

TheRide Monitoring Report

2.7 Ends Focus of Grants or Contracts

Period: October 1, 2017 – September 30, 2018

Date of Report: December 6, 2018
Finance Committee Review: December 11, 2018
Date of Revision: December 12, 2018
(after input from Finance Committee)
Board Review: December 20, 2018

TheRide Board;

In accordance with the Board’s Policy Manual; I present the Monitoring report on **Executive Limitation Policy 2.7: Ends Focus of Grants or Contracts**. I attest that the AAATA is in compliance with this Executive Limitations policy.

I certify that the information is true and complete.

Matt Carpenter,
CEO
Ann Arbor Area Transportation Authority

Policy being monitored:

2.7 ENDS FOCUS OF GRANTS OR CONTRACTS

The CEO may not enter into any grant or contract arrangements that fail to directly support the Ends and Executive Limitations policies enumerated herein.

Compliance:

In compliance

Current Interpretations & Rationale:

In interpret this policy to mean that all AAATA financial *expenditures* made by new contracts must advance the achievement of the Board's Ends policies and/or enhance compliance with Executive Limitations policies. Any contracts should fit into one of these categories:

- **Ends:** access to destinations, increase in use of services, contribution to social, environmental, and economic vitality, demonstration of value, efficient stewardship of resources
- **Executive Limitations:** commonly accepted business practices, compliance with legal mandates, proper treatment of the traveling public, proper treatment of staff, compensation and benefits, financial planning/budgeting, financial condition and activities, cash and investments, asset protection, external relationships, and board support and communication.

I am excluding "grants" from my interpretation of this policy for the following reasons. The AAATA does not award "grants" to expend funds, only "contracts." Furthermore, I interpret this policy to apply only to *expenditures*. The AAATA receives some routine formula funding from the State of Michigan or the US government called "grants", but these are considered revenue, not expenditures. I believe that Board expectations covering how those funds are expended are already addressed under policies 2.4 and 2.5. It may be that this boilerplate policy is redundant at the AAATA. John Carver (Reinventing Your Board, p. 83, 99) considers this policy to be "*an atypical policy, one that applies only to grant-making or subcontracting organizations.*"

Finally, I am excluding pass through funding to subrecipients from my interpretation. Federal funding is funneled through the AAATA to smaller community-based organizations, called subrecipients, in a manner that could look like a grant or contract. However, the AAATA has no choice in these matters and is required by federal law to funnel these funds in the manner directed. Therefore, we have no means to ensure they comply with any Board policies, so they are excluded from this policy.

Evidence:

Below is a list of all expenditure contracts entered during the monitoring period. Previously executed contracts are not included. Staff have identified the Board policies we believe these contracts support or advance. We attest that this list is complete, and no contracts have been omitted.

Contracts in the Monitoring Period

Contracts (Expenditures)	Category
Support Vehicle Replacement <i>Replaced shop trucks past their useful life.</i>	Asset Protection
Bus Engines and Installation <i>Replaced bus engines, mid-life rehabilitation.</i>	Asset Protection
Hybrid Battery Refresh Kits <i>Replaced hybrid batteries on buses, mid-life rehabilitation.</i>	Asset Protection
Computer Room Uninterruptable Power Supply <i>Replaced/modernized battery backup system in computer room.</i>	Asset Protection, Treatment of the Traveling Public
Diesel Particulate Filter Cleaning System <i>Purchased equipment to clean exhaust filters for bus fleet.</i>	Asset Protection
Auto Body Paint & Supplies <i>Supplies used in body shop for repairs to vehicles.</i>	Asset Protection
Small Printing Projects (Admin printing) <i>Contract rate for small printing jobs used by administration.</i>	Asset Protection
Natural Gas Supply <i>Contract rate for natural gas for facilities heating.</i>	Asset Protection
Computer Hardware Replacement <i>Contract rate for replacement of old computers and laptops.</i>	Asset Protection
Paratransit Study <i>Consultant for comprehensive review of ADAs paratransit services.</i>	Financial Conditions and Activities
Fare Study <i>Consultant for comprehensive review of fare policy, structure, and technology.</i>	Financial Conditions and Activities
Board Governance Consultant <i>Consultant to aid Board in Policy Governance implementation.</i>	Communication and Support to the Board
Bus Advertising Services <i>Contractor to coordinate transit advertising program (advertisements on fleet).</i>	Financial Conditions and Activities
getDowntown Website <i>Contractor for web development.</i>	Treatment of the Traveling Public
Ride Guide Printing Services <i>Contract rate for printing of the RideGuide schedules.</i>	Treatment of the Traveling Public
Bike Share Management <i>Contract operator to relaunch ArborBike program.</i>	Financial Conditions and Activities Asset Protection
General Corporate Legal Services <i>Contract attorneys for general legal services.</i>	Asset Protection, Communication and Support to the Board
Labor and Employment Legal Services <i>Contract attorneys for employment-related legal services.</i>	Treatment of Staff, Asset Protection

Front Desk Barrier Renovation Project <i>Installation of security barrier at the front desk at 2700.</i>	Treatment of Staff, Asset Protection
Ergonomics Assessment <i>Contractor to perform ergonomic assessment of employee workspaces.</i>	Treatment of Staff, Asset Protection
Application of Permanent Non-Slip Pavement Coatings on Garage Floor <i>Contractor to repaint garage floor with non-slip coatings.</i>	Treatment of Staff, Asset Protection
Transit Employee Uniforms <i>Uniforms for Motor Coach Operators, fleet, and facilities personnel</i>	Treatment of Staff, Asset Protection

(To be filled in based on Board action after submission)

Policy: 2.7 Ends Focus of Grants or Contracts

Date Submitted: December 12, 2018

Date of Board Response: December 20, 2018

The Board has received and reviewed the CEO's Monitoring Report references above. Following the Board's review and discussion with the CEO, the Board makes the following conclusions:

Executive Limitations Report (select one)

The Board finds that the CEO:

- A. Is in compliance
- B. Is in compliance, except for item(s) noted.
- C. Is making reasonable progress toward compliance.
- D. Is *not* in compliance or is *not* making reasonable progress toward compliance
- E. Cannot be determined.

Board notes: