

**AGREEMENT BETWEEN
KENTUCKY TRANSPORTATION CABINET
AND
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
URBAN TRANSPORTATION PLANNING; \$666,340**

This AGREEMENT, made and entered into by and between the Commonwealth of Kentucky, Transportation Cabinet, hereinafter referred to as the CABINET, and the Lexington-Fayette Urban County Government, a local government, hereinafter referred to as the SUBRECIPIENT,

WITNESSETH

WHEREAS, 23 U.S.C. §133 established a surface transportation program authorizing Federal funds to be appropriated for projects specified in 23 U.S.C. §133 and an allocation of these funds shall be made available by the CABINET to urbanized areas over 200,000 population; and

WHEREAS, the Federal-aid Highway Program is a state administered reimbursement program being conducted by the CABINET as a pass-through entity through the Division of Planning and the SUBRECIPIENT shall carry out this AGREEMENT in accordance with all applicable Federal and State laws and regulations including but not limited to all of 23 U.S.C., 49 U.S.C., 23 CFR, and 49 CFR; and

WHEREAS, all Federal-aid projects must also specifically comply with the Federal Funding Accountability and Transparency Act (Attachment A), Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990 (ADA); and

WHEREAS, the SUBRECIPIENT has submitted a Unified Planning Work Program (UPWP) to the CABINET for approval, and the UPWP and the proposed budget contained within are incorporated within this AGREEMENT by reference; and

WHEREAS, the SUBRECIPIENT is requesting Federal highway funds in the amount of \$533,072 (80% Federal share), which is the total amount of Federal award committed to the SUBRECIPIENT by the CABINET, and the SUBRECIPIENT will provide Local funds in the amount of \$133,268 (20% Local share) for a total contract amount of \$666,340 to carry out the PROJECT, defined as activities specified in the UPWP, for the period of July 1, 2026 through June 30, 2027; and

WHEREAS, the PROJECT is part of the approved Lexington metropolitan planning organization's Transportation Improvement Program, if required, and the CABINET is willing to provide these Federal funds to the SUBRECIPIENT subject to annual Federal obligation limitations, the amount of which shall be 80% of the eligible costs associated with the PROJECT; and

WHEREAS, information included in the State and Federal project authorization and

programming documents and related correspondence for the subaward is incorporated in this AGREEMENT by reference, including the SUBRECIPIENT's unique identifier (UEI), Federal award identification number (FAIN), Federal award date, amount of Federal funds obligated in the subaward, and pass-through entity contact information,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the CABINET and the SUBRECIPIENT hereby agree as follows:

Section 1. Scope The SUBRECIPIENT shall undertake and complete the PROJECT, as reviewed and approved by the CABINET, in accordance with the terms and conditions of this AGREEMENT and all applicable regulations or directives issued by the CABINET or Federal Highway Administration (FHWA). Adjustments in the PROJECT may be necessary; however, all changes must have prior written approval of the CABINET.

Section 2. Duration It is understood by both contracting parties that the effective date of the AGREEMENT is July 1, 2026, which is also the start date of the subaward period of performance and budget period. Work is not to begin until a Notice to Proceed is issued by the CABINET. The SUBRECIPIENT shall complete the PROJECT by June 30, 2027, which is the subaward period of performance and budget period end date. An extension of this AGREEMENT beyond the biennium in which it became effective is contingent upon the appropriation of funding by the Legislature. Nothing in this AGREEMENT should be construed to prevent the duration of the PROJECT from being changed by mutual written agreement of the CABINET and the SUBRECIPIENT.

This AGREEMENT is contingent upon the continued availability of appropriated Federal funds. If the funds to be used for this AGREEMENT become unavailable to the CABINET for any reason, including the Kentucky General Assembly's failure to appropriate funds, operation of law, or a reduction of Federal funds, further reimbursement of PROJECT expenditures may be denied, the timeline extended, or the scope amended by the CABINET either in whole or in part without penalty. Denial of further reimbursement or termination, extension, or amendment of the PROJECT because of interruption of the appropriated funding is not a default or breach of this AGREEMENT by the CABINET nor may such denial, termination, extension, or amendment give rise to a claim against the CABINET.

