

COOPERATIVE AGREEMENT

Between

the

Department of Transportation and Public Works,

the

Puerto Rico Highway and Transportation Authority,

and the

**University of Puerto Rico, Mayagüez Campus**

To Carryout Transportation Special Projects

To be financed in part with funds

Under Section 5311

From the

Federal Transit Administration (FTA) of the  
United States Department of Transportation (USDOT)

(Part I)

  
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COOPERATIVE AGREEMENT  
BETWEEN  
THE  
DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS,  
THE  
PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY,  
AND THE  
**UNIVERSITY OF PUERTO RICO, MAYAGÜEZ CAMPUS**  
TO CARRYOUT TRANSPORTATION SPECIAL PROJECTS  
TO BE FINANCED IN PART WITH FUNDS  
UNDER SECTION 5311  
FROM THE  
FEDERAL TRANSIT ADMINISTRATION (FTA) OF THE  
UNITED STATES DEPARTMENT OF TRANSPORTATION (USDOT)

In the city of San Juan, Puerto Rico, this day 10 of April, 2008.

APPEARS

AS THE FIRST PART: The Puerto Rico Department of Transportation and Public Works (hereinafter referred to as the PRDTPW),

represented by its Secretary, **Honorable Carlos J. González Miranda**,

, and the Puerto Rico Highway and Transportation Authority (hereinafter referred to as the PRHTA),

represented by its Executive Director, **Honorable Luis M. Trinidad Garay**,

, acting under Public Law

Number 74 of the 23<sup>rd</sup> of June of 1965, as amended, and the reorganization Plan Number 6 of 1971.

AS THE SECOND PART: The Mayagüez Campus of the University of Puerto Rico (hereinafter referred to as the "RUM")

represented by its CHANCELLOR, **Ph. D. Jorge I. Vélez Arocho**,

acting under Public Law Number 81 of the 30<sup>th</sup> of August of 1991, as amended.

All the parties state they are duly authorized to represent each institution and bind themselves to show such authority whenever and wherever properly requested to do so;

SET FORTH

WHEREAS, Section 5311 of the Federal Transit Act, as codified in 49 USC 5301 et.seq., provides Federal assistance to improve public transportation services and facilities in rural and nonurbanized areas;

WHEREAS, the goals of Section 5311 are to enhance access to people in those aforementioned areas to health care, shopping, education, recreation, public services, employment, and to encouraging the maintenance, development, improvement and use of passenger transportation systems;

WHEREAS, by letter dated August 10, 1992 the Honorable Governor of Puerto Rico designated the PRHTA as the official grantee or the agent to receive and administer the federal funds under Section 5311 of the Federal Transit Act as codified 49 USC 5301 et.seq., and until such date the DTPW was the designated entity.

WHEREAS, the PRHTA/DTPW and the United States Department of Transportation (USDOT) entered into contract pursuant to which the PRHTA/DTPW agreed to undertake a Mass Transportation Capital Project, and the USDOT, acting through its Federal Transit Administration (FTA), agreed to provide financial assistance in the form of Mass Transportation grant, for various transportation capital related project.

WHEREAS, On the date the authorized PRHTA/DTPW, and the RUM official signs this Cooperative Agreement (hereinafter referred to as the AGREEMENT), the PRHTA/DTPW awards federal assistance in support of the Project described below. Upon execution of this AGREEMENT, the RUM affirms this Award, and enters into this AGREEMENT with the PRHTA/DTPW. The following documents are incorporated by reference and made part of this AGREEMENT:

1. Federal Transit Administration Master Agreement, and
2. Any Award notification containing special conditions or requirements, if issued.

WHEREAS, the RUM desires to develop a seminars to enhance the transportation in nonurbanized areas and has submitted to the PRHTA/DTPW an application for capital assistance under the Section 5311, which has been approved by the FTA.

