerce, Greater Austin Profile: Population. <https://www.austinchamber.com/economic-development/austin-profile/population/overview>. Accessed June 22, 2023.

<sup>4</sup> Source: US Bureau of Labor Statistics, Quick Facts United States. [U.S. Census Bureau QuickFacts: United States](https://www.bls.gov/quickfacts/united-states). Accessed September 14, 2023.

<sup>5</sup> Source: Historical data based on Texas Workforce Commission. Labor Market Information. <https://texaslmi.com/LMIbyCategory/LAUS>, selecting Capital Area WDA and years 2010 - 2022. Accessed June 26, 2023.

<sup>6</sup> 2022 figures are preliminary. Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Total Wages (in thousands) in Total Covered Total, all industries for All establishment sizes in Travis County, Texas, NSA. Accessed June 27, 2023.

<sup>7</sup> Source: US Bureau of Labor Statistics, Personal Income Data 2022 – 2032. [BEA Interactive Data Application](https://www.bea.gov/interactive-data). Accessed September 14, 2023.

<sup>8</sup> Source: Austin Chamber of Commerce, Greater Austin Profile: Population. <https://www.austinchamber.com/economic-development/austin-profile/population/overview>. Accessed June 22, 2023.

<sup>9</sup> Source: United States Census Bureau, 2017 National Population Projections Tables: Main Series. [2017 National Population Projections Tables: Main Series \(census.gov\)](https://www.census.gov/projections/2017-national-population-projections-tables-main-series.html). Accessed June 26, 2023.

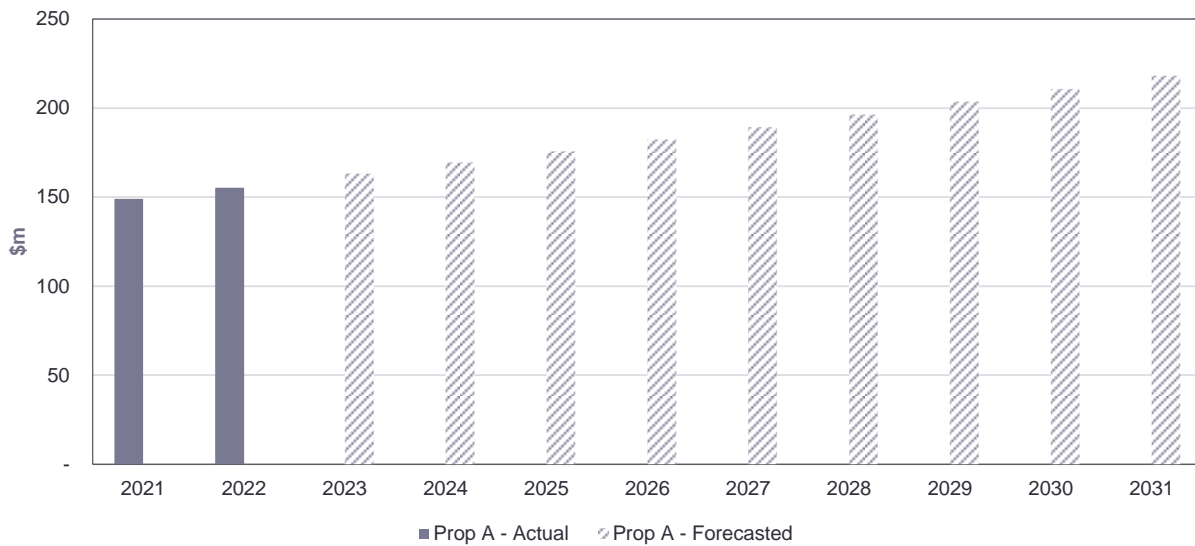
<sup>10</sup> Source: City of Austin Proposed 2023-24 Budget. [FY24 Proposed Budget.pdf \(austintexas.gov\)](https://www.austintexas.gov/finance/fy24-proposed-budget). Accessed September 14, 2023.

<sup>11</sup> Source: US Bureau of Labor Statistics, Occupational Projections Data 2022 - 2032. [Employment Projections Databases : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov/occupational-projections). Accessed September 14, 2023.

## Financial Plan –WORKING DRAFT

The amount of Prop A revenue received by ATP from the City pursuant to ILA totaled \$149.0 million in FY 2021 and \$155.4 million in FY 2022. Based on historical trends, ATP is conservatively forecasting Prop A revenues to grow at a rate of 3.75% annually through FY2029, which is inclusive of expected property tax revenue growth for new construction coming online, and then stepped down to 3.5% annually thereafter. The growth rate for Prop A revenue is also in line with Texas state statute limitations for the growth of operations and maintenance tax rate for municipalities stipulated at a maximum of 3.5% annually. Actual and forecasted Prop A revenues are shown in **Figure 4** below.

**Figure 4 Actual and Forecasted ATP Prop A Revenues, YOY \$millions**



### 1.5 Other Austin Light Rail Revenues

In addition to Prop A revenue, the Austin Light Rail plan of finance contemplates a variety of additional revenue sources. During operations, it is anticipated that both fare revenues (currently sized at a 10% farebox recovery ratio), available interest earnings and certain federal formulas fund grants (namely, FTA Section 5307 and 5337) would provide valuable, incremental support of ATP’s Prop A dollars.

## 2. Chapter 2: Light Rail Capital Plan

### 2.1 Austin Light Rail Estimated Capital Requirements

Direct program capital costs for the Austin Light Rail are based on preliminary engineering estimates, which include a category-by-category breakdown along with contingencies to account for this preliminary level of engineering, consistent with FTA’s Standard Cost Categories (SCC). ATP also underwent an independent cost estimate (ICE) process in order to further explore savings opportunities and validate the work that had been produced to date. A summary of the estimated capital requirements of the Austin Light Rail Implementation Plan, inclusive of 40% contingency and based on the ICE is presented in **Figure 5** below.

**Figure 5 Estimated Capital Requirements by Standard Cost Category for Austin Light Rail Implementation Plan (\$2022)**

| SCC                   | DESCRIPTION                                              | Phase 1 38th - Oltorf<br>– Yellow Jacket |
|-----------------------|----------------------------------------------------------|------------------------------------------|
| 10                    | GUIDEWAY & TRACK ELEMENTS (ROUTE FEET)                   | \$ 167.9                                 |
| 20                    | STATIONS, STOPS, TERMINALS, INTERMODAL (NUMBER)          | \$ 92.0                                  |
| 30                    | SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS           | \$ 268.2                                 |
| 40                    | SITework & SPECIAL CONDITIONS                            | \$ 496.0                                 |
| 50                    | SYSTEMS                                                  | \$ 862.5                                 |
|                       | 10-50 Allocated CONTINGENCY - 30%                        | \$ 565.9                                 |
| <b>SUBTOTAL 10-50</b> |                                                          | <b>\$ 2,452.4</b>                        |
| 60                    | ROW, LAND, EXISTING IMPROVEMENTS                         | \$ 619.2                                 |
| 70                    | VEHICLES (NUMBER) - INCLUDES 10% CONTINGENCY ON VEHICLES | \$ 385.2                                 |
| 80                    | PROFESSIONAL SERVICES (SCC CATEGORIES 10 - 50)           | \$ 858.3                                 |
| <b>SUBTOTAL 10-80</b> |                                                          | <b>\$ 4,315.2</b>                        |
| 90                    | UNALLOCATED CONTINGENCY - 10%                            | \$ 431.5                                 |
| <b>SUBTOTAL 10-90</b> |                                                          | <b>\$ 4,746.7</b>                        |

**Source: ICE as of June 2023 (totals may not add due to rounding)**

To facilitate implementation of Austin Light Rail, ATP expects to augment its organizational capacity through the procurement of certain owner’s support roles, specifically a Delivery Partner. The Delivery Partner would provide procurement support, interface and configuration management, project controls, and construction and contract management support.

After accounting for owner’s support services, this estimated \$4.7 billion in \$2022 equates to an estimated year of expenditure cost of \$7.1 billion. This is reflective of an estimated escalation rate of 7.5% through 2025 and 3.5% thereafter signifying a more normalized inflationary environment. This estimated cost does not account for financing costs which will be considered in future estimates.

## 2.2 Contingency Planning

In accordance with FTA’s OP40 policy guidance and industry best practices, ATP recognizes contingency as an essential part of its Austin Light Rail planning efforts. A responsible plan of finance and prudent capital budgeting incorporates an allocation of funds in the event of unforeseen increases in capital costs, changing economic factors or other market conditions. Even with the most careful planning, complex infrastructure projects, especially in urban areas, will experience unanticipated cost and it is the project’s contingency that allows the public owner to address such challenges if they arise and mitigate impact to the overall project. The level of required contingency is driven by project risks as identified by ATP and the FTA as a key partner in the funding of the project. The Austin Light Rail Implementation Plan includes a 40% contingency allocation at this stage of preliminary engineering. The contingency level will decrease as project design (and later construction) progresses and the contingency dollars are assigned to known project elements and executed contracts. Contingency dollars are held early in the project to account for unknowns that are reasonably expected to arise. Those dollars will get transferred from contingency into actual costs that arise up through completion of construction. Any unused contingency dollars at the end of the project could be used to either enhance project elements or be put toward an extension of the system as agreed to by the joint partnership at the time.

For each FTA-funded project, a Risk and Contingency Management Plan (RCMP) will be developed that will include a cost management plan. The RCMP in conformance with OP40c Risk and Contingency Review, will describe how the project is organized and the procedures used to manage the project risks, addressed in the plan.

## 2.3 Plan of Finance

The FTA will be a key partner in the success of Austin Light Rail providing a significant and efficient funding mechanism which will be matched by ATP’s Prop A revenue as a local funding source. Together these two sources of funds comprise the significant majority of the proposed funding package.

Prop A revenue will first be used on a “pay-go” cash basis along with anticipated federal grant receipts, constituting the most efficient way to deploy resources and direct every dollar available to the costs of planning, design and construction. ATP will also deploy a variety of financial instruments including Contract Revenue Bonds and Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans in order to raise the necessary capital during the construction period. Debt service on these instruments will be secured by Prop A revenue. The TIFIA loan will be capped at 49% of total capital costs with total federal funding (TIFIA loans plus the anticipated New Starts CIG grant) capped at 80%.

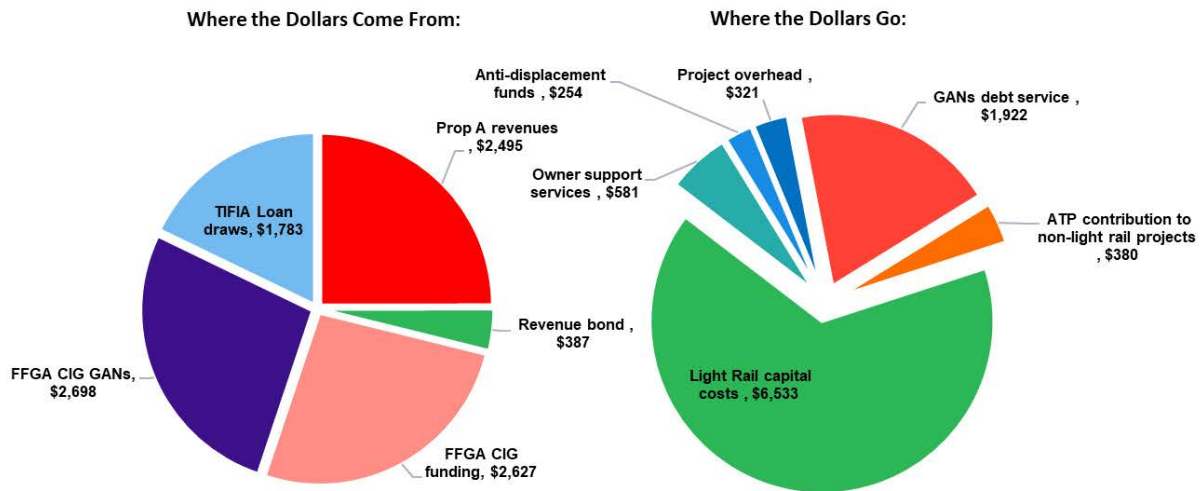
ATP’s financial analysis emphasizes the importance of not only the total magnitude of federal participation in the project but also the annual appropriation that may be expected in order to meet capital demand during the construction period. Based on precedent, the current Plan of Finance assumes that New Starts grant receipts would be appropriated to the project and paid out within a maximum, ten-year time horizon. Like any large-scale infrastructure project, the duration of those projected payments will create a mismatch in timing between construction and the annual revenues available to pay for the construction costs. As needed, ATP will deploy Grant Anticipation Notes to bridge the gap between any federal receipts

## Financial Plan –WORKING DRAFT

and the capital requirements of the project., however doing so comes with the inherent cost of interest accrual which ATP will strive to minimize in partnership with the FTA.

An estimated Sources and Uses of funds is included in Figure 8 below.

**Figure 8 ATP Total Sources and Uses of Funds during Light Rail Construction, YOE \$millions**



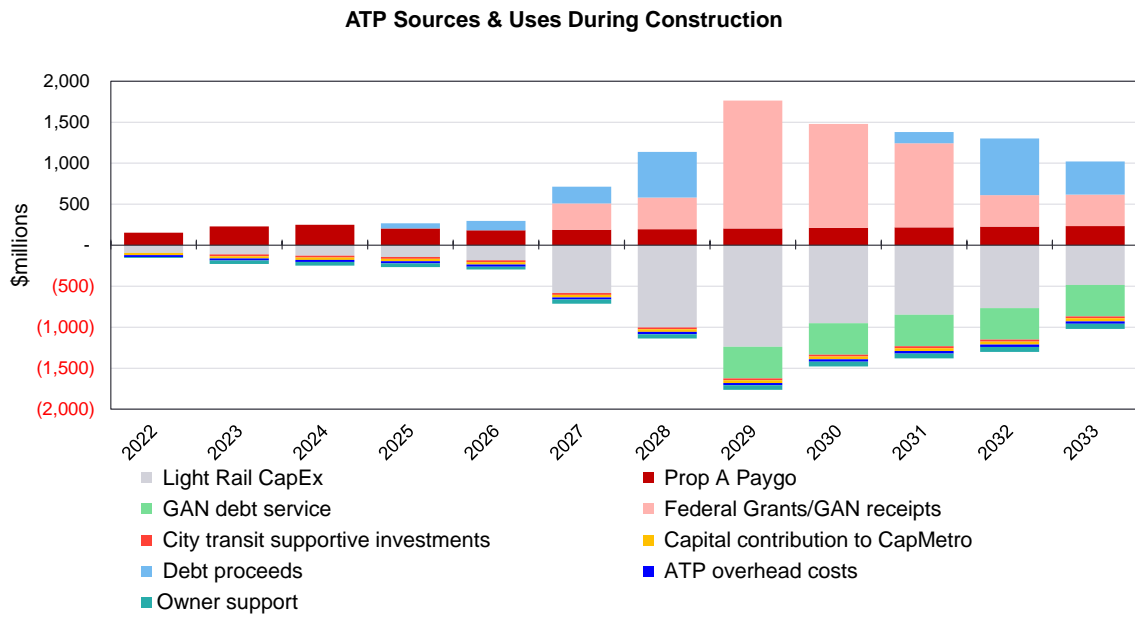
Note: Total anti-displacement funds equal \$300 million; \$254 million in the graphic above represents the portion of those monies disbursed during the light rail construction period.

## 2.4 Capital Cost and Schedule

The current estimated schedule anticipates Austin Light Rail entry into FTA Capital Investment Grant New Starts program with an executed Full Funding Grant Agreement targeted by the end of 2027. ATP would concurrently progress its plan to engage with the Build America Bureau in pursuit of a TIFIA Loan with resources available from both the federal grant and loan program as expenditures from the core civil contracts are beginning to escalate. Advance utility work and right of way acquisition would comprise the initial, larger expenditures of the project with significant construction activities taking place in the years 2027 through 2032 and testing and commissioning leading to anticipated revenue service beginning in 2033/2034. These dates are for planning purposes and may be adjusted as project delivery and contracting plans are determined.

# Financial Plan –WORKING DRAFT

Figure 9 ATP Schedule of Sources and Uses of Funds during Light Rail Construction, YOY \$millions



## 3. Chapter 3: Operating Plan

ATP is developing its Concept of Operations in coordination with CapMetro and the City. The results of this exercise, expected to be finalized in the Winter of 2023, will help to further refine the level of service and associated light rail costs expected during the operating period. Due to the fact that Prop A is dedicated to both the capital and operational costs of Austin Light Rail, ATP's capital plan has always taken a conservative view on operations and maintenance costs in order to ensure that ATP has the necessary funds on hand to sustain the agreed upon level of service for the light rail project.

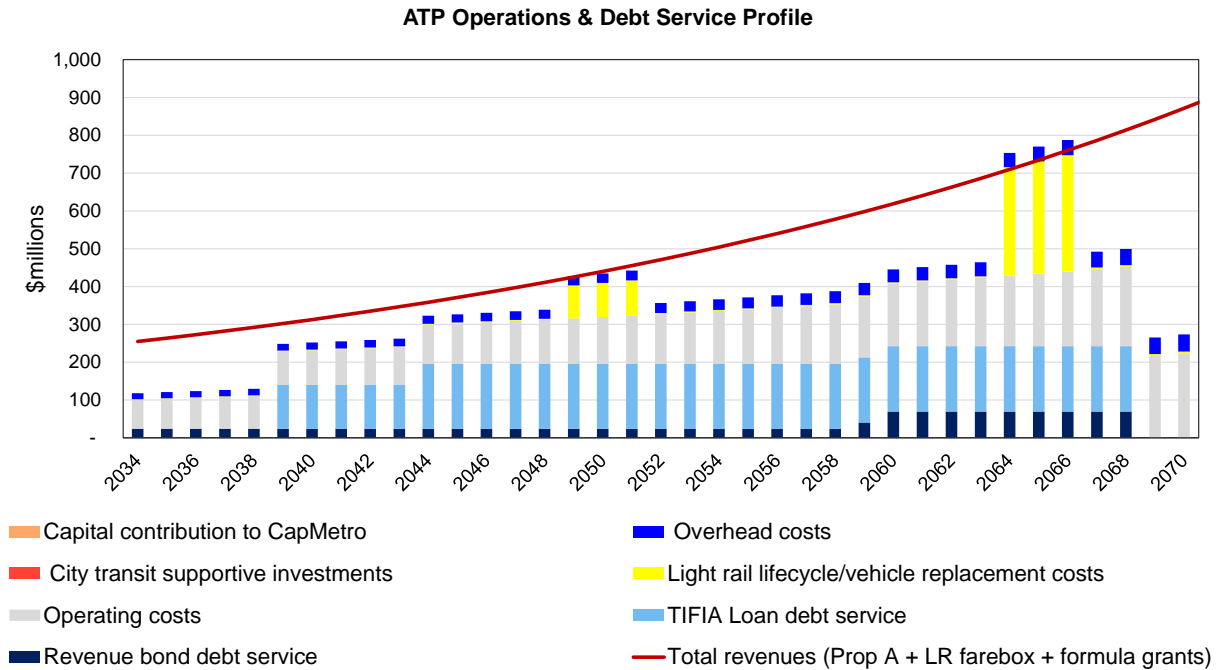
ATP will develop agreements governing the process for the operational and safety certification, commissioning of Austin Light Rail, and for the ultimate operation of Austin Light Rail in accordance with FTA requirements, including state of good repair, warranties, and disbursement of revenues from ATP to the operator. Once the design for the light rail is finalized and an operational agreement is reached by the parties, a detailed operating plan in accordance with the vehicles and systems specification will be developed and submitted to the FTA. Currently, the project has been sized to assume that all the operating expenditures can be covered by the Prop A revenues. As the steward of these funds, ATP recognizes and will develop the necessary oversight and reporting protocols it must undertake in connection with the ongoing success of the Austin Light Rail program.

### 3.1 Operating Period Cash Flow Projection

As shown in Figure 9 below, the cash flow projection during the operating period anticipates utilizing Prop A revenue, light rail farebox revenue, and FTA Section 5337/5307 formula fund grants to cover the costs of ongoing operations and capital maintenance and the debt service associated with Contract Revenue Bonds and TIFIA Loans issued during the construction period and distinctly repaid with non-federal funds. Healthy cash balances are maintained, and adequate Prop A capacity is accrued in the outer years to manage additional debt service and allocations to cover program cost increases and additional capital needs associated with future phases of the program.



Figure 10 ATP Operations and Debt Service Profile, YOY \$millions

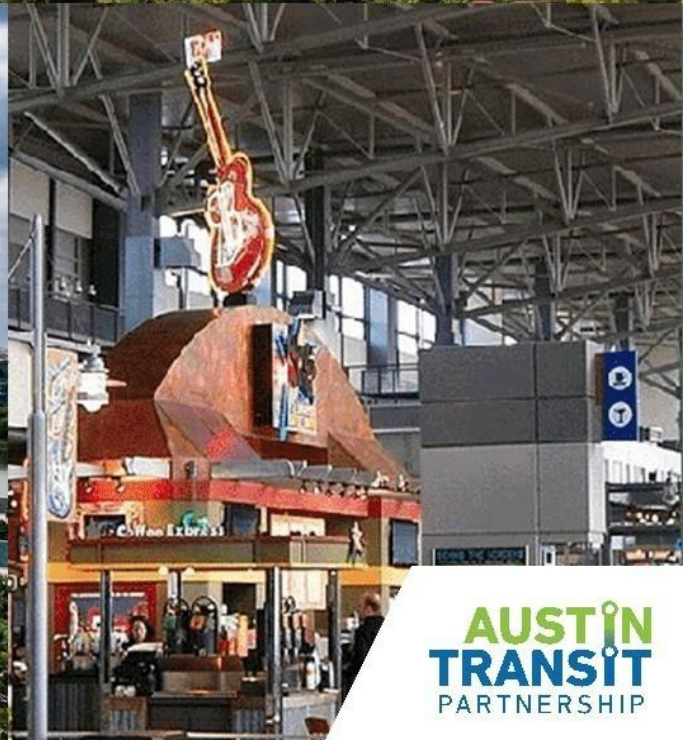


#### 4. Conclusion & Path Forward

With submission of this plan, ATP is documenting its financial capacity to implement the initial investment of the Austin Light Rail. ATP’s comprehensive financial plan is based on conservative planning assumptions that include a detailed estimate of proposed expenditures and capital sources such as grants and debt to fund and finance the project. Essential to the plan is the Austin voter-approved Prop A, which provides dedicated property tax revenue that is key in supporting the funding and financing of the project. ATP has engaged the community in a transparent process to ensure the project reflects Austin’s priorities and values. It has conducted detailed technical and financial analysis to define the light rail project that will provide best value for voters’ tax dollars, meet FTA-specified New Starts Capital Investment Grant criteria, and maximize the opportunity to secure critical federal dollars as a New Federal Grant Recipient.

This plan, submitted for purposes of seeking FTA New Recipient status, will serve as the foundation for ATP’s Financial Plan in connection with its pursuit of a New Starts grant under the FTA’s CIG program. The concepts provided herein will be built upon to illustrate ATP’s continued progress as an organization and the evolution and refinement of the technical and financial elements throughout the Project Development phase of the New Starts process.









**AUSTIN TRANSIT PARTNERSHIP**

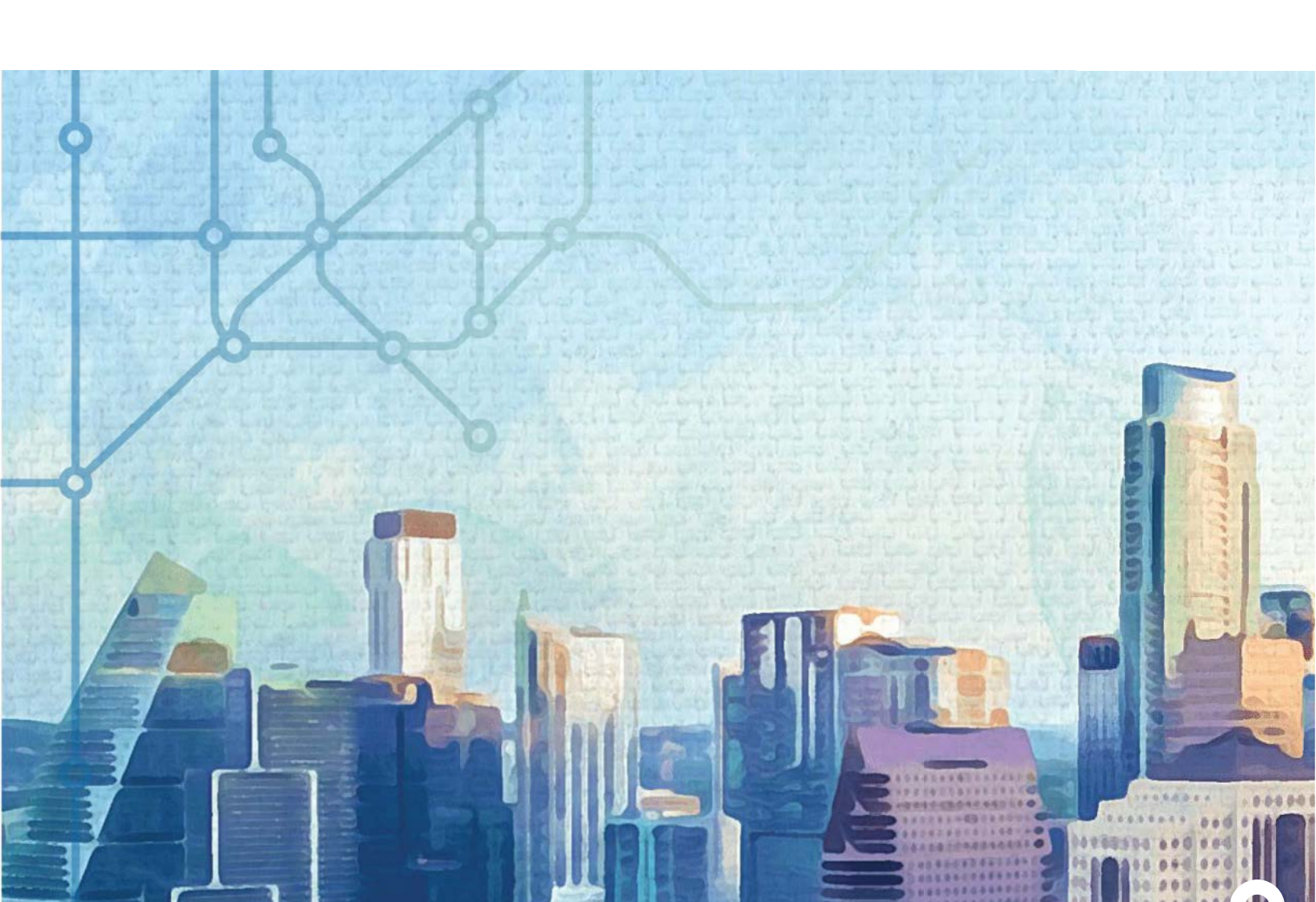
# Technical Capacity



## 11. Answers to Sample Technical Capacity Questions (Appendix C)

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership

## Appendix C Technical Capacity Questions

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Transforming Transit Together

VERSION 1 SEPTEMBER, 2023

**AUSTIN  
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## RESPONSE TO TECHNICAL CAPACITY QUESTIONS Per FTA Region VI New Recipient Handbook, Appendix B (Version 1, January 2022)

- 1. Please describe the transit service provided by the recipient organization. Please include website, current route maps, a service brochure, and service characteristics such as ridership data, daily revenue miles, etc.**

Austin Transit Partnership (ATP) is a new [Local Government Corporation](#) with the responsibility of implementing a new light rail system in the City of Austin (the City). ATP does not currently operate transit service. The proposed light rail project will connect people to jobs, education, and other key areas of the City, and is expected to serve approximately 28,500 riders daily by 2040. The route has coverage to the north, east and south, with 9.8 miles of light rail and fifteen stations. In addition, the proposed route allows for connections to the existing and planned transit system such as MetroRapid, High Frequency Buses, the Red Line and the proposed Green Line. Further details with respect to the Austin Light Rail Implementation Plan, the newly adopted Locally Preferred Alternative, can be found in the brochure linked [here](#).

- 2. What type of FTA funding is being sought? Has this organization received FTA funds in the past (either directly or as a subrecipient)? How will this funding be used by the new recipient (i.e., what types of projects will be funded)?**

ATP is seeking a Full Funding Grant Agreement (FFGA) from FTA's New Starts Capital Investments Grant program. The New Starts funding will be used to design and build the first phase of a light rail system. Additionally, ATP expects to pursue other discretionary federal grant opportunities as applicable to the light rail project.

ATP has not received FTA funds in the past but has built a comprehensive team with extensive experience in New Starts projects. ATP will continue to supplement and expand the team with additional internal and external resources as project development advances.

- 3. What office/individuals will be responsible for grant administration, including grant application development, grant management, and required FTA report submittals? Please include a description of the internal processes that will govern grant oversight, grant reporting, and grant closeout.**

ATP's finance department will be responsible for grant administration and management. The individual currently responsible for grant management is Bryan Rivera, Acting Chief Financial Officer, who will oversee the work of a dedicated grant manager to be hired. ATP's Project Controls department will be responsible for FTA report submittals. The individual responsible for grant application development and reporting is Jennifer Pyne, Executive Vice President, Planning & Risk Management.

ATP will hire a dedicated grant manager in the finance department who will have oversight, reporting and closeout duties. These duties will be governed by a [grant management policy](#) which is included in the New Recipient Submission. The internal processes that will govern grant oversight, grant reporting, and grant closeout within the policy are summarized below and will be updated as appropriate as ATP progresses through the New Starts process:

**Grant Oversight:**

ATP's Grant Manager will collaborate with Legal, Finance, Engineering and Project Controls to ensure the program is compliant with Grant Agreements and Cooperative Agreements, applicable statutes, codes, ordinances, and safety standards.

**Grant Reporting:**

ATP Project Controls will prepare, submit to FTA and retain all required reports to support FTA's internal reporting needs. These will include Federal Financial Reports (FFRs), Indirect Cost Allocation Plans, quarterly Milestone Progress Reports, triennial Civil Rights compliance reports, DBE program information, and triennial Equal Employment Opportunity compliance reports.

**Grant Closeout:**

ATP will initiate closeout of the Award within 90 days after the end of the period of performance, or after all approved activities are completed and/or the applicable federal assistance has been expended for all eligible costs. In order to initiate closeout, ATP will electronically submit all required information in TrAMS.

**4. Include a description of any capital grant projects the potential new recipient is sponsoring. Include the estimated cost for the projects. Will the new recipient use its own workforce for the capital grant projects?**

Currently, ATP is not sponsoring any other capital grant projects besides the Austin Light Rail. In the future, ATP may sponsor other grants for additional Project Connect elements, such as light rail extensions. The Austin Light Rail Implementation Plan describes two priority extensions, which will be advanced as additional local funding is available.

The estimated capital cost of Austin Light Rail – Phase 1 is approximately \$5B (in current year/2022 dollars). The cost estimates will continue to be refined as project design advances, and this information will be shared with FTA via the New Starts grant application process.

As shown in the organizational chart, a link to which is included in the technical capacity section, ATP will utilize a blend of agency workforce and staff augmentation through consultants. As the light rail project advances, ATP will continue to evaluate and refine the staffing plan to meet the needs of each stage of the project.



**5. Please provide a description of the processes the potential new recipient will or has instituted to ensure adequate technical oversight of capital projects such as construction, rolling stock and technology projects.**

During this project development stage, ATP is establishing project controls for scheduling, cost controls, and document management. An initial Project Controls Plan was established in July 2022, which is now being updated to reflect lessons learned, refined or updated processes, and changes to the organization. Since 2021, ATP has been building out an eBuilder PMIS to support cost tracking and reporting in accordance with FTA requirements. ATP uses Oracle Fusion as the ERP and accounting system of record.

As ATP embarks on the advanced conceptual engineering to support NEPA review, design coordination and review protocols have been developed to support the effective integration of CapMetro service planning, operations, and City input into the process. Design submittals and reviews will be managed via eBuilder and Bluebeam. ATP and CapMetro will also develop a separate O&M agreement for the Austin Light Rail project that will establish protocols to achieve the desired level of service and state of good repair.

A Quality Management Plan was prepared in 2022 to describe ATP's quality management system that follows the FTA's Quality Management System Guidelines dated October 2019. All consultant teams working on the Austin Light Rail project are required to have a Quality Management Plan that may be subject to audits by ATP.

As ATP pursues New Starts funding, a Project Management Plan will be prepared pursuant to OP 20 and reviewed with FTA, as well as sub-plans including:

- Construction Management Plan
- Risk and Contingency Management Plan
- Real Estate Acquisition Management Plan
- Safety and Security Management Plan
- Public Involvement Plan
- Rail Fleet Management Plan (Bus Fleet Management Plan to be coordinated with CapMetro)
- Operating Plan
- Project Delivery Plan

**6. How will the new recipient monitor subrecipients, transit management or service contractors, and/or lessees to ensure compliance with FTA requirements?**

ATP will not have any subrecipients.

Austin Light Rail will be designed and constructed under contracts issued and managed by ATP. ATP will follow the compliance requirements in FTA's [FY2022 Contractors Manual](#), FTA [Best Practices Procurement and Lessons Learned Manual 2016](#) and Third-Party [Contracting Guidance](#) (Circular 4220.1F) to ensure compliance with federal contracting requirements.

In accordance with the JPA, Capital Metro would be responsible for operations and maintenance of the light rail. Cap Metro already operates commuter rail service in the Austin region and is a federal funding recipient, and therefore has systems in place to manage operations in compliance with FTA requirements. From the onset, ATP has, and will continue to, work closely with CapMetro to mitigate interface risks between construction and operations. As direct grant recipient, ATP understands its continuing fiduciary responsibilities and the need to maintain oversight during the operating phase of the Austin Light Rail.

**7. How will the new recipient ensure the satisfactory continuing control of FTA funded real property and capital assets?**

ATP, in partnership with the City of Austin (who has eminent domain authority), will acquire the right of way necessary for the construction and operations of Austin Light Rail, including guideway as well as a maintenance facility and other infrastructure needs. All acquisitions will be undertaken in compliance with the Uniform Relocation Assistance and Real Property Acquisition Act and FTA requirements for real property acquisition. A Real Estate Acquisition Management Plan (RAMP) for Project Connect (dated March 2022) was submitted to FTA. ATP will be evaluating the RAMP for potential updates.

Any real property acquired for light rail will either remain in ATP's ownership via fee simple or permanent easement interest, otherwise it will be licensed by the City of Austin to ATP. In order to ensure satisfactory continuing control, ATP will enter into an agreement with the City of Austin to utilize public right of way for the use and maintenance of the light rail guideway.

ATP is responsible for all capital assets, including facilities, equipment, and vehicles, acquired or constructed for the purpose of Austin Light Rail. ATP will utilize its Prop A revenue and federal grant receipts for this purpose, maintaining responsibility over all Austin Light Rail components.

**8. Please describe in detail the maintenance plans for capital assets. A copy of the written maintenance program/plan should be provided as well.**

The [JPA](#) stipulates that ATP will be funding the operation of the service managed by CapMetro. The [supplement](#) to the JPA outlines CapMetro's role as the sole operator of all public transit service included in the Project Connect program. ATP, the City, and Capital Metro will enter into a separate implementation agreement(s) that will govern the process for the operational and safety certification, commissioning of Austin Light Rail, and for the operation of Austin Light Rail in accordance with FTA requirements, including state of good repair, and warranties as required. CapMetro will work with the ATP team to develop maintenance plans for the light rail capital assets as plans and specifications for the vehicles, systems, and project design are advanced.

**9. If applicable, how will the new recipient conduct maintenance oversight of subrecipients, contractors, or lessees?**

ATP will be responsible for maintenance but will delegate day to day management and performance for maintenance of the future light rail service to either CapMetro or another third party. CapMetro has established procedures that are compliant with all federal requirements. ATP will verify and periodically audit CapMetro's compliance with their procedures and federal requirements as part of its continuing efforts to maintain oversight and work closely with the operator of the Austin Light Rail system.

**10. Please describe the new recipient's procurement policies and procedures required when utilizing FTA funding. A copy of the written policies and procedures should also be provided.**

ATP's attached Procurement Policy approved by the Board is consistent with all applicable local, state, and federal statutes. The policy was developed in consideration of FTA's Best Practices Procurement & Lessons Learned Manual and Circular 4220. The policy:

- a. Provides public confidence in the integrity, fairness, and accountability of ATP's procurement system.
- b. Ensures the fair and equitable treatment of all persons who deal with the procurement system of ATP.
- c. Promotes contracting opportunities for all Disadvantaged Business Enterprises (DBEs), Minority-Owned Business Enterprises (MBEs), and Women-Owned Business Enterprises (WBEs), both as prime contractors and subcontractors.
- d. Fosters full and open competition.
- e. Meets the customer's needs in terms of cost, quality, and timeliness of the delivered product or service.
- f. Promotes positive relationships through courtesy and impartiality in all phases of the procurement process.
- g. Handles confidential information or proprietary information with proper consideration of the ethical and legal ramifications of disclosure.
- h. Maintains the integrity of ATP's procurement system.
- i. Provides for the timely, impartial resolution of all procurement issues.
- j. Provides increased efficiency and effectiveness in ATP's procurement activities, thereby exercising good stewardship of public funds and maximizing, to the fullest extent possible, the purchasing value of those public funds.

**11. Will the new recipient utilize FTA funds to support contracts for transit operations and/or management services? If yes, please describe the procurement process for these contracts.**



ATP has a dedicated local property tax funding source, a portion of which will be used to support light rail operations. ATP and CapMetro may also utilize FTA funds to support contracts for transit operations and/or management services. The procurement approach for operations and maintenance services has not yet been determined. The procurement process for all contracts related to the new service will follow federal procurement guidelines, as discussed in the attached ATP Procurement Policy.



## 12. Organizational Chart

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |

## **ATP New Recipients Submittal Package**

### **12. Organizational Chart Narrative**

The attached organizational chart is provided in three pages:

- Overview of ATP Senior Management and Key Function Leads
- Detailed chart for Administration Functions
  - Includes Legal Counsel, Real Estate, IT, Human Resources, Administrative Support, Procurement and Finance
- Detailed chart for Project Delivery Functions
  - Includes Engineering and Construction, Planning (includes NEPA compliance, ridership modeling and CIG application support), Project Controls, Architecture and Urban Design, Community Engagement and Partnerships

The current team of ATP agency staff is complemented by consultants under a Program Development Management contract, some of whom are embedded in the ATP office and function as staff augmentation. Roles may be filled by consultants if they require a specialized expertise, are needed for a limited period of time, or are performing necessary work in advance of ATP hires. In addition, ATP has engineering and architectural team consultant support through contracts that are scoped to perform advanced conceptual engineering and development of systemwide design guidelines.

During Project Development for Austin Light Rail, ATP will identify the approach to project delivery and contracting and develop a staffing plan for later project phases that corresponds to this approach. An owner's representative contract for program management and construction management will be procured to support the continuing design and construction of Austin Light Rail.

Working partnerships with CapMetro and the City of Austin are integral to the success of the Project Connect program. The City of Austin has formed the Project Connect Office, part of the Capital Project Delivery department within the City, to focus on supporting the implementation of the program. Both CapMetro and the City Project Connect Office team members have dedicated work space in the ATP office to facilitate the integration of our teams.

During project development, CapMetro will provide input to ATP focused on key areas:

- Integration with existing transit system and coordination with ongoing service planning
- Safety requirements and certification
- ADA requirements and accessibility
- Maintenance and operational requirements to deliver the desired service plan


This coordination is achieved through an established design coordination and review process, that operates at the staff level with pathways to escalate issues to executive team members from all organizations on a weekly basis.

In addition to design coordination and review, ATP and the City of Austin are collaborating on a set of topics to ensure readiness for light rail, which includes:

- Approach to permitting process for light rail, including potential City ordinance amendments.
- Coordination on utilities, including identification of potential betterments and how those will be handled
- Austin Energy coordination regarding future power supply, rates and requirements
- Transit signal priority and integration of traffic signals with train control system
- Land use policy changes to support transit-supportive uses along the light rail corridor
- Real estate acquisition process, right of way use and maintenance agreements
- Project definition adoption to memorialize key design elements

Each of these key topics has a work group to focus on actions needed to support the development of Austin Light Rail. Regular meetings are being established at the Executive Director/City Manager level to monitor progress and assign necessary resources.





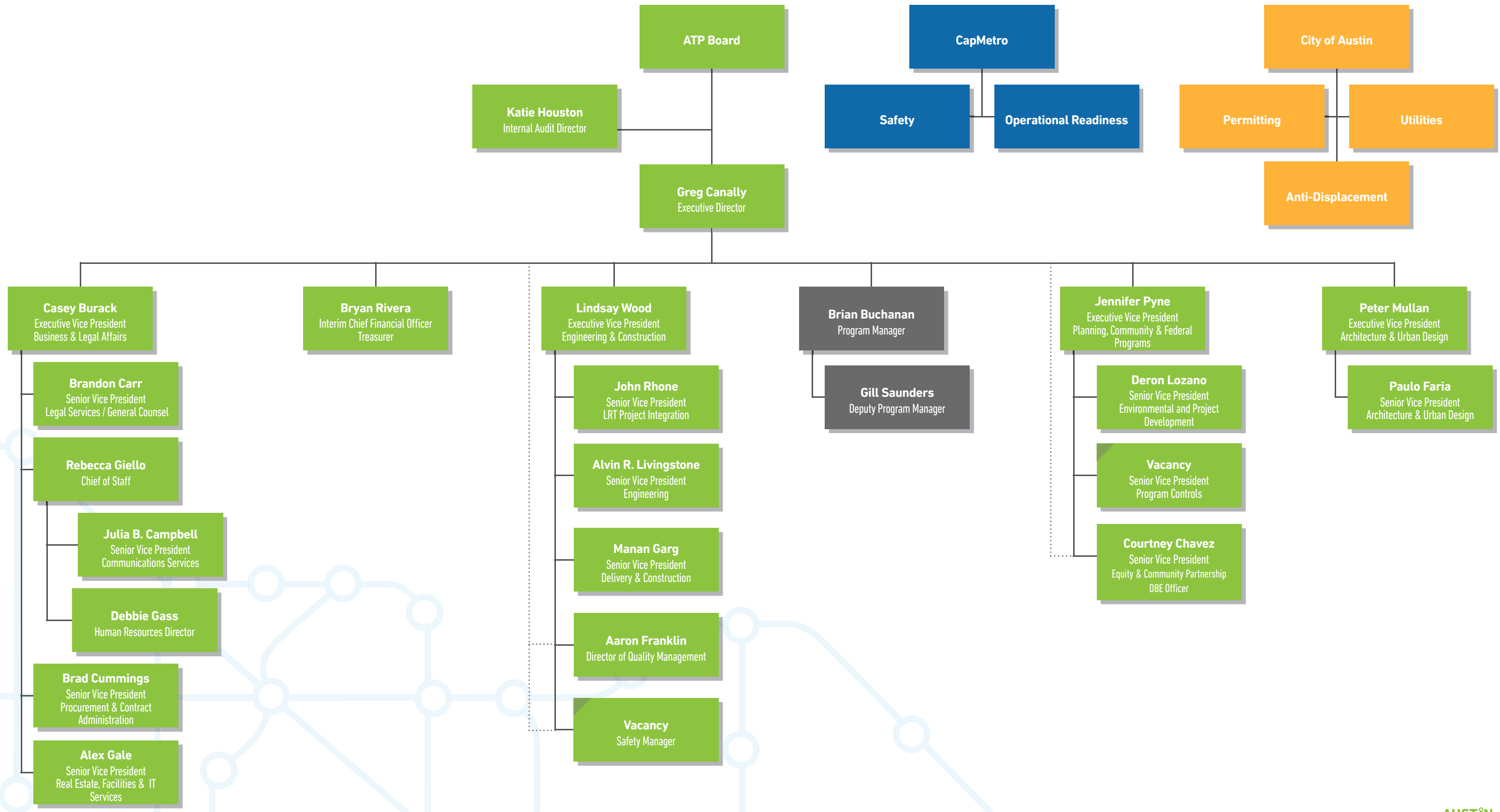
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**AUSTIN LIGHT RAIL** ORGANIZATIONAL CHART

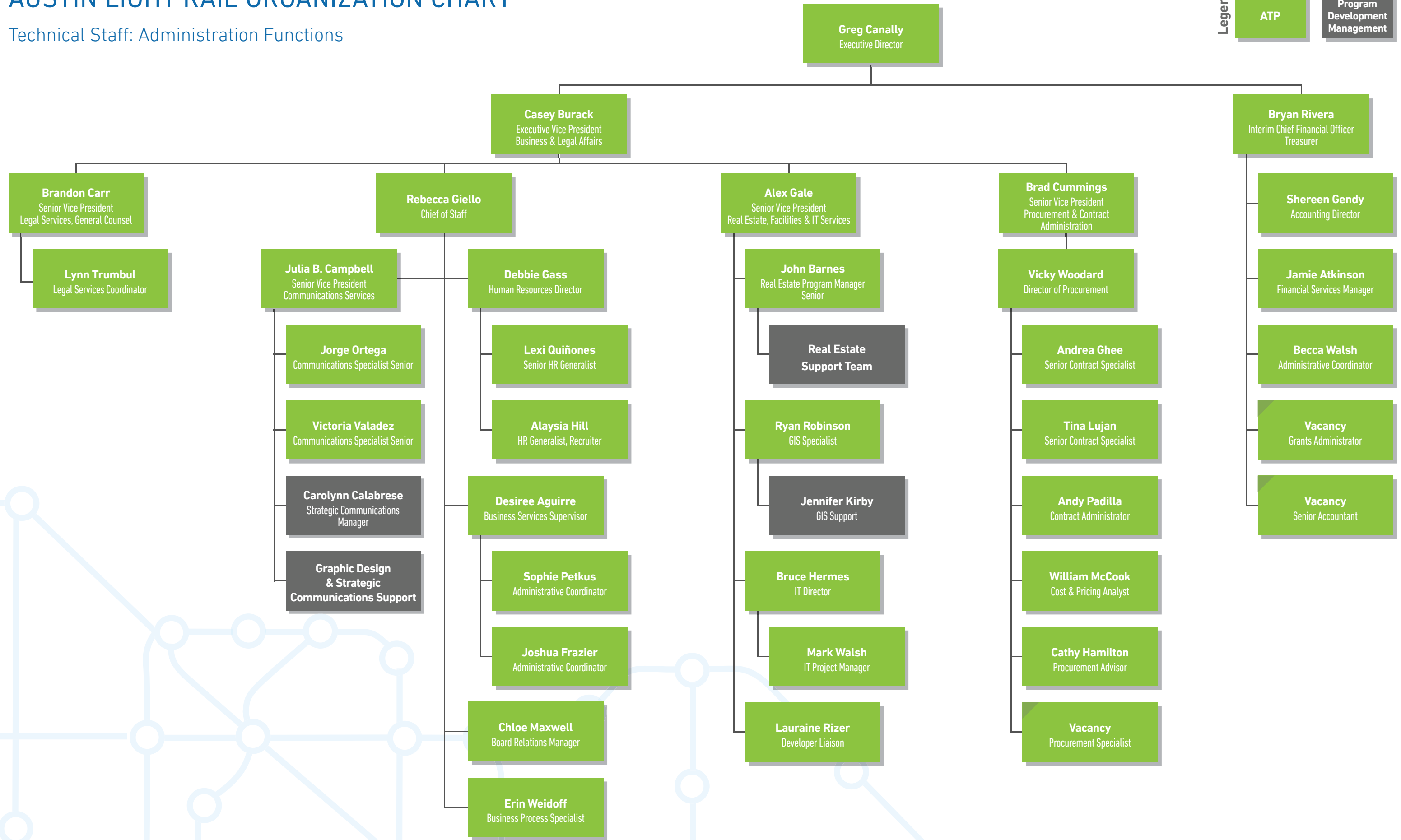
# AUSTIN LIGHT RAIL ORGANIZATION CHART

ATP - Senior Management / Key Function Leads



# AUSTIN LIGHT RAIL ORGANIZATION CHART

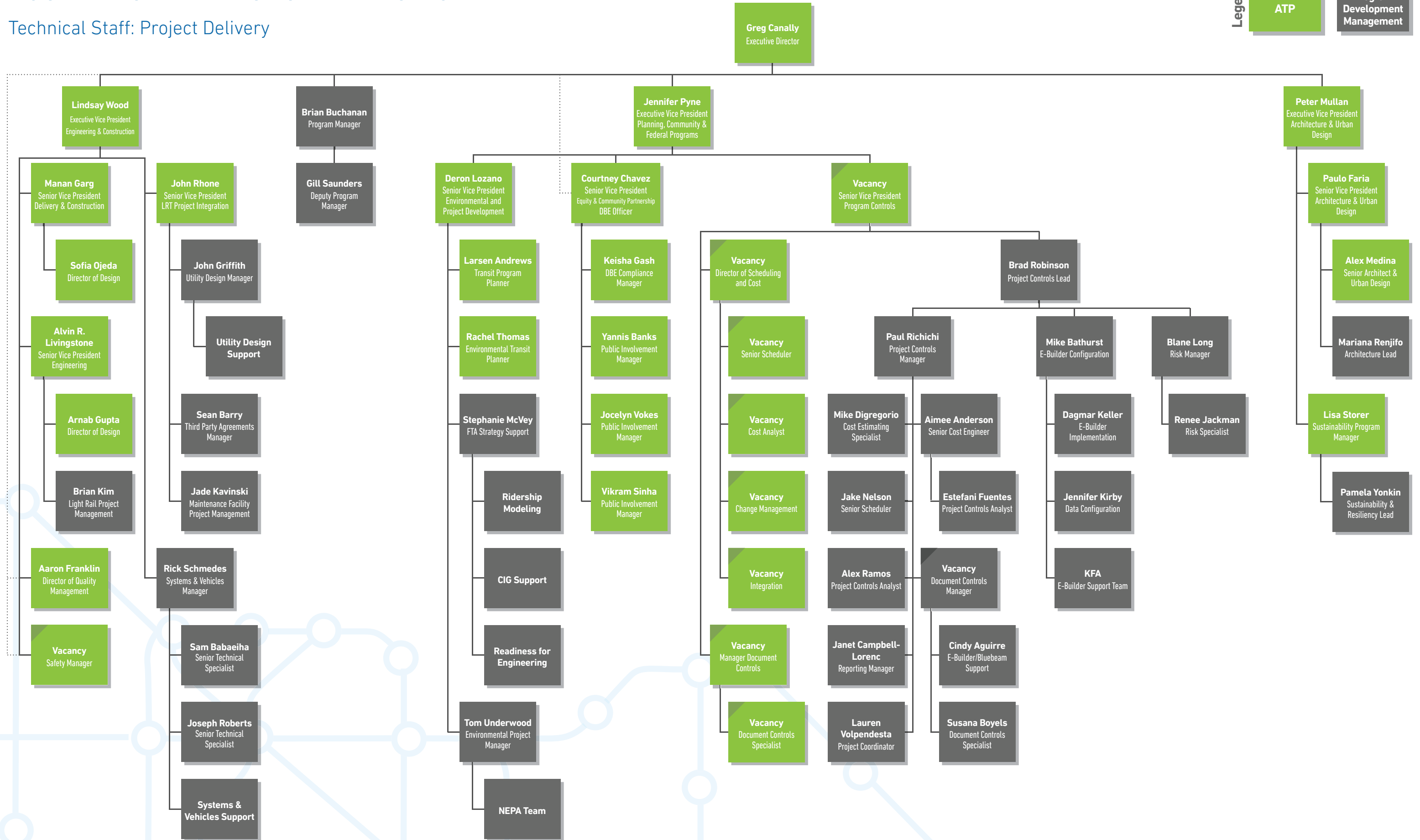
Technical Staff: Administration Functions





# AUSTIN LIGHT RAIL ORGANIZATION CHART

## Technical Staff: Project Delivery





AUSTIN TRANSIT PARTNERSHIP

# Civil Rights Requirements

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## 13. Title VI Plan and Required Elements

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership Civil Rights – Title VI Program Plan

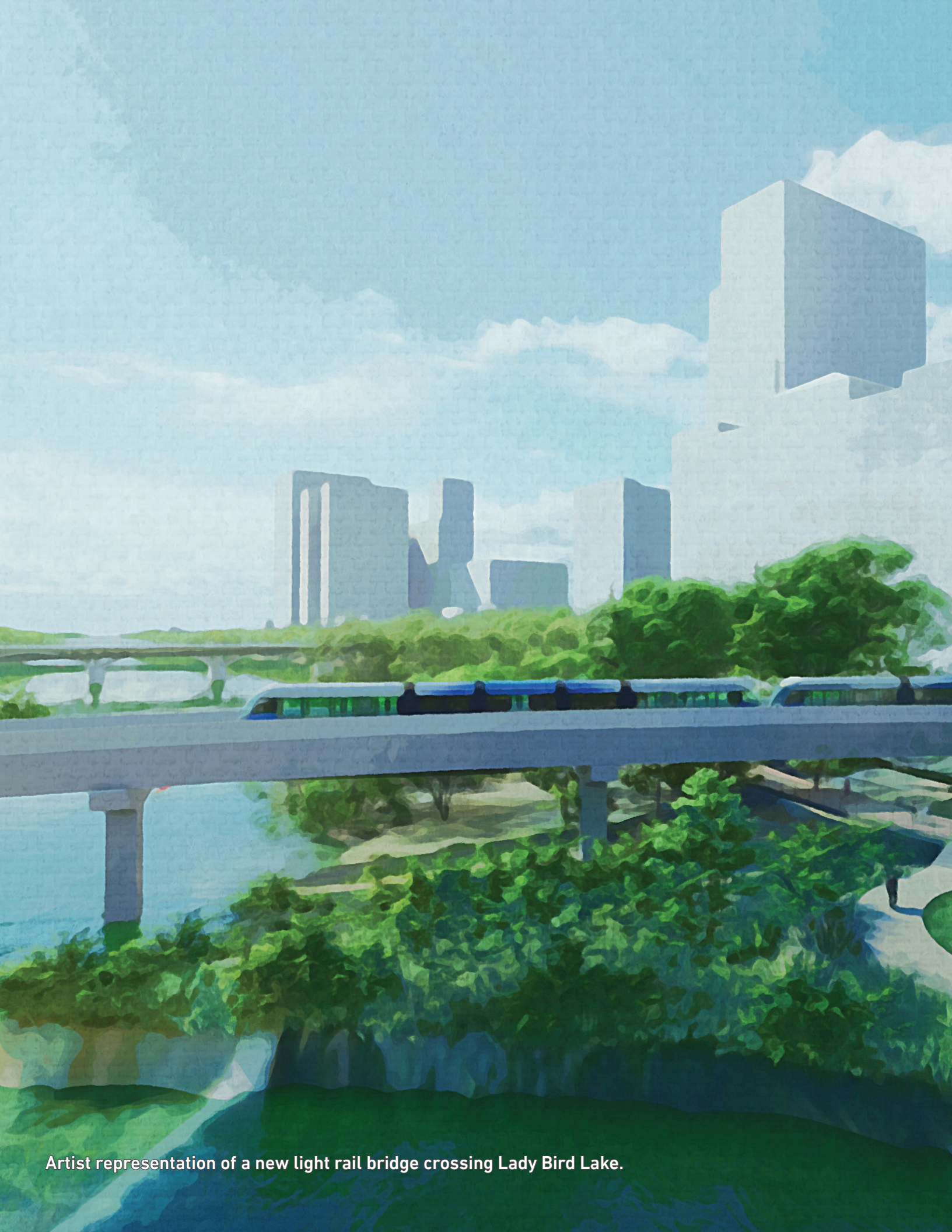
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Transforming Transit Together

JUNE, 2023

**AUSTIN  
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Artist representation of a new light rail bridge crossing Lady Bird Lake.

# TABLE OF CONTENTS

|                                                                                           |           |
|-------------------------------------------------------------------------------------------|-----------|
| <b>Profile of the Organization</b>                                                        | <b>4</b>  |
| <b>Program Overview</b>                                                                   | <b>4</b>  |
| <b>Title VI of the Civil Rights Act</b>                                                   | <b>5</b>  |
| <b>General Reporting Requirements</b>                                                     | <b>5</b>  |
| 1. Title VI Notice to the Public                                                          | 5         |
| 2. Title VI Complaint Process and Complaint Form                                          | 6         |
| 3. Record and Report of Transit-Related Title VI Complaints, Investigations, and Lawsuits | 7         |
| 4. Promoting Inclusive Public Participation                                               | 7         |
| 5. Requirements to Provide Meaningful Access for Limited English Proficiency Persons      | 9         |
| 6. Demographics of Board-Appointed Committees and Advisory Bodies                         | 12        |
| 7. Ensuring Subrecipient Compliance                                                       | 13        |
| 8. Determination of Site or Location Facilities                                           | 14        |
| <b>Board Action Demonstrating Review and Approval of Title VI Program Plan</b>            | <b>14</b> |

DRAFT





## PROFILE OF THE ORGANIZATION

In November 2020, the Austin voters approved Proposition A to dedicate new revenue to implementation of Project Connect, and to create an independent entity to implement and oversee the program designed to provide transportation alternatives for the public and respond to development challenges that impact our community.

The Austin Transit Partnership (ATP) was officially created (by the City of Austin and the Capital Metro Transportation Authority (CapMetro)) in December 2020, as the independent entity, accountable and responsible for the financing, design, construction, and overall implementation of Project Connect.

ATP's charge is to deliver on the voters' transit vision in partnership with the community — and in a way that embeds equity, sustainability, and transparency as overarching priorities. ATP is driven by data, which includes community input, and is committed to meeting voters' goals and honoring Austin's values.

ATP's seven-member Board of Directors provides strategic oversight of the program and convenes the community, as well as experts and partners who are crucial to delivering the program and achieving the public's vision and goals. Certain foundational documents, including the Joint Powers Agreement among ATP, the City of Austin, and CapMetro, define ATP's responsibilities that include:

- » Planning, design, contracting, acquisition, construction, and financing of the approved Austin Light Rail Implementation Plan.
- » Actively ensuring that all parts of the community have a voice in the development of the program and providing regular program updates to the community and partners.

## PROGRAM OVERVIEW

ATP has prepared this Title VI Program Plan in compliance with Title 49 Code of Federal Regulations Part 21 and the Federal Transit Administration ("FTA") Circular 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients".

# TITLE VI OF THE CIVIL RIGHTS ACT

The Civil Rights Act of 1964, as amended, 42 U.S.C. §2000d, et seq (“Title VI”) provides that:

No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

ATP’s responsibility is to remove barriers that prevent minority, low-income, and persons with limited English proficiency (LEP) from receiving equal access to ATP’s transit-related services, programs, and initiatives. In operating a federally assisted program, ATP cannot, on the basis of race, color, national origin, either directly or through contractual means:

- » Deny program services, aids, or benefits.
- » Provide a different service, aid or benefit, or provide them in a manner different than they are provided to others.
- » Segregate or separately treat individuals in any matter related to the receipt of any service, aid, or benefit.

## GENERAL REPORTING REQUIREMENTS

### 1. Title VI Notice to the Public

ATP is committed to ensuring that the public is aware of the rights and protections afforded to them under Title VI. In accordance with Title 49 CFR Section 21.9(d) and guidance provided in FTA Circular 4702.1B, ATP’s Title VI Notice to the Public (the “Notice”) includes:

1. A statement that ATP operates programs without regard to race, color, or national origin.
2. A description of the procedures that the public should follow to request additional information regarding ATP’s Title VI obligations.
3. A description of the procedures that the public needs to follow in order to file a Title VI discrimination complaint.

ATP’s Title VI Program information will be placed on its website located at <https://atptx.org/>. The Notice contains a phone number, as well as e-mail and surface mailing address, for customers to file a Title VI discrimination complaint.

To support the needs of the Limited English Proficiency (LEP) population, the Notice is translated into Spanish. However, the latest American Community Survey 2018 data of the ATP/ CMTA service area shows that there are six additional languages that meet the Safe Harbor provision threshold of 1,000 to receive translation of vital documents. These are: Vietnamese, Chinese (Mandarin), Korean, Arabic, Telugu, and Punjabi. In addition, Burmese, Pashto, and French are added to this list because of a large refugee population that may need assistance in these languages. To fulfil the Title VI requirement, the contact information will be translated in Vietnamese, Chinese (Mandarin), Korean, Arabic, Telugu, Punjabi, Burmese, Pashto, and French - if the information is needed in those languages. ATP will add these languages to its website and in its notice to the public. [See Appendix A - Notice to Public]

## 2. Title VI Complaint Process and Complaint Form

ATP is committed to ensuring that no person is excluded from participation in or denied the benefits of services on the basis of race, color or national origin, as protected by Title VI of the Civil Rights Act of 1964, as amended ("Title VI"). If any person believes they have been discriminated against on the basis of race, color, or national origin, they may file a complaint with ATP by completing and submitting ATP's Title VI Complaint Form and submitting it by email to:

[ATP\\_TitleVI@atptx.org](mailto:ATP_TitleVI@atptx.org)

In the alternative, the complaint form may be submitted by mail to:

**Austin Transit Partnership**

**Equity & Community Partnership – Title VI Complaint**

**203 Colorado St.**

**Austin, TX 78701**

If assistance is needed to file a written complaint, contact (512) 202-5752 or [ATP\\_TitleVI@atptx.org](mailto:ATP_TitleVI@atptx.org).

ATP investigates completed, written complaints received no more than 180 days after the alleged incident. Once a complaint is received, ATP will take the following steps:

1. The complaint is reviewed by the Equity and Community Partnership Department to determine if ATP has jurisdiction. ATP will provide an acknowledgment letter informing the complainant whether the complaint will be investigated.
2. ATP will use its best efforts to investigate the complaint within 90 calendar days of its receipt. If additional information is needed, the Equity and Community Partnership Department will contact the complainant by phone or in writing. Failure of the complainant to respond within 15 days of the request for information may result in the administrative closure of the complaint. A case can be administratively closed if the complainant no longer wishes to pursue their case.
3. ATP will issue one of the following determination letters:
  - a. A closure letter that states that there was not a Title VI violation and that the case will be closed.
  - b. A letter of finding that explains whether any disciplinary action, additional training, or other action will occur.

A Complainant may appeal the decision by submitting a written request to ATP's General Counsel within fifteen (15) business days from the date of the determination letter. Appeal requests may be submitted by mail or by email to:

**Austin Transit Partnership**

**General Counsel**

**203 Colorado St.**

**Austin, TX 78701**



Any person may also file a complaint directly with the U.S Department of Transportation by contacting Federal Transit Administration, Office of Civil Rights, at 817-978-0550, or submitting a complaint in writing to:

**Federal Transit Administration, Office of Civil Rights**

**819 Taylor Street, Room 8A36**

**Fort Worth, TX 76102**

A copy of ATP's Title VI Complaint Form is included in this document as Appendix B.

### **3. Record and Report of Transit-Related Title VI Complaints, Investigations, and Lawsuits**

ATP has not been involved in any Title VI complaints, investigations, or lawsuits since its inception in January 2021. ATP will track all complaints, investigation, and lawsuits that it may receive during each reporting period and provide updates to FTA, as required, or as requested.

### **4. Promoting Inclusive Public Participation**

Project Connect is a transformative, voter-approved investment in new transit services that includes Light Rail, MetroRapid Bus Lines, Commuter Rail (improvements to existing line and a new line), and Park and Ride facilities. ATP is committed to implementing Project Connect in a manner that embeds equity into its policies and practices, and proactively addresses displacement and equity as stated in the Community Commitment Resolution and Contract with the Voters resolutions.

ATP seeks to understand each community's unique history, values, and priorities to guide in project planning, development, and implementation. Further, ATP recognizes that effective engagement with members from different neighborhoods with different ethnic and racial identities, income, resource and educational levels, abilities, and sexual and gender identities requires outreach and engagement designed specifically for their needs and sensitive to culture differences within communities.

Through its efforts, ATP seeks to create a comprehensive strategy that increases public participation of communities historically left out of the decision-making process related to transportation projects. This includes providing outreach opportunities to communities in ways that are accessible and convenient, and continuing to ensure that ATP is lessening or removing barriers to participation. In addition, greater opportunities for two-way dialogue that reaches all members of our community ensures accountability and will offer insight on ways that public feedback and participation can help move the program forward.

ATP employs the below strategies to guarantee that all members of the community have an opportunity to participate, including historically disinvested populations, such as LEP, Black, Indigenous, People of Color (BIPOC), and low-income populations:

- » Engagement with geographically specific working groups along the corridors, including regular meetings with each working group. The meetings are designed to get detailed feedback from the community and answer questions throughout the project development process. Previously, ATP held several community design workshops within these geographical areas. The presentation materials, video recordings and summary

of each working group and community design workshop are available for the public to view on the Project Connect Engagement Library: <https://publicinput.com/library>. In addition, meeting recordings are archived and continuously available on ATP's website.

- » One-on-one or small group meetings with all business or residential property owners impacted by the project.
- » Strategically engage specific venues, events, or organizations within Environmental Justice (EJ) and Limited English Proficiency (LEP) communities.
- » Incorporation of go-where-they-gather meeting and pop-up outreach events in EJ and LEP communities; for example, utilizing the Mobile Engagement and Event Pop-Up (MEEP) vehicle during the Austin Light Rail Implementation Engagement process and beyond.
- » Attend existing community events such as Earth Day celebrations, block parties, and festivals to utilize those audiences for support and inform them about Austin Light Rail.
- » Working with the Community Advisory Committee, especially the Community Engagement and the Planning, Equity & Sustainability working groups, which serve as a sounding board and important connection to the community and advises on anti-displacement funding and equity issues in addition to ongoing engagement efforts.
- » Collaboration with the ATX Mobility Coalition, which brings together groups like Austin Justice Coalition, People United for Mobility Action (PUMA), and the Workers Defense Project, on issues related to the Project Connect program and ATP. Feedback recommended by the ATX Mobility Coalition was incorporated into several stages of the program, including the Joint Powers Agreement, and this group continues to provide meaningful input to the program.
- » Inclusion of advocacy groups in the Project Connect Ambassador Network (PCAN) and applicable working groups throughout the study.
- » Event and project information distribution through groups and existing networks, such as chambers of commerce, schools, neighborhood and community groups, faith-based and community-service organizations, and low-income assistance programs.
- » Coordination with essential services for information sharing and distribution through existing networks.
- » Coordination with apartment complexes in EJ and LEP communities for information sharing and distribution.
- » Block walking to areas along the corridor and MetroRapid routes in advance of major public events and/or prior to construction starting.
- » Partnership with local Spanish-language media.
- » Information distribution via direct mail, including postcards with project information and event announcements mailed to addresses along corridors.
- » Information distribution via print and broadcast channels including local community papers, social media and neighborhood magazines/publications. These publications also include Spanish, Korean, and Vietnamese translations.

- » Cross-collaboration with CapMetro and the City of Austin to capitalize on existing and available resources and help ensure consistent and continual messaging as the program progresses.
- » Distribution of transit-related incentives and/or “stuff we all get” (SWAG) to encourage and promote participation and information sharing.
- » Translation of vital documents and web content on key initiatives into languages other than English, as required by Title VI and upon request.
- » Inclusion of information on meeting notices on how to request translation services.
- » Work with community ambassadors, or identified leaders within local communities, who can engage with people in their existing networks to share information, identify key concerns and priorities and collect feedback.

ATP has returned to hosting in-person events more regularly and continues to provide virtual opportunities for community members. For in-person meetings, transit route numbers will always be listed on public materials related to meetings and CapMetro’s MetroAccess call center will be provided to facilitate paratransit reservations. ATP staff are also readily available to assist with special arrangements to accommodate people who experience disabilities.

ATP will maintain partnerships with minority chambers of commerce (Hispanic, Asian, Black, LGBTQ+, and Young) to assist in making public information available to their members and community, as well as contracts with professional translation and interpretation services to further make information available to those who do not speak English.

A sample list of communication and engagement methods deployed during FY 2022-2023 when involving the public, along with a sample list of partner organizations is attached at the end of this document. [See Appendix C – Sample List of Communication and Engagement Methods].

## 5. Requirements to Provide Meaningful Access for Limited English Proficiency Persons

This section details ATP’s Language Assistance Plan (LAP) to provide meaningful access to ATP services and programs to Limited English Proficiency (LEP) individuals. ATP takes all reasonable steps to provide meaningful access to LEP individuals who use its services, facilities, programs, and attend meetings. The policy is to ensure that language will not prevent staff from communicating effectively with LEP clients and others to ensure safe and orderly operations, and that limited English proficiency will not prevent clients or any member of the public from accessing important programs and information; understanding rules, participating in proceedings; or gaining eligibility for programs and/or services.

ATP is utilizing the information and analysis conducted by CapMetro to support development of ATP’s LAP. CapMetro engaged a consultant to conduct a four-factor analysis and create a LAP. Among the highlights of this analysis for CapMetro are:

- » **Factor One:** Over 15% of the population in the service area do not speak English very well and considered to have Limited English Proficiency. One language—Spanish remains the predominant LEP language in both counties, amounting to 9% of the population in Transit County and 5% in Williamson County. 10 languages are included as Safe Harbor languages including languages that were added for translations due to community and staff input. The languages are Spanish, Arabic, Burmese, Chinese (Mandarin), French, Korean, Pashto, Punjabi, Telugu and Vietnamese.

- » **Factor Two:** The LEP community frequently accesses CapMetro services and information, and CapMetro employees often cross paths with persons needing language assistance. About 20% of all surveyed employees encounter people who do not speak English very well on a daily basis, while almost 90% of MV bus operators and Customer Service staff regularly encounter LEP populations. Additionally, almost 60% of the Community Based Organizations responded that their clients frequently sought information for CapMetro about their services and programs.
- » **Factor Three:** CapMetro services are important to the LEP community. The LEP population either regularly uses CapMetro, or uses it at least sometimes, according to the Community Based Organizations (CBOs). Census data also shows that LEP populations use transit about 5 times more than non-LEP populations in Travis County. CBOs also indicated that about 1/3 of their LEP clients do not have a car available for their trip and must rely on CapMetro for their general mobility.
- » **Factor Four:** The analysis shows that CapMetro plans for the myriad activities that they currently undertake to ensure that people who do not speak English very well are able to access the system as easily as the general population. While CapMetro only spends a little of the operating budget on language assistance services, this does not include the hidden costs associated with staff providing on-site and ad hoc translation and interpretation services. Recommended changes will help CapMetro plan into the future to monitor and budget their activities to ensure they are cost effective and help those with the greatest need.

## Language Assistance Plan Overview

The Department of Transportation (DOT) LEP Guidance recommends that recipients develop an implementation plan to address the needs of the LEP populations they serve. The DOT LEP Guidance notes that effective implementation plans typically include the following five elements: 1) identifying LEP individuals who need language assistance; 2) providing language assistance measures; 3) training staff; 4) providing notice to LEP persons; and 5) monitoring and updating the plan.

This LAP represents a continuing approach to providing language assistance. While some language assistance measures are in place, other methods of providing language assistance are being implemented over time to ensure continued compliance with federal requirements. This plan also includes recommendations that would assist ATP to reach best practices for providing language assistance for those needing to access ATP programs and services.

Based on CapMetro's Four Factor analysis, the most frequently encountered languages broken into two groups:

- » Primary: Spanish represents the language spoken in the heaviest concentration within the service area
- » Safe Harbor and additional languages: Arabic, Burmese, Chinese (Mandarin), French, Korean, Pashto, Punjabi, Telugu and Vietnamese.

## Providing Language Assistance Measures

ATP is committed to providing meaningful access to information and services to its LEP customers. Along with enabling persons who do not speak English very well to navigate the system with the same ease as the general population, it is necessary to provide a meaningful opportunity for LEP persons to participate in the public comment process for planning activities and major capital projects. Specific methods pertaining to outreach will be discussed in ATP's Public Participation Plan that is under development and will be added to the Title VI Program Plan. Currently, the primary tools ATP will Implement include the following:

- » Providing Notice to Beneficiaries and Title VI complaint procedures and forms in all Safe Harbor Languages.
- » Providing Google Translate on the ATP website, allowing translations for most content.
- » Providing on-site Spanish speaking translations and interpreting in a variety of settings.
- » Making resources available for any staff to address language assistance needs for any language.
- » Offering interpreters by request for public meetings, public hearings, or board meetings.
- » Posting public meeting notices in foreign language newspapers to reach LEP populations.
- » Providing Spanish translations and pictograms on board vehicles, on Ticket Vending Machines, at bus stops and at stations.
- » Producing Spanish language video content.
- » Creating Spanish translations for some informational brochures and marketing materials.
- » Tapping into Community Based Organizations for assistance in outreach to LEP populations and language assistance.

The following are recommendations that would improve the level of service that ATP provides to its LEP customers and that can be implemented over time as budget and staff permits.

1. Strengthen Title VI awareness through internal training for all staff and integrate an understanding of Title VI across ATP.
2. Create standard processes and informational materials for ATP to utilize as a resource when interacting with the public.
3. Develop demographic analyses that connect Title VI, LEP, and project areas.
4. Translate all vital documents into primary and safe harbor languages.
5. Ensure construction, detour, and other courtesy notices are translated into Spanish, when feasible, and all other languages as determined by analysis of location.
6. Ensure that all website materials and content is in a form that can be translated using online tools, upload documents in original form and not scanned, and use pictograms as necessary instead of printed text.

7. Develop budget plans to monitor and plan for translation and interpretation expenses to increase access and inclusion at ATP board meetings and events.
8. Hold Title VI and LEP training for all new hires.
9. Create a training plan around Title VI and diversity, equity, and inclusion, to proactively engage staff.

### Providing Notice to LEP Persons of Language Assistance Measures

As the most far-reaching and important aspect of language assistance, providing notice to the public on the available language assistance is crucial. Consequently, ensuring that informing the public of how to seek language assistance plays a substantial role in the LAP. ATP will work with CapMetro and its Community Engagement team to share information on access to language assistance.

### Monitoring and Updating the Language Assistance Plan

While a review of the LAP every three years to coincide with the Title VI update is standard, it is also important to monitor the language assistance measures periodically, along with how well the outreach activities are engaging LEP populations, so that if mid-course corrections are needed, they can be accomplished within the framework of the overall Language Assistance Plan. ATP will monitor changes in how LEP populations are engaging in outreach activities to evaluate the effectiveness of its LAP and coordinate with CapMetro to conduct an annual review to ensure that methods of outreach and communication are effective and inclusive. This includes providing an opportunity for staff to provide feedback on the plan and language assistance measures that may not be as effective. Community members will also play a role in the continual monitoring of the language assistance measures, as the broader community can often understand the issue in ways that the agency may not.

Additionally, while the LAP provides guidance for how to approach LEP considerations in establishing new outreach campaigns, staff needs to be responsive to the community's needs in providing language assistance. This may include a targeted outreach approach that reviews demographic changes in the area to anticipate language assistance needs. [See Appendix D- CapMetro's Language Assistance Plan 2021].

## 6. Demographics of Board-Appointed Committees and Advisory Bodies

ATP Transit relies on the oversight and guidance from volunteers and works to ensure diverse representation across each of its Technical Advisory Committees, which includes:

1. Engineering, Architecture, and Construction Committee ("EAC")
2. Finance and Risk Committee ("FAR")
3. Planning, Sustainability, Equity and DBE Committee ("PSEC").



Participation on one of ATP’s Technical Advisory Committees is open to any Community Member who:

- » Is a resident of either the City of Austin or CapMetro’s service area.
- » Has interests and experience that will assist the Committee in developing recommendations on community engagement and equity matters related to Project Connect.
- » Is not a person registered or required to register as a lobbyist under City Code Chapter 4-8 or who is employed by a person registered or required to register under City Code Chapter 4-8.
- » Is not an employee of the City, Capital Metro, or ATP.
- » Does not have a contract for real property, goods or services with the City, CapMetro, or the Joint LGC, or be employed by such a contractor.

Members of the Committee serve for a term of at least two (2) years. In the event of a vacancy or vacancies on the Committee, the remaining members may nominate an individual or individuals to be considered by the ATP Board.

Demographic breakdown of each TAC:

| TAC  | American Indian and/ or Alaska Native | Asian | Black and/ or African American | Hispanic and/ or Latinx | White | Another race/ ethnicity | Two or More | Total |
|------|---------------------------------------|-------|--------------------------------|-------------------------|-------|-------------------------|-------------|-------|
| EAC  |                                       | 1     |                                | 1                       | 4     | 1                       | 1           | 8     |
| FAR  |                                       | 1     |                                | 2                       | 4     |                         |             | 7     |
| PSEC |                                       | 1     | 2                              | 1                       | 4     |                         |             | 8     |

## 7. Ensuring Subrecipient Compliance

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, and national origin for programs and activities receiving Federal financial assistance. Subrecipients certify compliance with the requirements of Title VI laws and regulations. To ensure that all subrecipients comply with Title VI regulations, ATP provides assistance to all subrecipients and monitors their performance annually. The subrecipient monitoring process is summarized in the following pages.

## Providing Assistance to Subrecipients

ATP has developed procedures to provide assistance to subrecipients, distribute funds in an equitable and non-discriminatory way, and to monitor subrecipients' compliance with Title VI. ATP is committed to ensuring that subrecipients agree to comply with the requirements of Title VI of the Civil Rights Act, 42 U.S.C. §2000d, and applicable regulations, in programs and activities receiving or benefiting from FTA funding. ATP requires subrecipients to agree to and assure compliance with the requirements of Title VI by submitting certifications and assurances which are included in their subaward agreements. As Project Connect and ATP continues to grow, ATP will provide training and guidance and conduct site visits for all subrecipients. In addition, ATP will perform annual reviews to ensure subrecipient compliance with the FTA requirement that subrecipients prepare a Title VI program containing at least the following information: Notice to beneficiaries of their rights under Title VI; Title VI complaint procedures and form; Title VI investigations, complaints, and lawsuits; inclusive public participation; meaningful access to persons with Limited English Proficiency (LEP); and minority representation on advisory bodies. ATP will provide subrecipients with assistance as needed in the form of supplemental materials, including but not limited to:

- » Sample documents: Title VI Program Updates, Notices to the Public, Complaint forms, Public Participation Plans, and Language Assistance Plans; and
- » Demographic (Census) information.

## 8. Determination of Site or Location Facilities

FTA requires a Title VI equity analysis if a federal recipient constructs a facility, such as a vehicle storage garage, maintenance facility, or operations center, to determine the local environmental impacts on minority and low-income populations. This does not include bus stops or transit centers because these are classified as transit amenities. No facility equity analysis was conducted by ATP during the last Fiscal Year. ATP will conduct the required analysis, as needed.

# BOARD ACTION DEMONSTRATING REVIEW AND APPROVAL OF TITLE VI PROGRAM PLAN

The ATP Board approved the 2022 Title VI Program Plan at the meeting held on July 20, 2022. The signed resolution is included as Appendix E.





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[www.atptx.org](http://www.atptx.org)

## 14. DBE Program and Goal

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership Civil Rights – DBE Program Plan

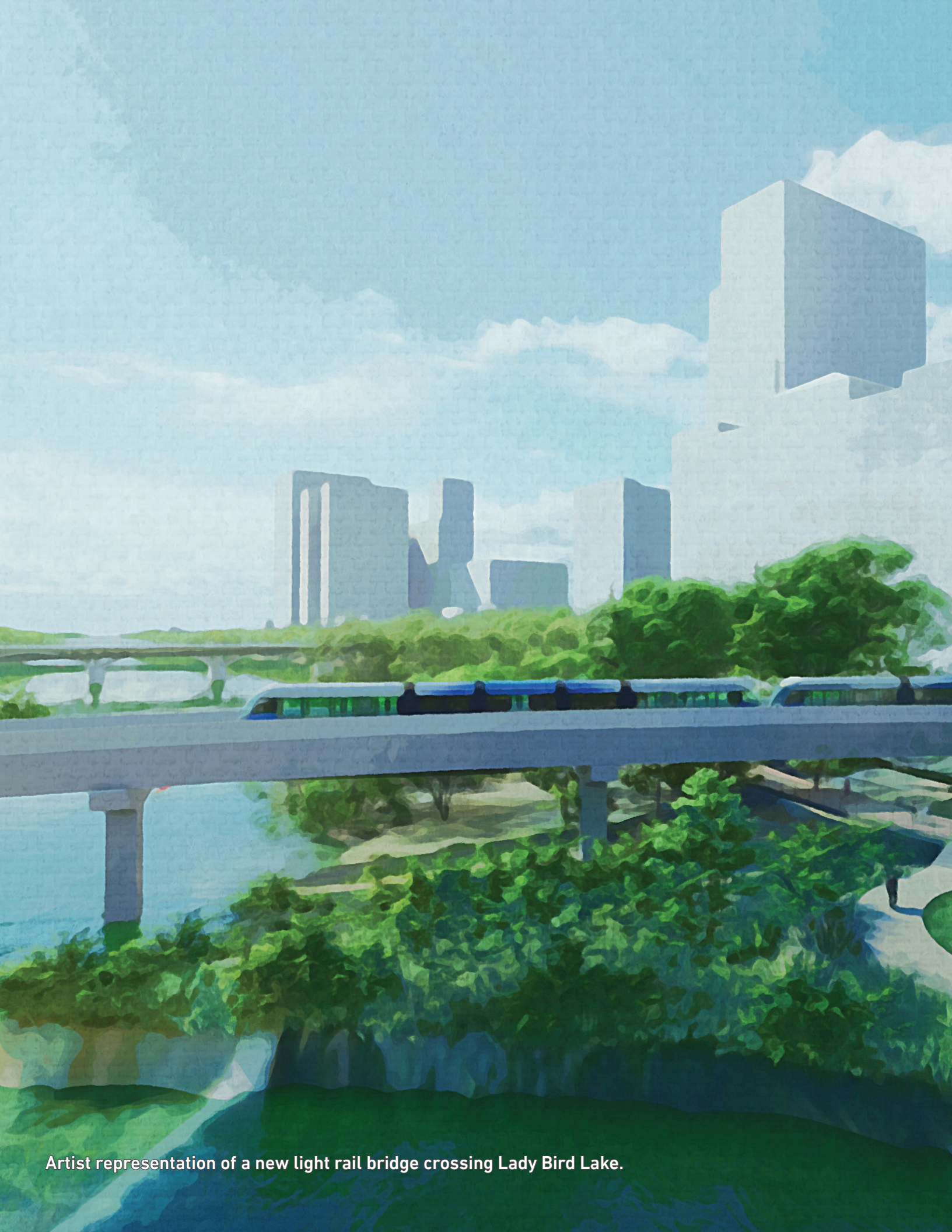
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Transforming Transit Together

JUNE, 2023

**AUSTIN  
TRANSIT**  
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Artist representation of a new light rail bridge crossing Lady Bird Lake.