Section 3. Funding It is understood that Federal funds for the PROJECT are being awarded by the Federal Highway Administration (FHWA) as authorized under 23 U.S.C., specifically under Assistance Listing Number 20.205 – Highway Planning and Construction. The award is not for research and development. It is the responsibility of the CABINET to obtain these funds from FHWA. These funds may be authorized by either a single authorization or by a series of authorizations. The funds will be taken from the apportionment of Federal-Aid Surface Transportation Program Metropolitan Lexington (SLX) funds as allocated by the CABINET and

subject to approval by FHWA. The total Federal share of the PROJECT cost shall not exceed \$533,072 unless approved in writing by the CABINET. Federal funds shall be matched as follows: 80% Federal - 20% non-Federal match. The SUBRECIPIENT shall provide a 20% match for a total contract amount of \$666,340. The SUBRECIPIENT agrees to provide local matching funds in an amount sufficient, together with the allocated Federal and State funds, if applicable, to assure funding for completion of the PROJECT. The Federal share and State share, if applicable, of costs are payable quarterly by the CABINET upon presentation and approval of two (2) copies of a reimbursement request, including an invoice and adequate documentation. All reimbursement requests shall correspond with the expense categories in the PROJECT budget and shall be submitted to the CABINET within thirty (30) days after the end of the reporting period. All invoice amounts submitted for each expense category shall be representative of and closely approximate the actual work done, as reported in the narrative progress report. The SUBRECIPIENT shall be paid, upon the submission of proper invoices to the receiving agency at the prices stipulated for the supplies delivered and accepted, or services rendered. Unless otherwise specified, payment will not be made for partial deliveries accepted. Payments will be made within thirty (30) working days after receipt of goods or SUBRECIPIENT's invoice in accordance with KRS 45.453 and KRS 45.454. The CABINET may withhold payment of an invoice until the SUBRECIPIENT submits accompanying backup information, such as narrative progress reports, time sheets, receipts, cancelled checks, etc., needed to justify the payment of the invoice. The CABINET or FHWA may require additional documentation at their discretion.

It is understood that the value and character of any "in-kind" services contributed toward the local match must be approved by the CABINET and FHWA prior to being credited to the PROJECT. All "in-kind" services must meet CABINET and FHWA eligibility and applicability requirements.

It is further understood that revisions in the PROJECT budget may be necessary and may be allowed if they do not exceed the total sum set out above, subject to the prior written approval of the CABINET. In order for the SUBRECIPIENT to be reimbursed for costs that are not listed in the PROJECT budget, the SUBRECIPIENT must obtain written approval from the CABINET prior to incurring these costs.

Regardless of whether the contract period is extended, unexpended funds at the end of this AGREEMENT period shall not be carried forward to a future AGREEMENT.

Section 4. Allowable Costs The costs referred to in this AGREEMENT shall be comprised of the allowable direct costs incident to the performance of the PROJECT plus allowable indirect costs, less applicable credit, to be determined in accordance with the standards set forth in the Federal-Aid Policy Guide and Subpart E of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

If indirect costs are to be expended against the PROJECT, the SUBRECIPIENT shall provide to the CABINET a Cost Allocation Plan (CAP). Upon the CABINET's review and approval of the CAP, indirect charges will be eligible for reimbursement, and the approved indirect cost rate will be incorporated in this AGREEMENT by reference. The CABINET and/or FHWA reserve the right to require additional documentation.

Costs incurred in carrying out certain elements of the PROJECT which must be completed without regard for state political boundaries are prorated to each state on the basis of a population split as shown by the latest available United States census data for urbanized areas.

Section 5. Purchase of Project Equipment and Property The purchase of all Equipment or Property financed in whole or in part pursuant to this AGREEMENT shall be in accordance with applicable state laws and 2 CFR Part 200. The SUBRECIPIENT shall maintain property records for equipment costing over \$5,000 purchased with Federal funds and perform a physical inventory of equipment. The following required provision shall be included in any advertisement or invitation to bid for any procurement under this AGREEMENT: "Statement of Financial Assistance: This contract is subject to a financial assistance contract between the State of Kentucky and the Federal Highway Administration."