WHEREAS, On April 1, 1986, the PRHTA/DTPW and the RUM entered into an

AGREEMENT in order to provide professional and technical services for research, development of training and other tasks, necessary for the development of new transportation technologies and/or improve existing ones.

WHEREAS, On November 3, 2003, the RUM requested the amount of \$30,000 to finance the development of **five (5) Transportation Seminars under Special Projects** (hereinafter referred to as the PROJECT), as describe in the original proposal on file at the PRHTA/DTPW.

WHEREAS, On September 27, 2004, the PRHTA/DTPW has granted a AGREEMENT to complete the PROJECT included in **PR-18-X011, Line Item 43.50.01, of the Rural Transit Assistance Program (RTAP)** of the FTA.

WHEREAS, Under Article 21, Project Completion, stated among other things, that the RUM will cause the work of the PROJECT, to be commenced within a reasonable time after execution of the AGREEMENT, and that it shall use its best effort to complete the works in **twenty-four (24) months** to complete the PROJECT as describe in the original proposal on file at the PRHTA/DTPW.

WHEREAS, On February 8, 2005, Grant **PR-18-X011** was close out.

WHEREAS, the PRHTA/DTPW has programmed and approved funds under project number **PR-18-X016** with same Line Item.

WHEREAS, On March 15, 2007, the RUM has requested and the PRHTA/DTPW has granted an extension of time for **twelve (12) months** to complete the PROJECT as describe in the original proposal on file at the PRHTA/DTPW, and

WHEREAS, the PRHTA/DTPW and the RUM recognizing the obligations and responsibilities assumed under the terms of Section 5311 of the FTA Act of 1991, as amended, desires to state the terms and conditions and their mutual understandings and the AGREEMENT under which the RUM will undertake the proposed project.

NOW THEREFORE, the parties hereto do mutually agree as follows:

**ARTICLE 1: Purpose of AGREEMENT** - The purpose of this AGREEMENT is to state the terms and conditions under which the RUM shall undertake and complete, under **extension of time for twelve (12) months**, the **Transportation Seminars under Special Projects**, under Project **PR-18-X016**, Section 5311 for which funds where approved.

**ARTICLE 2: Designation of Recipient** - The PRHTA/DTPW hereby designates the RUM as the subrecipient for the Section 5311 funds for the PROJECT referred to in

this AGREEMENT.

**ARTICLE 3: Scope of Work** - The RUM shall undertake and complete the PROJECT as described in the PROJECT description of the approved application attached hereto and make part hereof as **Exhibit A**, in accordance with the terms and conditions of this AGREEMENT.

**ARTICLE 4: Services by the PRHTA/DTPW** - The PRHTA/DTPW agrees to provide the following services to the RUM:

- a) process all payments for reimbursement
- b) provide technical assistance to the RUM;
- c) monitor the effective operation of the PROJECT and
- c) any other activity which may be mutually agreed upon by both parties

**ARTICLE 5: Project Funding** - Through the Section 5311, the maximum amount of Federal funds payable to the RUM for the PROJECT under this AGREEMENT shall be up to **\$30,000 (thirty thousand dollars)**, which are the 100% of the cost of the project.

**ARTICLE 6: Project Budget** - A PROJECT budget approved by the PRHTA/DTPW shall be prepared and maintained by the RUM. The RUM shall incur obligations against and solicit reimbursement for funds only in conformity with the latest approved budget for the PROJECT. The PRHTA/DTPW shall not be held responsible for whatever reason, for any PROJECT costs over and above the amount included in this AGREEMENT for which the RUM shall be responsible. The PROJECT Budget as approved by the PRHTA/DTPW has been attached hereto and made part hereof as **Exhibit B**.

**ARTICLE 7: Eligible Costs** - Expenditures made by the RUM shall be reimbursable as eligible costs to the extent they meet all of the requirements set forth below. They must:

- a) be made in conformance with the PROJECT description and the PROJECT budget and all other provisions of this AGREEMENT;
- b) be necessary in order to accomplish the PROJECT;
- c) be reasonable in amount for the goods or services purchased;
- d) be the actual net costs to the RUM (i.e., the price paid minus any refunds, rebates, or other items of value received by the RUM that have the effect of reducing the cost actually incurred);
- e) be incurred and be for work performed on or after the date of this

AGREEMENT;

- f) be in conformance with the standards for eligibility of costs set forth in OMB Circular A-87 and with any federal or state guidelines and regulations;
- g) be satisfactorily documented; and
- h) be treated uniformly and consistently under generally accepted accounting principles and procedures.

**ARTICLE 8:** Documentation of Project Cost - All costs charged to the PROJECT, including any approved in-kind services contributed by the RUM or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in detail the nature and propriety of the charges.

Any check or pay-order drawn by the RUM with respect to any item chargeable against the PROJECT account will be done only in accordance with a properly signed voucher then on file in the office of the RUM stating in proper detail the purpose for which such check or order is drawn. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the PROJECT shall be clearly identified, readily accessible, and to the extent feasible, kept separate and apart from all other such documents.

**ARTICLE 9:** Request for Payment by the RUM - The RUM shall make separate requests for payment of the federal share of allowable costs for FTA, and the PRHTA/DTPW shall honor such requests in the manner set forth in this section. The percentage of reimbursement shall not exceed the percentage of work completed. In order to receive federal assistance payments, the RUM must:

- a) submit to the PRHTA/DTPW an explanation of the purposes for which costs have been incurred to date, utilizing **RPT form 82-50 ("Solicitud de Reembolso")**, copies of which can be obtained at the PRHTA/DTPW (refer to **Exhibit C** of this Agreement);
- b) submit the necessary documentation evidencing the costs incurred for reimbursement;

**ARTICLE 10.** Payment by the PRHTA/DTPW - If the RUM in compliance with its obligations pursuant to this AGREEMENT, has satisfied the PRHTA of its need for the Federal funds requested during the requisition period, and is making adequate progress towards the timely completion of the PROJECT, the PRHTA/DTPW shall upon the receipt of satisfactory requisitions, request reimbursement to FTA and

PRHTA/DTPW will honor such request for apparent allowable costs incurred by the RUM up to the maximum amount of Section 5311 Federal Assistance of the PROJECT as stated in the Approved Project Budget (NUA 01-200 **Exhibit B**).

- a) Any costs deemed ineligible for reimbursement by the PRHTA/DTPW in accordance with the terms and conditions of this AGREEMENT shall be done by the RUM. In the event that the PRHTA/DTPW determines that the RUM is not currently eligible to receive any or all of the federal funds requested, the PRHTA/DTPW shall promptly notify the RUM stating the reasons for such determination.

**ARTICLE 11: Records Inspection** - The RUM shall permit, and shall require its contractors and subcontractors to permit the PRHTA/DTPW, the DTPW, the Secretary of the U.S. Department of Transportation and/or the Comptroller General of the United States, or any of their duly authorized representatives to inspect all works, materials, payrolls, and other data and records with regard to the PROJECT, and to audit the books, records and accounts of the RUM and its contractors with regard to the PROJECT.

**ARTICLE 12: Reports and Records** - The RUM shall submit to the PRHTA/DTPW such data, reports, records, contracts and other documents relating to the PROJECT as the PRHTA/DTPW may require. The RUM and any subcontractors shall retain all records pertaining to the PROJECT for a period of three (3) years from the date of the audit of the project. **Progress Reports (RPT 82-80), "Informe de Estado Financiero" (RPT 82-60), and Variance Report (RPT 82-90)** are to be prepared and submitted to the PRHTA/DTPW by June 30, and December 31, describing the activities undertaken during the six (6) months period proceeding it. These forms are attached hereto as **Exhibit D**.

**ARTICLE 13: Changes Affecting Performance** - Any proposed changes in purpose, scope, character, amount of Federal funds approved, or complexity of the PROJECT shall be considered major changes as determined by the PRHTA/DTPW. The RUM shall immediately notify the PRHTA/DTPW of any change in conditions or local law, or of any other event, which may significantly affect its ability to perform the PROJECT in accordance with the provisions of this AGREEMENT.

**ARTICLE 14: No Governmental Obligations to Third Parties** - The RUM shall indemnify and save harmless the PRHTA/DTPW and FTA from and against all losses,

liabilities, claims, or demands whatsoever (including, without limitation, costs and expenses in connection therewith), arising out of any personal injury, including death resulting therefrom, or out of any damage to or loss or destruction of property, in any manner based upon, caused by, or attributable or related to the performance whether by the RUM, any subcontractor, or any other person of the work or any part of the same, except where such injury to or death of persons or damage to or loss or destructions of property is due solely to the negligence of the and/or PRHTA/DTPW, its officers, agents, or employees.

ARTICLE 15: Termination of AGREEMENT - Upon written notice to the RUM, the PRHTA/DTPW reserves the right to suspend or terminate, within 30 days prior notice, all or part of the financial assistance provided herein if the RUM is, or has been, in violation of the terms and conditions of this AGREEMENT including The Master AGREEMENT, Terms and Conditions or if determined that the purposes of the Federal regulations will not be adequately served by the continuation of Federal financial assistance to the PROJECT. Any failure to make progress or other violation of the AGREEMENT which significantly endangers substantial performance of the PROJECT within a reasonable time shall be deemed to be a violation of the terms of this AGREEMENT. Termination of any part of the financial assistance shall not invalidate obligations properly incurred by the RUM and concurred in by the PRHTA/DTPW prior to the date of termination, to the extent they are noncancellable. The acceptance of a remittance by the PRHTA/DTPW of any or all PROJECT Funds previously received by the RUM or the closing out of Federal participation in the project shall not constitute a waiver of any claim which the PRHTA/DTPW may otherwise have arising out of this AGREEMENT.

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ARTICLE 16: Project Completion - The RUM shall use its best efforts to complete the work in **twelve (12) months** from the effective date of this AGREEMENT or until the funds are no longer available by the Federal Agency, whichever comes first. However, in the event there is any delay in the accomplishment of the PROJECT the RUM may request an extension of time with the corresponding justification and the PRHTA/DTPW may grant a reasonable extension of time to be mutually agreed upon by and between the PRHTA/DTPW and the RUM and shall be incorporated in a written amendment to this AGREEMENT. An extension of time to complete the PROJECT does not mean an increase in Federal funds.

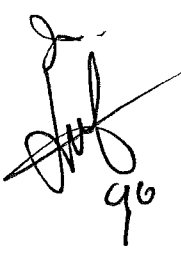


**ARTICLE 17: Interest of Members of or Delegates to Congress** - No member of or delegate to the Congress of the United States shall be admitted to any share or part of this AGREEMENT or to benefit arising therefrom.

**ARTICLE 18: FTA Master AGREEMENT and Annual List of Certifications and Assurances** :

- a) USDOT/FTA Master AGREEMENT - Upon the execution of this AGREEMENT, the RUM acknowledges having received the USDOT/FTA Master AGREEMENT covering the project and agrees to abide by all applicable clauses of the USDOT/FTA Master AGREEMENT made part of this AGREEMENT as **Exhibit E, included in floppy disc.**
- b) Annual list of Certifications and Assurances - Once each year, the RUM must provide all Certifications and Assurances that can be expected to apply to any grant recipient and/or subrecipient within the Fiscal Year.
- c) The RUM acknowledges that Federal requirements may change and the changed requirements will apply to the project as required unless the Federal Government determines otherwise. The RUM agrees to notify all subcontractors, if any, of these conditions.

Non compliance with any of the applicable provision of this USDOT/FTA Master AGREEMENT and FTA Annual Certification and Assurances, shall be cause for termination of this AGREEMENT. All provision applicable to subcontractor shall be also incorporated to any RUM subcontractor.



**ARTICLE 19: Identification of Documents** - All reports, and other documents completed as part of this AGREEMENT shall carry the following notation on the front cover or title page (or in the same block); name of the PRHTA/DTPW, name of the RUM, date the document was prepared, and the following statement:

"The preparation of this report has been financed in part through a grant from the U.S. Department of Transportation, under the Federal Transit Act as codified in 49 USC 5301, et.seq., and related laws."

**ARTICLE 20: AGREEMENT Changes** - Any proposed change in this AGREEMENT shall be submitted to the PRHTA/DTPW for its prior approval.

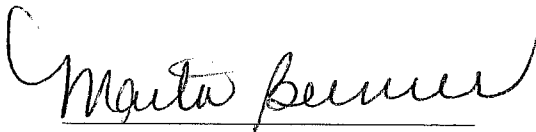
**ARTICLE 21: Severability** - The invalidity of any Article, Section, Subsection, Clause or provision of this AGREEMENT shall not affect the validity of the remaining Articles, Sections, Subsections, Clauses or provisions hereof.

ARTICLE 22: Registration of the Comptroller of the Government of Puerto Rico

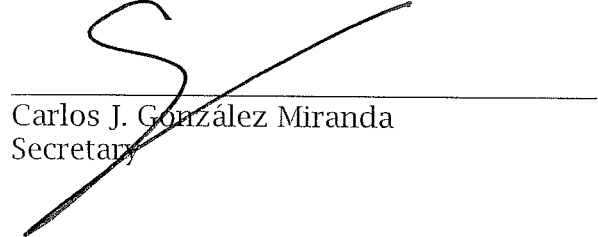
- Any service under this Agreement shall not be required for and by any of the parties until the Agreement have been submitted for its registration to the Office of the Comptroller of the Government of Puerto Rico, as set forth in Law Num. 18 of October 30<sup>th</sup> of 1975, as amended.

IN WITNESS WHEREOF, the PRHTA/DTPW and the RUM have caused this AGREEMENT to be executed on the day and year first above written.

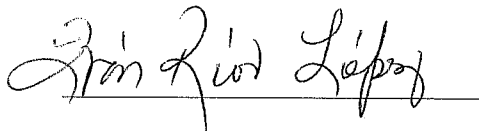
ATTEST:

  
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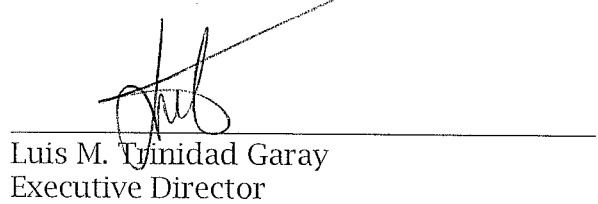
DEPARTMENT OF  
TRANSPORTATION AND PUBLIC WORKS

  
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Carlos J. González Miranda  
Secretary

ATTEST:

  
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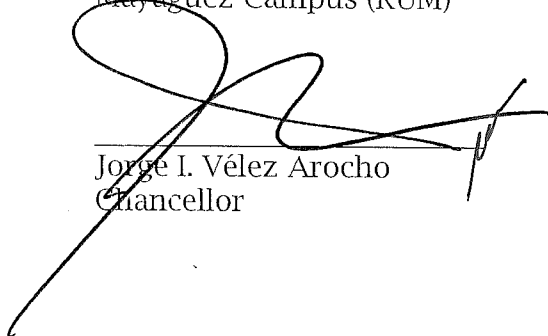
PUERTO RICO HIGHWAY AND  
TRANSPORTATION AUTHORITY

  
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Luis M. Trinidad Garay  
Executive Director

ATTEST:

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University of Puerto Rico  
Mayagüez Campus (RUM)

  
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Jorge I. Vélez Arocho  
Chancellor