GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE CENTRAL TEXAS
REGIONAL MOBILITY AUTHORITY

RESOLUTION NO. 12-016

APPROVING A CODIFICATION OF ALL PREVIOUSLY-ADOPTED RESOLUTIONS THAT ESTABLISH THE RULES, REGULATIONS, AND POLICIES OF THE MOBILITY AUTHORITY.

WHEREAS, since 2003, the Mobility Authority Board of Directors has adopted 44 resolutions that enact or amend the policies of the Mobility Authority; and

WHEREAS, the executive director recommends, and the board agrees, that codifying those separate resolutions into a Mobility Authority Policy Code will increase the accessibility and transparency of the Mobility Authority by making it easier to locate, indentify, and understand the policies adopted by the board to govern the business and operations of the Mobility Authority.

NOW, THEREFORE, BE IT RESOLVED, that the board adopts the Mobility Authority Policy Code attached and incorporated into this resolution as Attachment A; and

BE IT FURTHER RESOLVED, that previously adopted board resolutions incorporated and codified into the Mobility Authority Policy Code as identified on Attachment B to this resolution are hereby repealed; and

BE IT FURTHER RESOLVED, that future new or revised Mobility Authority policies proposed for consideration by the board shall be enacted by adding, repealing, or amending appropriate provisions of the Mobility Authority Policy Code.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 29th day of February, 2012.

Submitted and reviewed by:

Andrew Martin, General Counsel
Central Texas Regional Mobility Authority

Approved:

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 12-016
Date Passed: 2/29/12

Attachment A to Resolution No. 12-016

Mobility Authority Policy Code

[beginning on the following page]

Attachment B to Resolution No. 12-016

Repealed Resolutions

Date	Resolution Number/Description
01/29/03	03-01 – Adopts Bylaws
02/26/03	03-13 – Procurement Policies
04/30/03	03-20 – Revises Procurement Policies
08/27/03	03-39 – Revises Procurement Policies
08/27/03	03-40 – Adopts Policies & Procedures for Environmental Review
09/24/03	03-45 – Investment Banking Pool Designation
11/05/03	03-56 – Adopts Conflict of Interest Policy for Consultants
11/05/03	03-57 – Adopts Conflict for Interest Policy for Financial Team
11/05/03	03-60 – Adopts BOPP & DBE Policies
12/17/03	03-62 – Revises Bylaws
12/08/04	04-62 – Approves Tolling Policies
12/08/04	04-69 – Swap Policy
01/05/05	05-02 – Amends Bylaws
01/05/05	05-04 – Investment Policy
01/26/05	05-15 – Approves Travel & Expense Policy
04/27/05	05-40 – Adopts Drug & Alcohol Policy
07/27/05	05-57 – Adopts Official CTRMA Logo
11/30/05	05-81 – Adopts Amended Bylaws
01/31/06	06-08 – Adopts Amended Procurement Policies
05/31/06	06-30 – Adopts TxDOT's DBE Program
01/31/07	07-02 – Amends CTRMA Toll Policies
01/31/07	07-05 – Reapproves Investment Policy & Broker Deals
03/28/07	07-14 – Prohibits Use of 183-A Main Lanes by Bicycles, etc.
04/25/07	07-16 – Maximum Speed
04/25/07	07-18 – Extended Sick Leave/Emergency Absence
08/29/07	07-58 – Policies & Procedures for Access Management of Frontage Roads
11/07/07	07-66 – Adopts Revisions to Toll Policies

Attachment B to Resolution No. 12-016

Repealed Resolutions

Date	Resolution Number/Description
12/07/07	07-75 – Approved Revised Investment Policy
01/30/08	08-04 – Amends Toll Policies
05/28/08	08-27 – Adopts Employee Handbook
06/25/08	08-33 – Revisions to Toll Policies
12/17/08	08-64 – Amends Procurement Policies
12/17/08	08-65 – Amends Investment Policy
07/31/09	09-40 – Rules for Use of CTRMA Operated Transportation Projects
11/18/09	09-76 – Adopts Revisions to Toll Policies
11/18/09	09-78 – Adopts Amended Employee Handbook
02/26/10	10-11 – Reapproves Investment Policy
02/26/10	10-12 – Adopts Reserve Fund Policy
03/31/10	10-36 – Amends Investment Policy
12/08/10	10-103 – Adopts Damage Claim Policy
04/27/11	11-041 – Amends Toll Policies
09/28/11	11-129 – Revising & Adopting Investment Policy
12/07/11	11-142 – Amends Procurement Policies
01/25/12	12-007 – Adopts Utility Encasements Policy

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Chapter 1: GOVERNANCE (BYLAWS)

Article 1. General

101.001 The Authority

These bylaws are made and adopted for the regulation of the affairs and the performance of the functions of the Central Texas Regional Mobility Authority (the "authority"), a regional mobility authority authorized and existing pursuant Chapter 370, Transportation Code, as the same may be amended from time to time (the "RMA Act"), as well as rules adopted by the Texas Department of Transportation concerning the operation of regional mobility authorities, located at 43 T.A.C. Chapter 26 (the "RMA Rules").

101.002 Principal Office

The domicile and principal office of the authority shall be in one of the counties composing the authority.

101.003 General Powers

The activities, property, and affairs of the authority will be managed by its board (the "board"), which may exercise all powers and do all lawful acts permitted by the Constitution and statutes of the State of Texas, the RMA Act, the RMA rules, and these bylaws.

101.004 Contracts and Purchases

All contracts and purchases on behalf of the authority shall be entered into and made in accordance with rules of procedure prescribed by the board and applicable laws and rules of the State of Texas and its agencies.

101.005 Sovereign Immunity

Unless otherwise required by law, the authority will not by agreement or otherwise waive or impinge upon its sovereign immunity.

101.006 Rates and Regulations

The board shall, in accordance with all applicable trust agreements, the RMA Act, the RMA Rules, or other law, establish toll rates and fees, designate speed limits, establish fines for toll violators, and adopt rules and regulations for the use and occupancy of said turnpike project.

101.007 Seal

The official seal of the authority shall consist of the embossed impression of a circular disk with the words "Central Texas Regional Mobility Authority, 2002" on the outer rim, with a star in the center of the disk.

101.008 Logo

The logo appearing after this sentence is approved and adopted as the official logo of the authority:

101.009 Indemnification by the Authority

(a) Any person made a party to or involved in any litigation, including any civil, criminal or administrative action, suit or proceeding, by reason of the fact that such person is or was a Director, officer, or administrator of the authority or by reason of such person's alleged negligence or misconduct in the performance of his or her duties as such Director, officer, or administrator shall be indemnified by the authority, to the extent funds are lawfully available and subject to any other limitations that exist by law, against liability and the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with any action therein, except in relation to matters as to which it is adjudged that such Director, officer, or administrator is liable for gross negligence or willful misconduct in the performance of his or her duties.

(b) A conviction or judgment entered in connection with a compromise or settlement of any such litigation shall not by itself be deemed to constitute an adjudication of liability for such gross negligence or willful misconduct. However, in the event of a conviction for an offense involving the conduct for which the director, officer, or administrator was indemnified, the officer, director, or administrator shall be liable to the authority for the amount of indemnification paid, with interest at the legal rate for interest on a judgment from the date the indemnification was paid, as provided by § 370.258 of the RMA Act.

(c) The right to indemnification will include the right to be paid by the authority for expenses incurred in defending a proceeding in advance of its final disposition in the manner and to the extent permitted by the board in its sole discretion. In addition to the indemnification described above that the authority shall provide a Director, officer or administrator, the authority may, upon approval of the board in its sole discretion, indemnify a Director, officer, or administrator under such other circumstances, or may indemnify an employee, against liability and reasonable expenses, including attorneys' fees, incurred in connection with any claim asserted against him or her in said party's capacity as a Director, officer, administrator, or employee of the authority, subject to any limitations that exist by law.

(d) Any indemnification by the authority pursuant to this section shall be evidenced by a resolution of the Board.

101.010 Expenses Subject to Indemnification

(a) As used herein, the term "expenses" includes fines or penalties imposed and amounts paid in compromise or settlement of any such litigation only if:

(1) independent legal counsel designated by a majority of the board, excluding those Directors who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought, shall have advised the board that, in the opinion of such counsel, such Director, officer, administrator, or other employee is not liable to the authority for gross negligence or willful misconduct in the performance of his or her duties with respect to the subject of such litigation; and

(2) a majority of the Directors shall have made a determination that such compromise or settlement was or will be in the best interests of the authority.

101.011 Procedure for Indemnification

Any amount payable by way of indemnity under these bylaws may be determined and paid pursuant to an order of or allowance by a court under the applicable provisions of the laws of the State of Texas in effect at the time and pursuant to a resolution of a majority of the Directors, other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought. In the event that all of the Directors are made parties to such litigation, a majority of the board shall be authorized to pass a resolution to provide for legal expenses for the entire Board.

101.012 Additional Indemnification

The right of indemnification provided by these bylaws shall not be deemed exclusive of any right to which any Director, officer, administrator, or other employee may be entitled, as a matter of law, and shall extend and apply to the estates of deceased Directors, officers, administrators, and other employees.

101.013 Strategic Plan, Annual Report, and Presentation to Commissioners Courts

(a) Each even numbered year, the authority shall issue a Strategic Plan of its operations covering the next five fiscal years, beginning with the next odd numbered fiscal year. A draft of each Strategic Plan shall be submitted to the board for review, approval, and, subject to revisions required by the board, adoption.

(b) Under the direction of the executive director, the staff of the authority shall prepare a draft of an Annual Report on the authority's activities during the preceding year and describing all turnpike revenue bond issuances anticipated for the coming year, the financial condition of the authority, all project schedules, and the status of the authority's performance under the most recent Strategic Plan. The draft shall be submitted to the board not later than February 28 for review, approval, and, subject to revisions required by the board, adoption. Not later than March 31 following the conclusion of the preceding fiscal year, the authority shall file with the Commissioners Court of each county included in the authority the authority's Annual Report, as adopted by the Board.

(c) At the invitation of a Commissioners Court of a county in the authority, representatives of the board and the executive director shall appear before the Commissioners Court to present the Annual Report and respond to questions and receive comments.

101.014 Appeals Procedure

The authority shall maintain an appeals procedure to be adopted by the board and amended from time to time that sets forth the process by which parties may bring to the attention of the authority their questions, grievances, or concerns and may appeal any action taken by the authority.

101.015 Amendments to Bylaws

Except as may be otherwise provided by law, these bylaws may be amended, modified, altered, or repealed in whole or in part, at any regular meeting of the board after three days advance notice has been given by the chairman to each Director of the proposed change.

Article 2. Directors

101.016 Qualifications of Directors

(a) All Directors will have and maintain the qualifications set forth in this section and in the RMA Act or RMA Rules.

(b) All appointments to the board shall be made without regard to disability, sex, religion, age, or national origin.

(c) Each Director appointed by a Commissioners Court must be a resident of the County governed by that Commissioners Court at the time of their appointment. All gubernatorial

appointees must be residents of one of the counties comprising the authority at the time of their appointments.

(d) An elected official is not eligible to serve as a Director.

(e) An employee of a city or county located wholly or partly within the boundaries of the authority is not eligible to serve as a Director.

(f) A person who is an officer, employee, or paid consultant of a Texas trade association in the field of road construction or maintenance, public transportation or aviation, or whose spouse is an officer, manager, or paid consultant of a Texas trade association in the aforementioned fields, is not eligible to serve as a Director or as the authority's executive director.

(g) A person is not eligible to serve as a Director or as the authority's executive director if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization, other than a political subdivision, regulated by or receives money from TxDOT or the authority;

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization that is regulated by or receives money from TxDOT or the authority, other than compensation for acquisition of turnpike right of way;

(3) uses or receives a substantial amount of tangible goods, services, or money from TxDOT or the authority, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses, or for compensation for acquisition of turnpike right of way;

(4) is an officer, employee, or paid consultant of a Texas trade association in the field of road construction, maintenance, or operation; or

(5) is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of TxDOT or the authority.

(h) Each director shall certify annually to the secretary (as defined in Section 101.025) that said director is not ineligible to serve on the board as a result of any of the foregoing conditions.

101.017 Vacancies

A vacancy on the board shall be filled promptly by the entity that made the appointment that falls vacant. Each director appointed to a vacant position shall be appointed for the unexpired term of the director's predecessor in that position.

101.018 Resignation and Removal

(a) A director may resign at any time upon giving written notice to the authority and the entity that appointed that director.

(b) A director may be removed from the board if the director does not possess at the time the director is appointed, or does not maintain, the qualifications required by the RMA Act, the RMA Rules, or these bylaws, or if the director violates any of the foregoing.