Section 6. Assignability The SUBRECIPIENT shall not assign a portion of the work to be performed under this AGREEMENT, or execute a contract or amendment thereto, or obligate itself with a third party with respect to its rights and responsibilities under this AGREEMENT without the prior written concurrence of the CABINET. The procurement of a professional service shall follow the guidelines identified in the CABINET's *Federal-Aid Highway Program Project Development Guide for Local Public Agencies*. Solicitation for and execution of a subcontract between the SUBRECIPIENT and a third party for work included in the PROJECT must have prior written approval of the CABINET. A third party contract must comply with the regulations outlined in this AGREEMENT. The SUBRECIPIENT shall follow all applicable State and Federal statutes and regulations when assigning work under this AGREEMENT, including but not limited to KRS 45A, 40 U.S.C. Chapter 11, and the procurement standards specified in 2 CFR.

Section 7. Reporting and Records The SUBRECIPIENT shall comply with all reporting requirements outlined by the CABINET and FHWA. The SUBRECIPIENT shall submit an annual Performance and Expenditure Report, if required, to the CABINET within 80 calendar days following the end of the SUBRECIPIENT's fiscal year. The recording and reporting of a purchase shall be in accordance with the requirements of the Kentucky Revised Statutes, including any applicable provisions of KRS Chapter 45A, and applicable Federal and CABINET guidelines.

All charges under this AGREEMENT shall be supported by properly documented invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. The CABINET or FHWA may require additional documentation at their discretion.

All checks, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this AGREEMENT shall be clearly identified, readily accessible, and to the extent feasible, kept separate and apart from all other such documents. The SUBRECIPIENT shall permit the CABINET and/or the FHWA to conduct periodic site visits to ascertain compliance with Federal and State regulations, and shall permit the CABINET and auditors to access the SUBRECIPIENT's records and financial statements for the CABINET to fulfill its monitoring requirements.

The SUBRECIPIENT shall retain all records for a period of three (3) years from the date of project closure in FMIS, if applicable, or if not applicable, for a period of three (3) years from the date of submission of the final expenditure report, defined as the final invoice and accompanying backup documentation, pursuant to 2 CFR §200.333.

Section 8. Audit and Inspection The SUBRECIPIENT shall permit the CABINET, the Finance and Administration Cabinet, the Auditor of Public Accounts, the Legislative Research Commission, the Comptroller General of the United States and the Secretary of the United States Department of Transportation, or their authorized representatives, to inspect and approve all phases of the PROJECT and all relevant PROJECT data and records; and the SUBRECIPIENT shall also permit representatives of these agencies to review audit(s) performed by the SUBRECIPIENT or other entity and to audit the books and accounts of the SUBRECIPIENT pertaining to the PROJECT.

The SUBRECIPIENT shall provide the CABINET with two (2) copies of audits or reviews pursuant to Subpart F of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," within nine (9) months of its fiscal year end or within thirty (30) days after the audit is completed, whichever occurs first.

The SUBRECIPIENT hereby acknowledges it is responsible to inform an entity it intends to hire or use as a contractor, as defined in KRS 45A.030, that the SUBRECIPIENT, the CABINET, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to the entity's books, documents, papers, records, or other evidence which are directly pertinent to this AGREEMENT for the purpose of financial audit or program review. Furthermore, all books, documents, papers, records, or other evidence provided to the SUBRECIPIENT, the CABINET, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the contract shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the contract. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of information which

would otherwise be subject to public release if a state government agency were providing the service.

Section 9. Hold Harmless Clause To the extent permitted by law, the SUBRECIPIENT shall indemnify and hold harmless the FHWA and the CABINET and all of its officers, agents, and employees from all suits, actions, or claims of character arising from injuries, payments, or damages received or claimed by any person, persons, or property due to the activities of the SUBRECIPIENT, its subcontractors, agents or employees, in connection with their services under this AGREEMENT.

Section 10. Non-Discrimination and Equal Employment Opportunity The SUBRECIPIENT shall comply with all non-discriminatory requirements imposed by Title VI of the Civil Rights Act of 1964 (78 Stat. 252, the "Act") and all applicable Federal and State requirements, including Executive Orders. The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, age, veteran status, or disability. The SUBRECIPIENT further agrees to comply with the provisions of the Americans with Disabilities Act (ADA), Public Law 101-336, and applicable Federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The SUBRECIPIENT agrees to provide, upon request, needed reasonable accommodations. The SUBRECIPIENT will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age, veteran status, or disability. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the SUBRECIPIENT's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

The SUBRECIPIENT shall, for the length of the AGREEMENT or at the point at which the AGREEMENT is covered by the Act and until its conclusion, furnish such information as required by the Act and any rules, regulations and orders issued pursuant thereto and permit access to all books and records pertaining to its employment practices and work sites by the CABINET to ascertain compliance with the Act.

Section 11. Interest of Members of or Delegates to Congress No funding has been or will be paid to a member of or delegate to the Congress of the United States in connection with the awarding of this AGREEMENT, nor shall a member of or delegate to the Congress of the United States receive a benefit arising out of this AGREEMENT.

Section 12. Prohibited Interest No member, officer, or employee of the CABINET or of the SUBRECIPIENT shall have an interest, direct or indirect, in this AGREEMENT or the proceeds thereof as established in KRS 45A.340.

Section 13. Covenant Against Contingent Fees The SUBRECIPIENT warrants that no person, elected official, selling agency or other organization has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warrant, the CABINET shall have the right to annul this AGREEMENT without liability or, at its discretion, to deduct from the compensation, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Section 14. Applicable Laws This AGREEMENT shall be in accordance with all Federal laws and the laws of the Commonwealth of Kentucky.

Section 15. Americans with Disabilities Act The SUBRECIPIENT agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (ADA) and Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, and other applicable Federal regulations relating hereto, issued by the U.S. Department of Transportation. The ADA prohibits discrimination against otherwise qualified individuals under a program or activity receiving Federal financial assistance covered by this AGREEMENT, and imposes requirements that affect the design, construction, and maintenance of all transportation projects to provide access to all facilities.

Section 16. Disadvantaged Business Enterprise (DBE) Requirements The SUBRECIPIENT agrees to comply with the DBE requirements contained within 49 CFR Part 26.

DBE Assurance: The SUBRECIPIENT, and all contractors or subcontractors, shall not discriminate on the basis of race, color, national origin, or sex in the performance of this AGREEMENT. The SUBRECIPIENT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of USDOT-assisted contracts. Failure by the SUBRECIPIENT to carry out these requirements is a material breach of this AGREEMENT, which may result in the termination of this AGREEMENT or such other remedy as the CABINET deems appropriate. Each

contract signed with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include this provision.

DBE Prompt Payment Requirement: The SUBRECIPIENT must abide by 49 CFR §26.29 with regard to prompt payment mechanisms and retainage payment. If applicable, all contractors must be paid within ten (10) working days after the SUBRECIPIENT has been paid by the CABINET for work performed or services delivered. No SUBRECIPIENT or contractor may withhold retainage on a subcontract of this AGREEMENT.

Section 17. Disputes Disputes concerning a question of fact in connection with the work not disposed of by AGREEMENT between the SUBRECIPIENT and the CABINET shall be referred to the Secretary of the Transportation Cabinet of the Commonwealth of Kentucky, or his duly authorized representative, whose decision shall be final.

Section 18. Campaign Finance If applicable, the undersigned representative of the SUBRECIPIENT certifies that neither he/she nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of this AGREEMENT, has contributed more than the amount specified in KRS 121.056(2) to the campaign of the gubernatorial candidate elected at the election last preceding the date of this AGREEMENT. If applicable, the undersigned representative of the SUBRECIPIENT swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the entity which he/she represents has knowingly violated provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the entity which he/she represents will not violate provisions of the campaign finance laws of the Commonwealth.

Section 19. Violations If applicable, pursuant to KRS 45A.485, the SUBRECIPIENT and any subcontractors performing work under this AGREEMENT, shall reveal to the CABINET the final determination of a violation within the previous five (5) year period pursuant to KRS Chapters 136, 139, 141, 337, 338, 341 and 342. These statutes relate to the state corporate and utility tax, sales and use tax, income tax, wages and hours laws, occupational safety and health law, unemployment compensation law, and workers compensation insurance law, respectively.