# TABLE OF CONTENTS

|                                                                                           |           |
|-------------------------------------------------------------------------------------------|-----------|
| <b>POLICY STATEMENT</b>                                                                   | <b>4</b>  |
| POLICY STATEMENT AND PROGRAM OBJECTIVES (26.1, 26.23)                                     | 4         |
| <b>SUBPART A – GENERAL REQUIREMENTS</b>                                                   | <b>5</b>  |
| SECTION 26.1 – OBJECTIVES                                                                 | 5         |
| SECTION 26.3 – APPLICABILITY                                                              | 5         |
| SECTION 26.5 – DEFINITIONS OF TERMS                                                       | 5         |
| SECTION 26.7 – NONDISCRIMINATION                                                          | 5         |
| SECTION 26.11 – RECORD KEEPING REQUIREMENTS                                               | 5         |
| SECTION 26.11(C) – BIDDERS LIST                                                           | 6         |
| SECTION 26.13 – FEDERAL FINANCIAL ASSISTANCE AGREEMENT ASSURANCE                          | 6         |
| <b>SUBPART B – ADMINISTRATIVE REQUIREMENTS</b>                                            | <b>7</b>  |
| SECTION 26.21 – DBE PROGRAM UPDATES                                                       | 7         |
| SECTION 26.25 – DBE LIAISON OFFICER                                                       | 7         |
| SECTION 26.27 – DBE FINANCIAL INSTITUTIONS                                                | 8         |
| SECTION 26.29 – PROMPT PAYMENT MECHANISMS                                                 | 8         |
| SECTION 26.31 – DIRECTORY                                                                 | 8         |
| SECTION 26.33 – OVERCONCENTRATION                                                         | 9         |
| SECTION 26.37 – MONITORING AND ENFORCEMENT MECHANISMS                                     | 9         |
| SECTION 26.39 – FOSTERING SMALL BUSINESS PARTICIPATION                                    | 9         |
| <b>SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING</b>                                | <b>12</b> |
| SECTION 26.43 – SET-ASIDES OR QUOTAS                                                      | 12        |
| SECTION 26.45 – OVERALL GOALS                                                             | 12        |
| SECTION 26.51 (A-C) – BREAKOUT OF ESTIMATED RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION | 13        |
| SECTION 26.51 (D-G) – CONTRACT GOALS                                                      | 14        |
| SECTION 25.53 – GOOD FAITH EFFORT PROCEDURES                                              | 14        |
| SECTION 26.55 – COUNTING DBE PARTICIPATION                                                | 17        |
| <b>SUBPART D – CERTIFICATION STANDARDS</b>                                                | <b>18</b> |
| SECTION 26.61 – 26.73 – CERTIFICATION PROCESS                                             | 18        |
| <b>SUBPART F – COMPLIANCE AND ENFORCEMENT</b>                                             | <b>19</b> |
| SECTION 26.109 – INFORMATION COLLECTION AND REPORTING (26.109)                            | 19        |
| <b>ATTACHMENT 1: ORGANIZATIONAL CHART</b>                                                 | <b>20</b> |
| <b>ATTACHMENT 2: COPY OF DBE DIRECTORY</b>                                                | <b>21</b> |
| <b>ATTACHMENT 3: MONITORING AND ENFORCEMENT MECHANISMS/LEGAL REMEDIES</b>                 | <b>22</b> |
| <b>ATTACHMENT 4: CONFIDENTIALITY</b>                                                      | <b>24</b> |
| <b>ATTACHMENT 5 [VENDOR PAYMENT FORM]</b>                                                 | <b>25</b> |
| <b>ATTACHMENT 6: INTENT TO PERFORM AS A DBE SUBCONTRACTOR</b>                             | <b>26</b> |

# POLICY STATEMENT

## Policy Statement and Program Objectives (26.1, 26.23)

Austin Transit Partnership (ATP) has established and adopted a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), Title 49 Code of Federal Regulations (CFR), Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs."

As a recipient of Federal financial assistance from the DOT, and as a condition of receiving this assistance, ATP signed an assurance that it will comply with Title 49 CFR Part 26. The ATP DBE Program will be implemented immediately upon publication.

It is the policy of ATP to ensure that DBEs as defined in 49 CFR Part 26 have an equal opportunity to receive and participate in ATP's DOT-assisted contracts. It is also ATP's policy to:

1. Ensure non-discrimination in the award and administration of all ATP contracts and subcontracts;
2. Create a level playing field by which DBEs can compete for and perform in ATP's DOT-assisted contracts;
3. Ensure that the ATP DBE Program is narrowly tailored in accordance with applicable law;
4. Ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. Help remove procurement and contracting barriers, which impede DBE participation in DOT-assisted contracts;
6. Assist in the development of DBEs and Small Businesses successfully in the marketplace outside the DBE Program;
7. Promote the use of DBEs in all types of Federally assisted contracts and procurement activities conducted by Austin Transit Partnership outside the DBE Program;
8. Implement Small Business provision for DOT-assisted contracts without regard to DBE certification

ATP's Director of Equity and DBE Program has been delegated as DBE Liaison Officer. In that capacity, the Director of Equity and DBE Program is responsible for implementing all aspects of the DBE Program. Implementation of the DBE Program is accorded the same priority as compliance with all other legal obligations incurred by ATP in its federally funded financial assistance agreements.

ATP has disseminated this policy statement to the ATP Board of Directors and all of the components of the ATP organization.

# SUBPART A – GENERAL REQUIREMENTS

## Section 26.1 – Objectives

The objectives are found in the Policy Statement on the first page of this DBE Program.

## Section 26.3 – Applicability

ATP has established and adopted a DBE Program in accordance with regulations of the DOT, Title 49 CFR Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs."

As a recipient of Federal financial assistance from the DOT, and as a condition of receiving this assistance, ATP signed an assurance that it will comply with Title 49 CFR Part 26. The ATP DBE Program will be implemented immediately upon publication. The ATP DBE Program sets forth the policies and procedures to be implemented by ATP to ensure that DBEs have an equitable opportunity to participating in DOT-assisted contracting opportunities.

## Section 26.5 – Definitions of Terms

**Race-Conscious:** A program or portion thereof that focuses specifically on assisting only DBEs, including minority and women-owned DBEs, by the development and inclusion of participation goals or Good Faith Effort activities.

**Race-Neutral:** A program or portion thereof that assists all small businesses, including DBEs, regardless of ownership status, in successfully participating in ATP's procurement program.

Any other term used in this program have the meanings defined in Title 49 CFR, Part 26 (See, Exhibit A, "DBE Program Regulations," 49 CFR Part 26.5).

## Section 26.7 – Nondiscrimination

ATP 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 its DBE program, ATP 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.

## Section 26.11 – Record Keeping Requirements

DBE participation will be reported to the applicable Operating Administration on a semi-annual basis. These reports will reflect payments actually made to DBEs on DOT assisted contracts.

## Section 26.11(c) – Bidders List

ATP will develop and maintain a Bidders List consisting of all firms bidding on prime contracts, and bidding or quoting subcontracts on ATP's DOT-assisted projects and contracts. ATP will collect the information for its Bidders List by requiring all prime contractors bidding on DOT-assisted contracts to submit, at the time of the bid opening, the following information pertaining to the prime contractor and subcontractors, who provided a bid or were contacted by the prime contractor:

1. Firm Name
2. Address
3. Years in Business
4. Status as a DBE or non-DBE
5. Type of Work and
6. Annual Range of Gross Receipts

## Section 26.13 – Federal Financial Assistance Agreement Assurance

ATP has signed the following assurance, applicable to all DOT-assisted contracts and their administration:

**“Recipient 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 the necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT assisted contracts. The recipient’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 Recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).”**

Additionally, ATP will ensure that the following language is included in financial assistance agreements with sub recipients and require the prime contractor to impose the same requirement on each subcontract the prime contractor signs with a subcontractor:

**“The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor and subcontractor shall carry out applicable requirements of 49 CFR part 26 in the administration of this DOT-assisted contract. Failure to carry out these requirements is a material breach of contract, which may result in the termination of this contract or such other remedy as ATP deems appropriate.”**

# SUBPART B – ADMINISTRATIVE REQUIREMENTS

## Section 26.21 – DBE Program Updates

In conformance with Title 49 CFR Part 26, ATP will continue to carry out its DBE Program until all DOT funds have been expended. ATP is required to submit its DBE Program for approval to the Operating Administration from which it receives the majority of its funding.

## Section 26.25 – DBE Liaison Officer

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

### **Courtney Chavez**

SVP, Equity & Community Partnership

203 Colorado St., Texas 78701

(512) 202-5752

Courtney.Chavez@atptx.org

In that capacity, the DBELO is responsible for overseeing and implementing all aspects of the DBE program and ensuring that ATP complies with all provisions of 49 CFR Part 26, and subsequent DOT-issued directives and final rules. The DBELO has direct, independent access to the Chief Executive Officer concerning DBE program matters. The DBELO has sufficient support personnel who devote a portion of their time to implement the ATP DBE Program, in coordination with appropriate officials.

The DBELO's and/or designee's duties include, but are not limited to, the following:

1. Gathers and reports statistical data and other information as required by the DBE Program, including preparation of semi-annual DBE reports, overall Project DBE goals and related analysis for submission to the applicable DOT Operating Administration, and requests from ATP Leadership and Board for ad hoc reporting.
2. Reviews applicable contracts, purchase requisitions, advertisements, boilerplate language specifications, and other related documentation specific to implementing applicable DEB requirements.
3. Consults with all affected departments in developing overall DBE goals and project goals.
4. Ensures that bid notices and requests for proposals are made available to DBEs in a timely manner.
5. Reviews DOT-assisted contracts and procurements for purposes of applying contract-specific DBE goals, when appropriate, and/or applicable race-neutral methods.
6. Analyzes ATP's progress toward meeting overall project DBE goal commitments by monitoring individual contract DBE attainments.
7. Participates in pre-bid meetings for purposes of reviewing DBE solicitation and contract requirements with potential bidders and/or offerors.
8. Advises the Executive Director on DBE matters and achievements.
9. Conducts contract DBE responsiveness reviews, including assessing DBE participation eligibility toward ATP's overall DBE goal, as applicable, to both race-conscious and race-neutral methods.

## Section 26.27 – DBE Financial Institutions

It is the policy of ATP 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 contracts to make use of these institutions. ATP has researched and collected information on the availability of DBE owned financial institutions in our area at:

<http://www.federalreserve.gov/releases/mob/>.

The list will be available at Equity and DBE Program Office and ATP will also re-evaluate the availability of DBE financial institutions every year.

## Section 26.29 – Prompt Payment Mechanisms

ATP will include the following contract clauses in each DOT-assisted contract, and it will apply to payments made to both DBE and non-DBE subcontractors:

- » Payment shall be made within the time period allowed by law through the Texas Prompt Payment Act: Texas Government Code 2251.021(b). A prompt payment discount may be taken if offered and determined to be advantageous by ATP.
- » The Contractor shall pay all Subcontractors (DBEs and non-DBEs) with whom the Contractor has entered into a Subcontract for all Work that the Subcontractor has satisfactorily completed, no later than ten (10) days after the Contractor receives payment from ATP in respect of such completed Work. ATP may withhold all or part of any payment otherwise due the Contractor if the Contractor fails to submit the Vendor Payment Report form and/or make prompt payments to its subcontractors, suppliers, materialmen, or laborers.
- » Payments by consultants to subconsultants associated with ATP contracts are subject to the time periods established in the Texas Prompt Payment Act, Tex. Gov't Code § 2251.

If ATP elects to withhold retainage from the prime contractor, ATP will provide prompt and regular incremental acceptances of portions of the work on each contract and pay retainage to the prime based on these acceptances. ATP will include a contract clause that will require the prim to make prompt and full payment of any retainage owed to subcontractors for satisfactory completion of the subcontractors work within 10 days after subcontractors' work has been completed.

## Section 26.31 – Directory

ATP uses a directory identifying all firms eligible to participate as DBEs from the Texas Unified Certification website directory that is managed and updated regularly by the Texas Department of Transportation. The directory lists the firm's name, address, phone number, date of most recent certification, and the type of work the firm has been certified to perform as a DBE. ATP makes the link to the Directory available to all interested parties electronically and in hard copy upon request. The link to the Directory may be found in Attachment 2 to this program document.



## Section 26.33 – Overconcentration

ATP has not identified that overconcentration exists in the types of work that DBEs perform. Should ATP determine that overconcentration exists, ATP will obtain approval from the concerned Operating Administration of its determination and the measure devised to address it. Once these measures are approved, they will become part of ATP's DBE Program.

## Section 26.37 – Monitoring and Enforcement Mechanisms

ATP will implement appropriate mechanisms to ensure compliance with Title 49 CFR Part 26 requirements by all program participants. Such mechanism will provide a running tally of actual DBE attainments, including a means of comparing these attainments to commitments.

ATP may perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts committed.

ATP will 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 26.109. ATP will consider similar action under our own legal authorities, including responsibility determinations in future contracts.

## Section 26.39 – Fostering Small Business Participation

ATP will structure contracting requirements to facilitate competition by small businesses by analyzing procurements and where appropriate may require prime contractors to specify elements of work that small businesses can perform and to provide subcontract opportunities for those elements to DBEs and other small businesses.

ATP will take all reasonable steps to eliminate obstacles to the participation of small business concerns in its contracting program. To this end, the following strategies will be implemented as appropriate:

- » Implement a small business program that enhances opportunities on DOT-assisted contracts.
- » Develop mentor-protégé opportunities for small business, including DBEs.
- » Evaluate any DOT-assisted contract issued with a dollar value of \$3,000,000 or less for inclusion of a small business concern or portions thereof maybe set-aside for small business concerns taking into account circumstances and availability of small businesses to perform on the contract. There shall be no consideration of race, gender, or socio-economic status of the businesses in the implementation of this element.
- » Requiring a prime contractor on any solicitation where there is no DBE goal established, to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.

## Certification:

Any business seeking to participate in an ATP contract as a small business concern shall be certified as a small business. A small business concern is a legitimate small business if:

1. The business verifiably meets the Small Business Administration's size criteria and has annual gross receipts not to exceed \$23.98 million;
2. The business has been certified as such by the Small Business Administration or a Texas Certification Program; or
3. The business is certified as a Disadvantaged Business Enterprise, and whose annual gross income averaged over the past three (3) years does not exceed the Small Business Administration's (SBA) size standards as set forth in 13 CFR Part 121. A size standard is the largest that a firm can be and still qualify as a small business.

## Implementation:

1. Any federally funded ATP solicitation issued with a dollar value of \$1,000,000 or less will be evaluated for inclusion of a small business concern (SBC) set-aside for small businesses. All of the contract or portions thereof may be set-aside for SBCs taking into account the circumstances and availability of small businesses to perform on the contract. Potential contracts shall be advertised to SBCs, and specific outreach efforts for such contracts shall be directed towards SBCs. There shall be no consideration of race, gender, or socio-economic status of the businesses in the implementation of this element.
2. For any federally funded contract where there is not a set aside, an SBC goal may be established.
3. Any federally funded ATP solicitation where there is no goal established, ATP will require the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved. In this regard, ATP may establish a small business goal.

The types of contracts that will be considered for set-aside under this provision include construction, professional services, services, and/or any other contract type that ATP determines that a small business set-aside would be appropriate.

ATP's Equity & Community Partnership staff, which includes a DBE Program Manager, will work closely with the Procurement Department to evaluate scopes of work and the availability of small businesses in deciding as to whether the entire contract or a portion thereof shall be set-aside. If a determination is made that a portion of the contract shall be set-aside, ATP will share with prospective bidders areas wherein potential subcontracting opportunities exist for SBCs, and the percentage of the set-aside.

ATP will also require the prospective bidders to submit with their bids or proposals a list of small contract elements for subcontracting to SBCs.

## Accountability:

The effectiveness of the SBE program will be measured by a review of data indicating prime and subcontract awards to small businesses. FTA currently does not require the submission of project goals for the SBE program. However, the Equity and DBE team will utilize the same methods for monitoring and enforcing the SBC element as is used for monitoring and enforcing the DBE Program.

Upon request, Equity and DBE staff will be prepared to submit progress assessment reports to the Board of Directors that may include:

1. The number of contracts awarded to small businesses.
2. A description of the general categories of contracts awarded to small businesses.
3. The dollar value of contracts awarded to small businesses.
4. The dollar value and number of contracts awarded to small businesses as prime contractors.

### **Good Faith Efforts:**

ATP will utilize the same methods for determining whether good faith efforts have been made to include SBCs as it is used in other aspects of the DBE Program.

### **Outreach and Technical Assistance:**

Relationship building is a key element in this program and business outreach and technical assistance help to foster this process. The DBE staff will work closely with small business associations, advocacy groups, ATP's Planning, Sustainability, and DBE Committee, and ATP's Community Advisory Committee to ensure that procurement opportunities are known to small businesses, including DBE firms.

The Equity and Community Partnership staff will work closely with small businesses to include the following efforts:

1. Provide technical assistance including training, hands on assistance, referral to chambers, trade associations, economic development groups, and other small business advocacy agencies.
2. Utilize available resources to develop a small business development guide to include information on procedures outlining specific steps on how to bid such as; prerequisites for bidding on contracts; information on how plans and specifications can be obtained; names of persons to contact concerning questions on bid documents; names of procurement officers and office hours; types of supplies and services purchased; and explanations of standard contract implementation procedures and requirements, concerning such matters as timely performance of work, contract changes, and payment schedules.
3. Collaborate with the City of Austin, as well as the Texas Department of Transportation to pool resources and create an ongoing joint program that will provide technical assistance and other services for small businesses
4. Provide assistance in overcoming limitations such as inability to obtain bonding or financing.
5. Generate awareness of ATP's procurement opportunities to small businesses by utilizing advertising in various different mediums, as well as leverage existing partnerships to encourage small business participation on ATP projects.
6. Coordinate with chambers, trade associations, economic development groups, DBE firms, and other small business advocacy agencies to develop additional resources and initiatives that will lead to greater opportunity with ATP's procurement.

# SUBPART C – GOALS, GOOD FAITH EFFORTS, AND COUNTING

## Section 26.43 – Set-Asides or Quotas

ATP does not use quotas in any way in the administration of this DBE Program.

## Section 26.45 – Overall Goals

### Amount of Goal

For FY21-22, ATP adopted the CMTA's Overall DBE goal as its baseline figure. ATP will then engage in its goal setting process to adjust the baseline figure to reflect the new contracting and procurement opportunities that will become available in FY23-24 and develop a Project Connect specific goal.

ATP will annually review its DBE attainments in contrast to its overall DBE goal to determine of measures would need to be instituted to effectively meet its established Project Connect DBE goal. ATP will further follow accountability mechanisms in instances where ATP may fail to meet its overall goal for a given goal period and establish specific steps and milestones for correcting identified problems.

ATP will meet its overall goal through race-neutral participation and race-conscious measures.

### Methodology

The following is a summary of the method to be used to calculate this goal:

1. Total dollars per major NAICS Code area budgeted will be identified for future three years;
2. Base Figures for each major NAICS Code area will be identified by dividing the number of DBEs by the total number of firms in order to obtain the relative availability of DBEs per NAICS Code area;
3. By multiplying the relative availability of DBEs by the total dollars budgeted for each corresponding NAICS Code area, an estimated dollar amount for DBE participation in each area will be obtained.
4. The sum of the estimated dollar amount will be calculated, and it will be divided by the total dollars budgeted for award in three future years to derive an estimated overall goal.
5. This overall goal will then be adjusted considering past **Race Neutral** participation, changes with regard to what work can be counted towards a DBE goal, the nature of the projects ATP expects to award, and the relative availability of firms in those NAICS code areas.

### Process

In accordance with Section 26.54(f), ATP will submit its project goal for Project Connect to the CMTA on August 1 of each year. Before adjusting or establishing its project goal, ATP will consult with area business, community organizations, DBE firms, and ATP committees to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and ATP's efforts to establish a level playing field for the participation of DBEs.

ATP will conduct a consultative process the Greater Austin Black Chamber of Commerce, Greater Austin Hispanic Chamber of Commerce, Austin Gay and Lesbian Chamber of Commerce, Greater Austin Asian Chamber of Commerce, Women's Business Council-Southwest, Network of Asian American Organizations, and other entities. The consultative process will include a presentation on how the DBE goal methodology is established and discussion about the proposed goal, the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and what efforts ATP can take to create a level playing field for the participation of DBEs.

Additionally, ATP will publish a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at our principal office for 30 days following the date of the notice, and informing the public that ATP and DOT will accept comments on the goals for 45 days from the date of the notice. This notice shall be posted in various newspaper to ensure widespread reach and inclusion across communities in the region. The notice will include addresses to which comments may be sent and addresses (including office addresses and websites) where the proposal may be reviewed.

In its goal submission to the Operating Administration, ATP will include a summary of information and comments received during this public participation process, as well as responses.

ATP will begin using its overall goal on October 1 of each year unless ATP receives different instructions from the Operating Administration. If ATP establishes goals on a project basis, then ATP will begin using the goal by the time of the first solicitation for a DOT-assisted contract for the project.

## Section 26.51 (a-c) – Breakout of Estimated Race-Neutral and Race-Conscious Participation

ATP will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. ATP uses the following race-neutral means to increase DBE participation:

- » Setting Small Business Goals and having a Small Business set-aside for small contracts as outlined in the Small Business provision.
- » Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
- » Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on recipient mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors; providing information in languages other than English, where appropriate);
- » Implementing a supportive services programs and initiatives to develop and improve immediate and long-term business management, capacity building, record keeping, and financial and accounting capability for DBEs and other small businesses;
- » Ensuring distribution of TUCP DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;

If it appears that participation through “race neutral” means is exceeding or not meeting this level, ATP will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (see 26.51(f)) and track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal; DBE participation in a prime contract which exceeds a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm’s DBE status in making the award.

## Section 26.51 (d-g) – Contract Goals

ATP will use contract goals to meet any portion of the Project Connect DBE goal that ATP does not project being able to meet using 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 our overall goal that is not projected to be met using race-neutral means.

ATP will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. ATP need not establish a contract goal on every DOT-assisted contract, and the size of contract goals will be adapted to the circumstances of each contract (e.g., type and location of work, availability of DBEs to perform the particular type of work). ATP will express its contract goals as a percentage of the total amount of a DOT-assisted contract.

## Section 25.53 – Good Faith Effort Procedures

### Demonstration of good faith efforts

The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts. By way of illustration and not limitation, ATP will consider the following information:

1. Whether the Offeror attended any pre-bid or pre-proposal meetings scheduled by ATP to discuss, among other matters, DBE participation opportunities and acknowledged receipt of DBE certified vendor lists;
2. Whether the Offeror advertised in general circulation, trade association, and/or minority/women-focus media concerning subcontracting opportunities;
3. Whether the Offeror provided written notice to a reasonable number of DBEs that their interest in the contract was being solicited in sufficient time to allow DBEs to participate effectively;
4. Whether the Offeror followed up initial solicitations of interest by contacting DBEs to determine with certainty whether the DBEs were interested;
5. Whether the Offeror selected portions of the work to be performed by DBEs in order to increase the likelihood of meeting the DBE goals (including, where appropriate, breaking down the contract into economically feasible subcontracts to facilitate DBE participation);
6. Whether the Offeror provided interested DBEs with adequate information about the plans, specifications, scope of work and requirements of the contract;



7. Whether the Offeror negotiated in good faith with interested DBEs regarding their capabilities, not rejecting DBEs as unqualified without sound reasons based on a thorough investigation;
8. Whether the Offeror negotiated in good faith with interested DBEs regarding price, using good business judgment and not rejecting reasonable quotes from interested DBE firms;
9. Whether the Offeror made efforts to assist interested DBEs in obtaining bonding, lines of credit, insurance, etc., as required by ATP or the Offeror;
10. Whether the Offeror made efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services;
11. Whether the Offeror effectively used the services of available minority and women community organizations; contractor groups; local, State, and Federal business assistance offices; and other organizations that provide assistance in the identification of DBEs;
12. Whether the Offeror obtained written documentation from ATP's Surety Support Program Consultant or a bona fide surety company indicating that bonding was denied and for what reason(s), prior to the DBE being rejected as a potential subcontractor for failing to obtain Offeror-required bonding. Documentation furnished by a surety company will be subject to verification by ATP; and
13. Whether other Offerors have attained a sufficient level of DBE participation to meet the contract goals.

The following personnel are part of the Good Faith Efforts Determination Committee and are responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive: DBELO and Designee.

ATP will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before it commits to the performance of the contract by the bidder/offeror.

### Information to be submitted

ATP treats bidder/offers' compliance with good faith efforts' requirements as a matter of responsiveness. Each solicitation for which a contract goal has been established will require the bidders/offerors 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 the DBE will perform;
3. The dollar amount of the participation of each DBE firm participating;
4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
5. Written and signed confirmation from the DBE that it is participating in the contract as provided in the prime contractors' commitment; and
6. If the contract goal is not met, evidence of good faith efforts.

## Administrative Reconsideration

Within five (5) days of being informed by ATP that it is not responsive because the bidder/offeror has not documented sufficient good faith efforts, ATP will notify the bidder/ offeror in writing. The bidder/offeror may appeal the decision within five (5) business days of the date of the notice of the decision by filing a written appeal for reconsideration to the following reconsideration official: ATP's Chief Counsel and Chief Administrative Officer, 203 Colorado, Austin, TX 78701 or by email to ATP\_DBE@atptx.org. As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether the bidder/offeror met the goal or made adequate good faith efforts to do so. The reconsideration will be made by a reconsideration official that will not have played any role in the original determination that the bidder/offeror failed to meet the goal or make adequate good faith efforts to do so.

The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether the bidder/offeror met the goal or made adequate good faith efforts to do so. ATP will send the bidder/ offeror a written decision on reconsideration, explaining the basis for finding that the bidder/offeror did or did not meet the goal or make adequate good faith efforts to do so. The result of the reconsideration process is final and not administratively appealable to the Department of Transportation.

## Good Faith Efforts When a DBE is terminated on a Contract with Contract Goals

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

ATP will require the prime contractor to notify and provide reasonable documentation to the Equity and DBE Program Office immediately of the DBE's inability or unwillingness to perform.

ATP will require a prime contractor to make good faith efforts to replace a DBE subcontractor. ATP will follow the same method for determining good faith effort as in other aspects of the DBE Program.

Before transmitting to ATP its request, the prime contractor must give notice in writing to the DBE subcontractor of its intent to terminate. A copy of this notice must be provided to ATP before consideration of the request to terminate. The DBE subcontractor shall have five (5) days to respond and advise ATP of why it objects to the proposed termination. The five (5) day period may be reduced if the matter is one of public necessity (e.g. safety).

In those instances, where "good cause" exists to terminate a DBE's contract, ATP will require the prime contractor to make good faith efforts to replace a DBE subcontractor that is terminated or otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal.

In this event, ATP will require the prime contractor to obtain its approval before seeking to substitute a DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts. If the contractor fails or refuses to comply in the time specified, ATP's contracting office will issue an order stopping all or part of payment/ work until satisfactory action has been taken. If the contractor still fails to comply, the Contracting Officer may issue a termination for default proceeding.

Any DBE that has been approved by ATP to be replaced has the right to appeal the decision directly to the DBELO if the DBE disagrees with the decision. Appeals must be submitted to the DBELO in writing or by email within five (5) business days of being notified. If the DBELO concurs with the Prime Contractor, the DBE may use the "Administrative Reconsideration" process noted in this section and submit an appeal of the decision to the Agency's reconsideration official.

## Section 26.55 – Counting DBE Participation

ATP will count DBE participation toward overall and contract goals as provided in 49 CFR 26.55. For example:

- » When a DBE participates in a contract, only the value of the work actually performed by the DBE will count toward the goal (whether a prime or a subcontractor).
- » When a DBE performs as a participant in a joint venture, ATP will count a portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces toward DBE goals.
- » ATP will count expenditures to a DBE contractor toward DBE goals only if the DBE is performing a commercially useful function on that contract.
- » If a firm is not currently certified as a DBE in accordance with the standards of this part at the time of the execution of the contract, ATP will not count the firm's participation toward any DBE goals, except as provided for in 49 CFR Part 26 Section 26.87(i).
- » ATP will not count the participation of a DBE subcontractor toward the prime contractor's DBE achievements or overall goal until the amount being counted toward the goal has been paid to the DBE.

## SUBPART D – CERTIFICATION STANDARDS

### Section 26.61 – 26.73 – Certification Process

Under the Texas Unified Certification Program, ATP is not a certifying agency but is a participant. For information about the certification process or to apply for certification, the firm should contact the Texas Department of Transportation,

**Civil Rights Division**

125 E. 11th St.

Austin, TX 78701

(512) 416-4700

[CIV\\_FederalPrograms@txdot.gov](mailto:CIV_FederalPrograms@txdot.gov).

The City of Austin's Small and Minority Business Resource (SMBR) Department is the current certifying agency for our region. ATP will work closely with the SMBR Department.

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## SUBPART F – COMPLIANCE AND ENFORCEMENT

### Section 26.109 – Information Collection and Reporting (26.109)

#### Confidentiality

ATP will safeguard from disclosure to third party's information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law.

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

#### Monitoring Payments to DBEs

Prime contractors will be required to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of ATP or DOT. This reporting requirement also extends to any certified DBE subcontractor.

A running tally of actual payments to DBE firms for work committed to them at the time of the contract award will be kept.

Interim audits of contract payments to DBEs will be conducted. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

# ATTACHMENT 1: ORGANIZATIONAL CHART

[Link to organizational chart](#)

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## ATTACHMENT 2: COPY OF DBE DIRECTORY

Live Link to Texas Unified Certification Program Directory:

<https://txdot.txdotcms.com/FrontEnd/VendorSearchPublic.asp?TN=txdot&XID=8786>

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# ATTACHMENT 3: MONITORING AND ENFORCEMENT MECHANISMS/LEGAL REMEDIES

## Sanctions for Noncompliance with ATP's DBE Program Provisions

Failure of the Contractor to carry out ATP's DBE program provisions shall constitute breach of contract and may result in termination of the Contractor for default or such remedy as ATP may deem appropriate. ATP reserves the right to apply legal and contract remedies available under Federal, state and local law, including but not limited to, responsibility determinations in future contracts, suspension and debarment procedures as outlined in 49 CFR Part 29, and forfeiture of profits as provided for elsewhere. ATP will bring to the attention of the Department of Transportation any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take steps provided in 49 CFR Section 26.107.

### Disqualification

In addition to any other sanctions, the willful failure of the Contractor, DBE or other sub consultant to comply with this Agreement or with the federal DBE regulations may result in disqualification from further contracting, subcontracting, or other participation in ATP's projects.

### Suspension or Debarment

In accordance with 49 CFR Part 26 Section 26.107, firms participating in ATP's DBE program face the following enforcement action:

- » The Department may initiate suspension or debarment proceedings against a firm under 49 CFR part 29 if it does not meet the eligibility criteria of subpart D of Part 26 and attempts to participate in a DOT-assisted program as a DBE on the basis of false, fraudulent, or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty.
- » If a firm that, in order to meet DBE contract goals or other DBE program requirements, uses or attempts to use, on the basis of false, fraudulent or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty, another firm that does not meet the eligibility criteria of subpart D of this part, the Department may initiate suspension or debarment proceedings against you under 49 CFR part 29.
- » In a suspension or debarment proceeding brought under the previous paragraphs, FTA may consider the fact that a purported DBE has been certified by a recipient. Such certification does not preclude the Department from determining that the purported DBE, or another firm that has used or attempted to use it to meet DBE goals, should be suspended or debarred.
- » The Department may take enforcement action under 49 CFR Part 31, Program Fraud and Civil Remedies, against any participant in the DBE program whose conduct is subject to such action under 49 CFR part 31.
- » The Department may refer to the Department of Justice, for prosecution under 18 U.S.C. 1001 or other applicable provisions of law, any person who makes a false or fraudulent statement in connection with participation of a DBE in any DOT-assisted program or otherwise violates applicable Federal statutes.

## Prompt Payment

The Contractor shall pay all Subcontractors (DBEs and non-DBEs) with whom the Contractor has entered into a Subcontract for all Work that the Subcontractor has satisfactorily completed, no later than ten (10) days after the Contractor receives payment from ATP in respect of such completed Work. ATP may withhold all or part of any payment otherwise due the Contractor if the Contractor fails to submit the Vendor Payment Report form and/or make prompt payments to its subcontractors, suppliers, materialmen, or laborers.

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## ATTACHMENT 4: CONFIDENTIALITY

Federal Law: 49 CFR Part 26 Section 26.67 paragraph (a) (2) (iv) prohibits disclosure of an individual's personal net worth statement or any documents pertaining to it to any third party without the written consent of the submitter. The only exception to this rule is that such information must be submitted to DOT in any certification appeal proceeding under 49 CFR Part 26 Section 26.89 or to any other State to which the individuals' firm has applied for certification under 49 CFR Part 26 Section 26.85.

State Law: Section 552.128 (a) of the Texas Public Information Act states, "Information submitted by a potential vendor or contractor to a governmental body in connection with an application for certification as a historically underutilized or disadvantaged business under a local, state, or federal certification program is excepted from [required public disclosure], except as provided by this section."

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## ATTACHMENT 5: [VENDOR PAYMENT FORM]

To be added in future updates

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## ATTACHMENT 6: INTENT TO PERFORM AS A DBE SUBCONTRACTOR

To be added in future updates

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**AUSTIN  
TRANSIT**  
PARTNERSHIP

[www.atptx.org](http://www.atptx.org)



## 15. EEO Program

|                 |           |
|-----------------|-----------|
| <b>Version</b>  | 1         |
| <b>Date</b>     | 9/21/2023 |
| <b>Status</b>   | Enclosed  |
| <b>Comments</b> |           |





# Austin Transit Partnership Civil Rights – EEO Program Plan

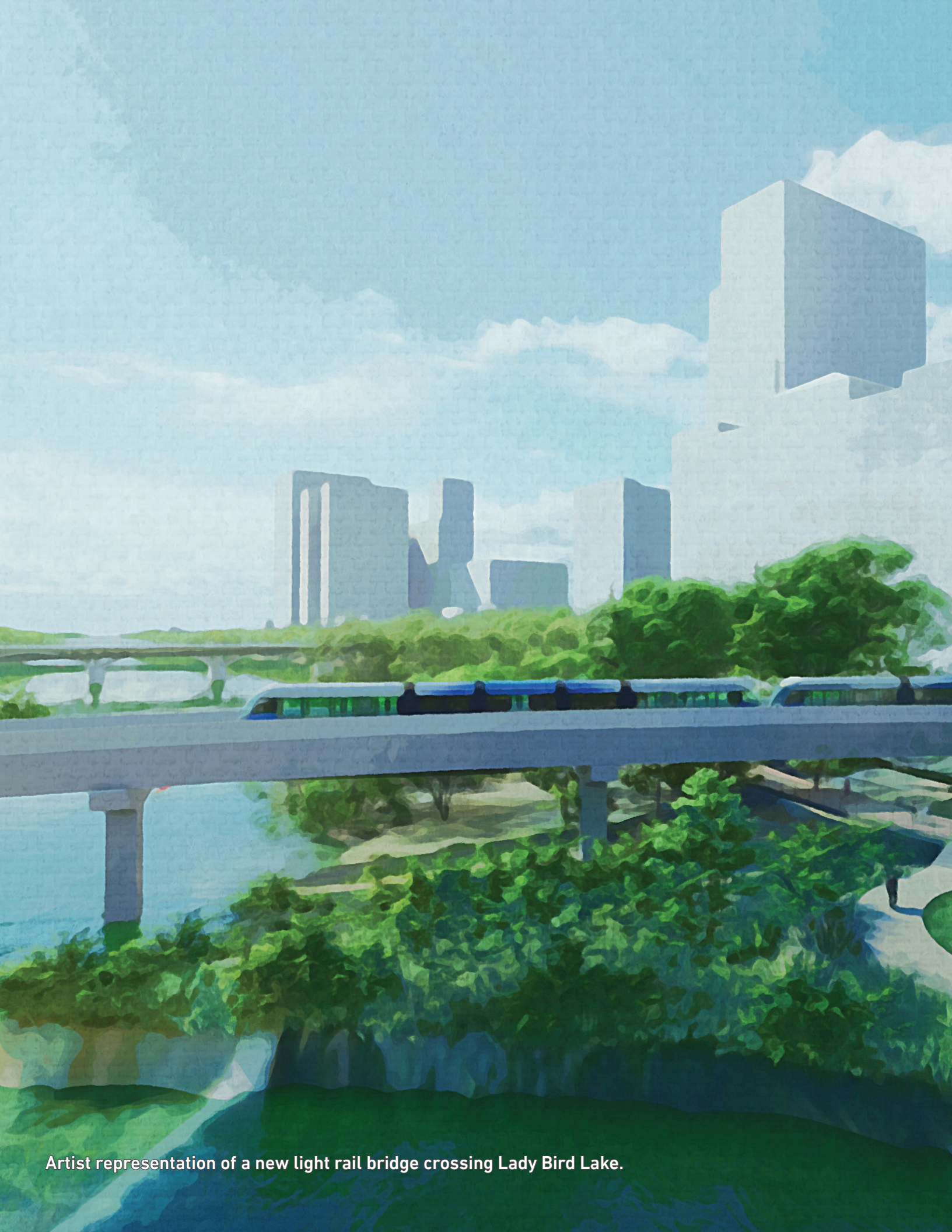
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Transforming Transit Together

JUNE, 2023

**AUSTIN  
TRANSIT**  
PARTNERSHIP





Artist representation of a new light rail bridge crossing Lady Bird Lake.