(c) In addition, a director who cannot discharge the director's duties for a substantial portion of the term for which he or she is appointed because of illness or disability, or a director who is absent from more than half of the regularly scheduled board meetings during a given calendar year, may be removed.

(d) If the executive director of the authority knows that a potential ground for removal of a director exists, the executive director shall notify the chairman of the potential ground for removal. The chairman then shall notify the entity that appointed such director of potential ground for removal.

(e) A director shall be considered removed from the board only after the authority receives notice of removal from the entity that appointed such director.

101.019 Compensation of Directors

Directors shall serve without compensation, but will be reimbursed for their actual expenses of attending each meeting of the board and for such other expenses as may be reasonably incurred in their carrying out the duties and functions as set forth herein.

101.020 Conflict of Interest

(a) A director shall not:

(1) accept or solicit any gift, favor, or service that might reasonably tend to influence that director in the discharge of official duties on behalf of the authority or that the director knows or should know is being offered with the intent to influence the director's official conduct; or

(2) accept other compensation that could reasonably be expected to impair the director's independence of judgment in the performance of the director's official duties.

(b) Directors shall familiarize themselves and comply with all applicable laws regarding conflicts of interest, including Chapter 171, Local Government Code, and any conflict of interest policy adopted by the board.

101.021 Additional Obligations of Directors

Directors shall comply with the requirement to file an annual personal financial statement with the Texas Ethics Commission as provided by Section 370.2521, Transportation Code,and the requirement to complete training on the RMA's responsibilities under the Open Meetings Act and the Public Information Act as provided by Sections 551.005 and 552.012, Government Code.

101.022 Officers

The officers of the authority shall consist of a chairman, a vice chairman, a secretary, and a treasurer. The offices of secretary and treasurer may be held simultaneously by the same person. The individuals elected as officers shall not be compensated for their service as officers. However, officers shall be reimbursed for all expenses incurred in conducting proper authority business and for travel expenses incurred in the performance of their duties. If desired, the board may also designate an assistant secretary and assistant treasurer, who shall also be considered officers of the authority.

101.023 Chairman

The chairman is appointed by the Governor and is a director of the authority. The chairman shall appoint all committees of the board as specified in these bylaws, except as otherwise provided in Section 101.036; call all regular meetings of the board; and preside at and set the agendas for all meetings of the board, except as provided by Section 101.029(d).

101.024 Vice Chairman

The vice chairman must be a director of the authority. During the absence or disability of the chairman, upon the chairman's death (and pending the Governor's appointment of a successor new chairman), or upon the chairman's request, the vice chairman shall perform the duties and exercise the authority and powers of the chairman.

101.025 Secretary

The secretary need not be a director of the authority. The secretary shall keep true and complete records of all proceedings of the directors in books provided for that purpose and shall assemble, index, maintain, and keep up-to-date a book of all of the policies adopted by the authority; attend to the giving and serving of all notices of meetings of the board and its committees and such other notices as are required by the office of secretary and as may be directed by the RMA Act, any trust indenture binding on the authority, directors of the authority, or the executive director; seal with the official seal of the authority (if any) and attest all documents, including trust agreements, bonds, and other obligations of the authority that require the official seal of the authority to be impressed thereon; execute, attest, and verify signatures on all contracts in which the total consideration equals or exceeds an amount established in resolutions of the board, contracts conveying property of the authority, and other agreements binding on the authority which by law or board resolution require attestation; certify resolutions of the board and any committee thereof; maintain custody of the

corporate seal, minute books, accounts, and all other official documents and records, files, and contracts that are not specifically entrusted to some other officer or depository; and hold such administrative offices and perform such other duties as the board or the executive director shall require.

101.026 Treasurer

The treasurer need not be a director of the authority. The treasurer shall execute all requisitions to the applicable bond trustee for withdrawals from the construction fund, unless the board designates a different officer, director, or employee of the authority to execute any or all of such requisitions. In addition, the treasurer shall execute, and if necessary attest, any other documents or certificates required to be executed and attested by the treasurer under the terms of any trust agreement or supplemental trust agreement entered into by the authority; maintain custody of the authority's funds and securities and keep a full and accurate account of all receipts and disbursements, and endorse, or cause to be endorsed, in the name of the authority and deposit, or cause to be deposited, all funds in such bank or banks as may be designated by the authority as depositories; render to the directors at such times as may be required an account of all financial transactions coming under the scope of the treasurer's authority; give a good and sufficient bond, to be approved by the authority, in such an amount as may be fixed by the authority; invest such of the authority's funds as directed by resolution of the board, subject to the restrictions of any trust agreement entered into by the authority; and hold such administrative offices and perform such other duties as the board or the executive director shall require. If, and to the extent that, the duties or responsibilities of the treasurer and those of any administrator conflict and are vested in different persons, the conflicting duties and responsibilities shall be deemed vested in the treasurer.

101.027 Election and Term of Office

(a) Except for the office of chairman, which is filled by the Governor's appointment, officers will be elected by the board for a term of two years, subject to Section 101.028.

(b) The election of officers to succeed officers whose terms have expired shall be by a vote of the board at the first meeting of the board held after February 1 of each year or at such other meeting as the board determines.

101.028 Removal and Vacancies

(a) Each officer shall hold office until a successor is chosen and qualified, or until the officer's death, resignation, or removal, or, in the case of a director serving as an officer, until such officer ceases to serve as a director.

(b) Any officer, except the chairman, may resign at any time upon giving written notice to the board.

(c) The chairman may resign at any time upon giving written notice to the board and the Governor.

(d) Any officer except the chairman may be removed from service as an officer at any time, with or without cause, by the affirmative vote of a majority of the board.

(e) The board may at any meeting vote to fill any officer position except the chairman vacated due to an event described in this section for the remainder of the unexpired term.

101.029 Meetings

(a) All regular meetings of the board shall be held in a county of the authority, at a specific site, date, and time to be determined by the chairman.

(b) The chairman may postpone any regular meeting if it is determined that such meeting is unnecessary or that a quorum will not be achieved, but no fewer than four regular meetings shall be held during each calendar year.

(c) Special meetings and emergency meetings of the board may be called, upon proper notice, at any time by the chairman or at the request of any three directors. Special meetings and emergency meetings shall be held at such time and place as is specified by the chairman, if the chairman calls the meeting, or by the three directors, if they call the meeting.

(d) The chairman shall set the agendas for meetings of the board, except that the agendas of meetings called by three directors shall be set by those directors.

101.030 Meetings by Telephone

(a) As authorized by § 370.262 of the RMA Act, the board, committees of the board, staff, or any combination thereof, may participate in and hold open or closed meetings by means of conference telephone or other electronic communications equipment by which all persons participating in the meeting can communicate with each other and at which public participation is permitted by a speaker telephone or other electronic communications equipment at a conference room of the authority or other facility in a county of the authority that is accessible to the public.

(b) Such meetings are subject to the notice requirements of §§ 551.125(c) through (f) of the Texas Open Meetings Act, and the notice must state where members of the public can attend to hear those portions of the meeting open to the public. Such meetings are not, however, subject to the requirements of § 551.125(b) of the Open Meetings Act.

(c) Participation in a meeting pursuant to this section constitutes being present in person at such meeting, except that a director will not be considered in attendance when the director appears at such a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened as generally provided under Section 101.033.

(d) Each part of a meeting conducted by telephone conference call or other electronic means that by law must be open to the public shall be accessible to the public at the location specified in the notice and shall be tape recorded and documented by written minutes. On conclusion of the meeting, the tape recording and the written minutes of the meeting shall be made available to the public.

101.031 Notice to Directors

(a) Notice of each meeting of the board shall be sent by mail, electronic mail, or facsimile to all directors entitled to vote at such meeting.

(b) If sent by mail, such notice will be deemed delivered when it is deposited in the United States mail with sufficient postage prepaid.

(c) If sent by electronic mail or facsimile, the notice will be deemed delivered when transmitted properly to the correct e-mail address or number, provided that an additional copy of such notice shall be sent by overnight delivery as confirmation of the notice sent by electronic mail or facsimile.

(d) Such notice of meetings also may be given by telephone, provided that any of the Chairmen, executive director, secretary, or their designee speaks personally to the applicable director to give such notice.

101.032 Waiver of Notice

Whenever any notice is required to be given to any director by statute or by these bylaws, a written waiver of such notice signed by the person or persons entitled to such notice, whether before or after the time required for such notice, shall be deemed equivalent to the giving of such notice.

101.033 Attendance as Waiver

Attendance of a director at a meeting of the board or a committee thereof will constitute a waiver of notice of such meeting, except that a director will not be considered in attendance when the director appears at such a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

101.034 Voting; Quorum

(a) A majority of the directors constitutes a quorum, and the vote of a majority of the directors present at a meeting at which a quorum is present will be necessary for any action taken by the board.

(b) No vacancy in the membership of the board will impair the right of a quorum to exercise all of the rights and to perform all of the duties of the board. Therefore, if a vacancy occurs, a majority of the directors then serving in office will constitute a quorum.

101.035 Procedure

(a) All meetings of the board and its committees shall be conducted in accordance with Robert's Rules of Order pursuant to statutorily proper notice of meeting posted as provided by law.

(b) The chairman at any time may change the order of items to be considered from that set forth in the notice of meeting, provided that all agenda items that require a vote by the board shall be considered at the meeting for which they have been posted.

(c) To the extent procedures prescribed by applicable statutes, the RMA Rules, or these bylaws conflict with Robert's Rules of Order, the statutes, the RMA Rules, or these bylaws shall govern.

101.036 Committees

(a) The chairman at any time may designate from among the directors one or more ad hoc or standing committees, each of which shall be comprised of two or more directors, and may designate one or more directors as alternate members of such committees, who may, subject to any limitations imposed by the chairman, replace absent or disqualified members at any meeting of that committee. The chairman serves as an ex-officio member of each committee.

(b) If approved by a resolution passed by a majority vote of the board, a committee shall have and may exercise all of the authority of the board, to the extent provided in such resolution and subject to the limitations imposed by applicable law.

(c) The chairman shall appoint the chairman of each committee, as well as directors to fill any vacancies in the membership of the committees. At the next regular meeting of the board following the chairman's formation of a committee, the chairman shall deliver to the directors and the secretary a written description of the committee, including:

(1) the name of the committee,

(2) whether it is an ad hoc or standing committee,

(3) its assigned function(s) and/or task(s),

(4) whether it is intended to have a continuing existence or to dissolve upon the completion of a specified task and/or the occurrence of certain events,

(5) the directors designated as members and alternate members to the committee, and its chairman, and

(6) such other information as requested by any director.

(d) The secretary shall enter such written description into the official records of the authority. The chairman shall provide a written description of any subsequent changes to the name, function, tasks, term, or composition of any committee in accordance with the procedure described in this section.

(e) A committee also may be formed by a majority vote of the board, which vote (and not the chairman) also shall specify the committee's chairman and provide the descriptive information otherwise furnished by the chairman in accordance with this section.

(f) A meeting of any committee formed pursuant to this section may be called by the chairman, the chairman of the applicable committee, or by any two members of the committee.

(g) All committees shall keep regular minutes of their proceedings and report to the board as required.

(h) The designation of a committee of the board and the delegation thereto of authority shall not operate to relieve the board, or any director, of any responsibility imposed upon the board or the individual director by law.

(i) To the extent applicable, the provisions of these bylaws relating to meetings, quorums, meetings by telephone, and procedure shall govern the meetings of the Board's committees.

Article 3. Administration

Subchapter A. Administrative Staff

101.037 Administrators

(a) The chief administrator of the authority shall be the executive director.

(b) Other administrators may be appointed by the executive director with the consent of the board. All such administrators, except for the executive director, shall perform such duties and have such powers as may be assigned to them by the executive director or as set forth in board Resolutions.

(c) Any administrator may be removed, with or without cause, at any time by the executive director.

(d) All administrators will be reimbursed for expenses incurred in performance of their duties as approved by the executive director. Notwithstanding the foregoing, all expense reimbursements to the executive director shall be subject to the approval of the Executive Committee.

101.038 Executive Director

(a) The executive director will be selected by the board and shall serve at the pleasure of the board, performing all duties assigned by the board and implementing all resolutions adopted by the board.

(b) In addition, the executive director:

(1) shall be responsible for general management, hiring and termination of employees, and day-to-day operations of the authority;

(2) shall be responsible for preparing a draft of the Strategic Plan for the authority's operations, as described in Section 101.013;

(3) shall be responsible for preparing a draft of the authority's written Annual Report, as described in Section 101.013;

(4) at the invitation of a Commissioners Court of a county in the authority, shall appear, with representatives of the board, before the Commissioners Court to present the authority's Annual Report and respond to questions and receive comments regarding the Report or the authority's operations;

(5) may execute inter-agency and interlocal contracts and service contracts;

(6) may execute contracts, contract supplements, contract change orders, and purchase orders not exceeding amounts established in Resolutions of the board; and

(7) shall have such obligations and authority as may be described in one or more Resolutions enacted from time to time by the board.

(c) The executive director may delegate the foregoing duties and responsibilities as the executive director deems appropriate, provided such delegation does not conflict with applicable law or any express direction of the board.

101.039 Interim Executive Director

The board may designate an interim executive director to perform the duties of the executive director during such times as the position of executive director is vacant. The interim executive director need not be an employee of the authority.

101.040 Termination of Employees

Employees of the authority shall be employees at will unless they are party to an employment agreement with the authority executed by the chairman upon approval by the Board. Employees may be terminated at any time, with or without cause, by the executive director subject to applicable law and the policies in place at the time of termination.

Subchapter B. Personnel Policies

101.041 Employee Handbook Adopted (Resolution 09-78)

(a) The board hereby approves and adopts the Employee Handbook, attached hereto as Appendix 1 .

(b) The Employee Handbook may be further amended from time to time at the discretion of the board.

(c) The executive director is directed to take such steps as may be necessary to effectively communicate the authority's ethics and compliance program to employees and agents and to enforce the requirements of the program.

(d) Staff shall develop and implement a program to provide information on ethics and internal compliance issues to directors.

101.042 Extended Sick Leave

(a) The board directs the executive director to develop and implement a policy for extended sick leave and emergency absence to apply to all benefits-eligible employees.

(b) The policy implemented under this section may not provide for more than 30 days of paid leave per year.

Subchapter C. Drug And Alcohol Policy

101.043 Policy Regarding Drug and Alcohol Use

The objective of this subchapter is to develop a drug and alcohol-free workplace that will help insure a safe and productive workplace for all authority activities. In order to further this objective, the rules in this subchapter regarding alcohol and illegal drugs in the workplace have been established. The authority will not condone substance abuse within the workforce or the workplace and will make every effort to operate in a drug-free environment. This subchapter applies during regular business hours (Monday through Friday, 8 a.m. to 5 p.m.) and at any time while conducting authority business. This Drug and Alcohol Policy is adopted pursuant to, and is in accordance with, the requirements of Section 370.033(h), Transportation Code.

101.044 Prohibited Behavior By Employees

(a) Employees are prohibited from working for the authority while under the influence of illegal or controlled substances. It is a violation of this subchapter for any authority employee to use, possess, sell, trade, distribute, dispense, purchase and/or offer for sale, on authority premises or on or in authority property, or regular business hours, any illegal drugs, drug paraphernalia, and/or illegal inhalants. This subchapter includes the misuse of prescription drugs, including controlled substances. Compliance with this prohibition will be strictly enforced. Violation of the drug portion of this subchapter shall result in immediate disciplinary action, which may include termination of employment or removal from office following investigation.

(b) The authority prohibits the consumption of alcohol by authority employees while engaged in the regular performance of official duties during regular business hours. The authority does not

condone the consumption of alcohol outside of regular business hours at a level that would materially affect an individual's physical or mental capabilities to a point where judgment is impaired and/or the employee presents a physical risk to themselves or others. Employees must report for work in a condition that allows them to perform their duties safely and efficiently. It is a violation of this subchapter to use, possess, sell, trade, distribute, dispense, purchase and/or offer for sale any alcoholic beverages during regular business hours on the authority premises or on or in authority property. Violation of the alcohol portion of this subchapter may result in disciplinary action, up to and including termination.

(c) If an employee is taking medication that has been medically prescribed, and that person believes that such medication may affect his or her job performance, they should inform their supervisor of this fact. This information must be kept confidential and communicated to the direct supervisor prior to the individual commencing authority-related work or duties. All prescription drugs must be kept in their original container.

(d) This subchapter requires that employees notify their manager or the designated human resources contact of any criminal drug statute conviction for a violation occurring on the authority premises or on or in authority property or during scheduled work time no later than five days after such a conviction. For purposes of this subchapter, criminal drug statute means a criminal statute addressing the manufacture, distribution, dispensation, use, or possession of any illegal drugs, drug paraphernalia and/or illegal inhalants.