The SUBRECIPIENT agrees to be in continuous compliance, and will require any subcontractors performing work under this AGREEMENT to be in compliance, with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 for the duration of this AGREEMENT. Failure to reveal a final determination of a violation of the referenced statutes or to comply with these statutes for the duration of the AGREEMENT shall be grounds for the termination of funding for the AGREEMENT and disqualification of the SUBRECIPIENT from eligibility for future state contracts for a period of two (2) years.

Section 20. Personal Service Contracts and Memoranda of Agreement If this AGREEMENT comes under the purview of KRS 45A.690 - 45A.725, payments on personal

service contracts and memoranda of agreement shall not be authorized for services rendered after disapproval of the Government Contract Review Committee unless the decision of the Committee is overridden by the Secretary of the Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority.

Section 21. Debarment and Suspension A contract award must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 and 12689. SAM Exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Section 22. Clean Air Act and Federal Water Pollution Control Act The SUBRECIPIENT shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Section 23. Boycott Provisions The SUBRECIPIENT represents that, pursuant to KRS 45A.607, they are not currently engaged in, and will not for the duration of the contract engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which Kentucky can enjoy open trade. The term "boycott" does not include actions taken for bona fide business or economic reasons, or actions specifically required by federal or state law.

Section 24. Lobbying The SUBRECIPIENT represents that they, and any subcontractor performing work under the contract, have not violated the agency restrictions contained in KRS 11A.236 during the previous ten (10) years, and pledges to abide by the restrictions set forth in such statute for the duration of the contract awarded. The SUBRECIPIENT further represents that, pursuant to KRS 45A.328, they have not procured an original, subsequent, or similar contract while employing an executive agency lobbyist who was convicted of a crime related to the original, subsequent, or similar contract within five (5) years of the conviction of the lobbyist.

Section 25. Termination The CABINET reserves the right to terminate all reimbursements under this AGREEMENT when deemed to be in the best interest of the CABINET, including due to lack of available funding, by giving thirty (30) calendar days written notice of such termination to the SUBRECIPIENT. If reimbursement under this AGREEMENT is terminated by reason other than violation of this AGREEMENT or applicable law by the SUBRECIPIENT, its agents, employees and/or contractors, the CABINET shall reimburse the SUBRECIPIENT according to the terms of this AGREEMENT for all expenses incurred under this AGREEMENT to the date of the termination of reimbursement. The SUBRECIPIENT may seek to terminate its obligations under this AGREEMENT when deemed to be in its best interest by giving thirty (30)

calendar days written notice to the CABINET. If the CABINET agrees to allow the SUBRECIPIENT to terminate its obligations under this AGREEMENT, the SUBRECIPIENT shall reimburse the CABINET for all federal funding reimbursement made under this AGREEMENT.

Section 26. Agreement Change Proposed changes in this AGREEMENT shall be at the mutual consent of the SUBRECIPIENT and the CABINET and be evidenced in writing.

Section 27. Resolution If applicable, the SUBRECIPIENT shall pass a resolution authorizing the undersigned representative of the SUBRECIPIENT to sign this AGREEMENT on behalf of the SUBRECIPIENT and a copy of the resolution shall be attached to the AGREEMENT and returned to the CABINET prior to full execution of this AGREEMENT.

Section 28. Severability In the event that any Section of this AGREEMENT is declared invalid or is unenforceable, the remainder of this AGREEMENT shall remain in full force and effect and all responsibilities and duties of the parties shall be performed as set forth herein.

IN TESTIMONY WHEREOF, the parties have hereto caused this AGREEMENT to be executed upon signature by their proper officers and representatives:

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**



MAYOR

DATE: 5/14/2026

**COMMONWEALTH OF KENTUCKY
TRANSPORTATION CABINET**

**SECRETARY, TRANSPORTATION
CABINET**

DATE: _____

APPROVED AS TO FORM & LEGALITY

**OFFICE OF LEGAL SERVICES
TRANSPORTATION CABINET**

DATE: _____

Last updated: April 10, 2026