# TABLE OF CONTENTS

|                                         |    |
|-----------------------------------------|----|
| POLICY STATEMENT                        | 4  |
| DISSEMINATION PLAN                      | 6  |
| DESIGNATION OF PERSONNEL RESPONSIBILITY | 7  |
| ASSESSMENT OF EMPLOYEES PRACTICES       | 9  |
| MONITORING AND REPORTING PLAN           | 11 |

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## SECTION A - POLICY STATEMENT

|                                                                                   |                                                                                                                                                                                                                  |                                                                                                                                                |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p style="text-align: center;"><b>EQUAL EMPLOYMENT OPPORTUNITY<br/>POLICY</b></p> <p style="text-align: center;"><b>DEI-100</b></p> <p style="text-align: center;"><b>Equity &amp; Community Partnership</b></p> | <p style="text-align: right;">Issued: ____ 2023</p> <p style="text-align: right;">Approved by: <b>Greg Canally, Executive<br/>Director</b></p> |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|

### PURPOSE

Austin Transit Partnership (ATP) is committed to creating and maintaining a culture of diversity, equity, and inclusion throughout our workspaces. ATP recognizes that to reach true inclusion, we must build a culture that is psychologically safe. We must embrace, value, respect, and champion our individual differences, which may include differences in age, race, ethnicity, color, gender, disability, sexual orientation, gender identity or expression, family, neurodiversity, and other characteristics that may not be visible or discernable.

### POLICY

As an equal opportunity employer, ATP strives to have a workforce that reflects the community we serve. No person is unlawfully excluded from employment opportunities at ATP based on race, color, religion, national origin, sex (including gender identity, sexual orientation, and pregnancy), age, genetic information, disability, veteran status, or other protected class.

This policy applies to all employment actions, including but not limited to, recruiting, hiring, professional development, promotion, transfer, demotion, layoff, termination, rates of pay or other forms of compensation.

### DEFINITIONS

|                              |                                                                                                                                                                                                                                                       |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equal Employment Opportunity | Federal, state, and local laws that protect job applicants and employees against employment decisions based on protected class status.                                                                                                                |
| Protected Class              | Group of people with common characteristics who are legally protected from harassment and discrimination on the basis for those characteristics.                                                                                                      |
| Discrimination               | Different or less favorable treatment of a person because of their race, ethnicity, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, disability, age (age 40 or older), or genetic information.  |
| Harassment                   | Unwelcome conduct that is based on race, color, religion, sex (including sexual orientation, gender identity, or pregnancy), national origin, older age (beginning at age 40), disability, or genetic information (including family medical history). |

### DESIGNATION OF EEO OFFICER

Ultimate responsibility for implementation of ATP's EEO Policy rests with its Executive Director. The Executive Director has designated the following individual as ATP's EEO Officer to ensure day-to-day management, including monitoring and complaint investigation:

**Courtney Chavez**

Director

Equity and Inclusion

The EEO Officer will have direct, unfettered access to ATP's Executive Director, and will act with the authority of the Executive Director with all levels of management, labor unions, and employees in enforcing and administering this Policy.



**REPORTING AND INVESTIGATION**

All applicants for employment and employees of ATP have the right to file complaints alleging discrimination and/or harassment. Complaints may be submitted to [ATP\\_EEO@atptx.org](mailto:ATP_EEO@atptx.org).

Every complaint is reviewed by the EEO Officer to determine jurisdiction. Once jurisdiction is determined, all EEO investigations will be conducted by a third-party contractor for independence and integrity of the process. Any complaint that is determined not to be EEO discrimination and/or harassment will be submitted to the Director of Human Resources.

**ANONYMOUS ALLEGATIONS AND CONFIDENTIALITY**

Complainants may report misconduct or suspected misconduct anonymously. However, individuals are encouraged to provide their names so that appropriate follow-up questions and investigation can be fully maximized. Complainants' names will be kept confidential to the extent possible and to the extent permitted by law. Reports of misconduct or suspected misconduct will be shared with other individuals, including individuals external to ATP, only as necessary to conduct an adequate investigation.

**NO RETALIATION**

No person who acting in good faith reports suspected misconduct in accordance with this Policy or who cooperates with the investigation of misconduct at ATP shall suffer harassment, retaliation, or any adverse employment consequence because of their making a discrimination and/or harassment report or their cooperation with a discrimination or harassment investigation. An employee who retaliates against someone who has reported misconduct in good faith or who has cooperated with the investigation of misconduct is subject to discipline. Retaliation complaints should be reported to the EEO Officer.

Anyone who reports misconduct must be acting in good faith and have reasonable grounds for alleging the misconduct. Any allegations that were known to be false when made or were made with willful disregard for the truth will be viewed as a serious disciplinary offense.

**RESPONSIBILITY**

All ATP personnel, and in particular ATP's executives, management, and supervisors, share in the responsibility for the implementation and accountability of ATP's EEO Policy within their respective areas and will be assigned specific tasks to ensure compliance is achieved. ATP will evaluate the performance of its managers and supervisors on their successful implementation of ATP's EEO Policy in the same way ATP assesses their performance regarding other agency goals.

It is the responsibility of all employees to act in accordance with ATP's EEO Policy.

The undersigned have read and approved the policy stated above:

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Brandon Carr  
General Counsel

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Greg Canally  
Executive Director

## SECTION B - DISSEMINATION PLAN

To ensure the Equal Employment Opportunity (EEO) policy statement is fully and effectively publicized and disseminated, ATP communicates its policy both internally and externally in the following manner:

### The EEO policy will be publicized internally by:

- » Providing written communications from the Executive Director sharing the ATP EEO Policy Statement.
- » Posting official EEO materials and posters (Federal and State Labor Laws) on bulletin boards near the reception desk, in employee break room areas, and in locations frequented by all staff. These locations are listed in attachment 1.
- » Including the EEO policy statement on ATP Website, in employee materials, and distributed during new hire orientation and when administrative materials are updated.
- » Conducting periodic meetings with Executive Leadership, Supervisors, and Human Resources to discuss the EEO Program and its implementation.
- » Conducting meetings with ATP's Employee Engagement Committee to seek input on program implementation.
- » Conducting annual EEO training for employees and managers
- » Conducting EEO training for all new supervisors and managers within 90 days of new hire or promotion.

### The EEO policy statement will be publicized externally by:

- » Including the statement "ATP is an Equal Employment Opportunity Employer" in recruitment advertisements, online, and on paper, and to any recruiting agency or other entity involved in recruiting for ATP.
- » Including the EEO policy statement on ATP Website.

## SECTION C - DESIGNATION OF PERSONNEL RESPONSIBILITY

The EEO Officer, Courtney Chavez, SVP of Equity & Community partnership, in partnership with ATP's Legal Department is responsible for effectively implementing the ATP's EEO Program.

### EEO Officer Responsibilities:

- » Developing, maintaining, and updating the EEO policy statement, as well as writing and updating the EEO Plan.
- » Assisting Human Resources and management staff in collecting and analyzing employment data, identifying problem areas, setting goals and timelines, and adjusting programs to achieve goals.
- » Designing, implementing, and monitoring an internal audit system in coordination with ATP's Internal Audit Team.
- » Creating a reporting system to measure program effectiveness and to determine where progress has been made and if any actions or changes need to take place.
- » Reviewing annually, at a minimum, ATP's nondiscrimination plan with managers and supervisors to ensure the policy is understood.
- » Concurring in the hiring and promotion process.
- » Coordinating with Human Resources staff to periodically review employment practices, complaint policies, reasonable accommodation policies, performance evaluation, grievance procedures and other employment-related agreements.
- » Reporting at least semiannually the Executive Director progress in relation to the ATP's goals and on contractor and vendor compliance.
- » Serve as the liaison between the ATP, Federal, state, county, minority, women, disability organizations, and other community groups.
- » Maintain awareness of current EEO laws and ensure that information is disseminated to responsible and necessary staff and officials.
- » Investigate complaints of EEO discrimination.
- » Provide staff training opportunities.
- » Work with Human Resources to ensure that employees and applicants have a clear description of job entrance requirements, and that employees and applicants are aware of professional development classes and training opportunities that are available.
- » Audit postings of the EEO policy statement to ensure that information is posted and up to date.
- » Holding regular discussions with managers, supervisors, employees, and ATP's Employee Engagement Committee to ensure agency policies are being followed.

### ATP Executive, Supervisor, and Management Responsibilities:

- » Participating in periodic audits and working to identify and remove barriers.
- » Discuss policy and EEO concerns at weekly Leadership Team Meetings.
- » Assist EEO Officer in maintaining and updating the personnel database for generating reports required for the nondiscrimination program.
- » Cooperating with the EEO Officer in review of information and investigation and complaints
- » Encouraging employee participation to support the advancement of the EEO Program through professional development and career growth opportunities and mentoring.

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## SECTION D - ASSESSMENT OF EMPLOYEES PRACTICES

ATP conducts assessments of its total employment process to determine whether and where any barriers to equal employment opportunity exist in ATP's recruiting, hiring, promotions, and terminations.

### Applicants

Applicants must apply through ATP's online application process at <https://www.atptx.org/atp-jobs/atp-opportunities>. Applicants may self-identify by race, ethnicity, gender, and disability status.

- » **Gender:** Of the total 272 applicants, 134 applicants (49.26%) identified as 'Male' and 115 applicants (42.28%) identified as 'Female'. 2 applicants (0.74%) identified as 'Nonbinary' and 1 applicant (0.37%) selected 'Unknown'. 20 applicants (7.35%) chose not to disclose their gender.
- » **Ethnicity/Race:** Of the total 272 applicants, 94 applicants (34.56%) identified as 'White', 48 applicants (17.65%) identified as 'Black or African American', 47 applicants (17.28%) identified as 'Asian', and 22 applicants (8.09%) identified as 'Hispanic/Latino'. 38 applicants (13.97%) identify as 'Two or More Races' and 21 applicants (7.72%) chose not to disclose their ethnicity/race.
- » **Disability:** Of the total 272 applicants, 192 applicants (70.59%) responded they do not have a disability and 19 applicants (6.99%) responded they do have a disability. 25 applicants (9.19%) responded they did not wish to answer, and 36 applicants (13.24%) did not respond at all.

### New Hires

Job seekers, whether internal or external, must make a timely submission expressing interest in the stated opportunity in the form required by ATP. An application is required, must be signed, and completely filled out with all required supporting documentation or it will not be evaluated.

- » **Gender:** Of the total 16 new hires, 11 new hires (68.75%) identify as 'Female' and 4 new hires (25%) identify as 'Male'. One new hire (6.25%) chose to not disclose their gender.
- » **Ethnicity/Race:** Of the total 16 new hires, 9 new hires (56.25%) identify as 'White', 2 new hires identify as 'Black or African American', and 1 new hire identifies as 'Hispanic/Latino'. 2 new hires (12.50%) identify as 'Two or More Races' and 2 new hires (12.50%) chose not to identify their race/ethnicity.
- » **Disability:** Of the total 16 new hires, 2 new hires (12.50%) responded that they do not have a disability. 14 new hires (87.50%) did not disclose whether they have a disability.

## Promotions and other personnel actions

From time to time, ATP reclassifies employees whose jobs have changed as a result of reorganization, assumption of responsibilities, and redistribution of work or acquisition of greater skills.

- » **Gender:** Of the total 6 promotions and reclassifications, 3 employees (50%) identify as 'Female' and 3 employees (50%) identify as 'Male'.
- » **Ethnicity/Race:** Of the total 6 promotions and reclassifications, 5 employees (83.33%) identify as 'White' and 1 employee (16.67%) identifies as 'Hispanic/Latino'.
- » **Disability:** Of the total 6 promotions and reclassifications, all 6 employees (100%) have not disclosed whether they have a disability.

## Terminations

ATP tracks both voluntary and involuntary terminations based on demographic characteristics of the employee to continue review and evaluation of possible barriers. Voluntary terminations are employee-directed decisions that include voluntary separation and retirement. Involuntary terminations are employer-directed decisions.

- » **Gender:** Of the total 10 terminations, 6 employees (60%) identified as 'Female' and 4 employees (40%) identified as 'Male'.
- » **Ethnicity/Race:** Of the total 10 terminations, 5 employees (50%) identified as 'White', 1 employee identified as 'Black or African American' and 1 employee identified as 'Hispanic/Latino'. 3 Employees (30%) chose not to disclose their race/ethnicity.
- » **Disability:** Of the total 10 terminations and reclassifications, all 10 employees (100%) did not disclose whether they have a disability.

## Disciplinary Actions

During the period of October 1, 2022 – June 1, 2023, no employees received disciplinary actions.



## SECTION E - MONITORING AND REPORTING PLAN

The EEO Officer is responsible for the design and implementation of the EEO auditing and reporting system, and audits personnel activity on at least a semi-annual basis in order to measure the effectiveness of the EEO Program.

The following actions are key to this process:

- » Monitors and reviews personnel activity in coordination with ATP's Human Resources team on a quarterly basis. This includes referrals, placements, transfers, promotions, and compensation, at all levels.
- » Requests for and reviews reports results with ATP supervisors and managers regarding personnel actions, corrective and disciplinary actions, and investigations.
- » Advises Executive Team of progress, problems, program effectiveness, and recommendations to improve unsatisfactory performance and corrective action, and provides training opportunities.
- » Tracks EEO complaints on an Excel spreadsheet that includes documentation, triage review, and outcomes.
- » Receives, reviews, and approves EEO plans of on contractors and subrecipients who meet the thresholds.
- » Conducts periodic meetings with subcontractors and subrecipients to discuss EEO policies and procedures and ensure compliance.



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# trAMS Forms



## 16. TrAMS User Manager Request Form (Appendix D)

|                 |                |
|-----------------|----------------|
| <b>Version</b>  | 1              |
| <b>Date</b>     | 9/21/2023      |
| <b>Status</b>   | Not Applicable |
| <b>Comments</b> |                |



## 17. Designation of Signature

|                 |                |
|-----------------|----------------|
| <b>Version</b>  | 1              |
| <b>Date</b>     | 9/21/2023      |
| <b>Status</b>   | Not Applicable |
| <b>Comments</b> |                |





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# ECHO Forms



## 18. ECHO Authorization and Certification Letter

|                 |                |
|-----------------|----------------|
| <b>Version</b>  | 1              |
| <b>Date</b>     | 9/21/2023      |
| <b>Status</b>   | Not Applicable |
| <b>Comments</b> |                |

## 19. ECHO-Web User Access/System Rules of Conduct Forms (All Users)

|                 |                |
|-----------------|----------------|
| <b>Version</b>  | 1              |
| <b>Date</b>     | 9/21/2023      |
| <b>Status</b>   | Not Applicable |
| <b>Comments</b> |                |

## 20. ECHO-Web ACH Payment Form

|                 |                |
|-----------------|----------------|
| <b>Version</b>  | 1              |
| <b>Date</b>     | 9/21/2023      |
| <b>Status</b>   | Not Applicable |
| <b>Comments</b> |                |