101.045 Consequences

If an employee violates this subchapter, he or she may be subject to disciplinary action, up to and including termination. Nothing in this subchapter prohibits the authority from disciplining or discharging an employee for other policy violations and/or performance problems.

101.046 Definitions

(1) Authority Premises - All authority property including without limitation, offices, warehouses, worksites, rented premises for authority functions, authority vehicles, other vehicles being used for authority business, lockers, and parking lots.

(2) Authority Property - All authority owned or leased property used by employees including without limitation, vehicles, lockers, desks, closets, etc.

(3) Controlled Substance - Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act (21 U.S.C. § 812), as amended, or as revised and set forth in federal regulations (21 C.F.R. §§1308.11 – 1308.15). Copies of such schedules are maintained by the authority for employee review.

(4) Drug - A drug is any chemical substance that produces physical, mental, emotional or behavioral change in the user.

(5) Drug Paraphernalia - Equipment, a product or material that is used or intended for use in concealing an illegal drug for use in injecting, ingesting, inhaling or otherwise introducing into the human body an illegal drug or controlled substance.

(6) Illegal Drug - An illegal drug is any drug or derivative thereof which the use, possession, sale, transfer attempted sale or transfer, manufacture or storage of is illegal or regulated under any federal, state, or local law or regulation and any other drug, including (but not limited to) a prescription drug, used for any reason other than a legitimate medical reason, and inhalants used illegally. Included is marijuana or cannabis in all forms.

(7) Reasonable Cause/ Reasonable Suspicion – A belief based on observation and specific, articulable, objective facts where the rational inference to be drawn under the circumstances and in light of experience is that the person is under the influence of drugs or alcohol.

101.047 Employee Treatment And Education

(a) The authority encourages employees to seek help if they are concerned that they have a drug and/or alcohol problem. The authority encourages employees to utilize the services of qualified professionals in the community to assess the seriousness of suspected drug or alcohol problems and identify appropriate sources of help. However, an employee's participation in any rehabilitation programs does not preclude the authority from taking any disciplinary action, up to and including termination, against any employee.

(b) The authority will not provide any assessment, referral, treatment or education assistance to employees other than as provided by the authority's health care insurance. Entering into or use of any assessment, referral, treatment or education program relating to drug and alcohol abuse shall be at the sole discretion of the employee, and unless the authority's health care insurance pays for such a program, the entire cost of the program shall be borne by the employee.

101.048 Employee Drug Testing Program

(a) If the authority has reasonable cause/reasonable suspicion (as defined above) to believe that any employee (including those in non-safety-sensitive positions) is under the influence of illegal drugs, illegal inhalants and/or alcohol, the authority will require the employee to submit to a drug and/or alcohol test. Tests that may be used include (but are not limited to) blood tests, breath analysis, saliva tests, hair tests, as well as urinalysis or other scientific methods. As required under Section 370.033(h), Transportation Code, all testing results will be kept strictly confidential by authority, unless required to be disclosed by a court order, or unless disclosure is otherwise permitted in writing by the individual who is the subject of testing.

(b) In the event that an employee is involved in an accident while driving an authority owned/leased vehicle (including any machinery), the authority will require the employee to submit to a drug and/or alcohol test.

(c) Any employee, who refuses to submit to drug and/or alcohol testing, as provided for in this subchapter, may be asked to leave the office or authority facility immediately and the employee may be terminated.

101.049 Coordination With Law Enforcement Agencies

(a) The authority reserves the right, at all times, and without prior notice, to inspect and search any and all authority property and premises for purposes of determining whether this subchapter or any other authority Policy has been violated, or whether such inspection and investigation is necessary for purposes of promoting safety in the workplace or compliance with state and federal laws.

(b) The sale, use, purchase, transfer or possession of an illegal drug or drug paraphernalia is a violation of the law. The authority will report information concerning possession, distribution, or use of any illegal drugs to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found on authority premises or property. The authority will cooperate fully in the prosecution and/or conviction of any violation of the law.

101.050 Reservation Of Rights

(a) The authority reserves the right to interpret, change, suspend or cancel, with or without notice, all or any part of this subchapter, or procedures or benefits discussed herein. The authority expressly reserves the right to initiate additional testing procedures if the authority determines the same to be advisable. Employees will be provided with a copy of any revisions to this subchapter.

(b) Although adherence to this subchapter is considered a condition of continued employment, nothing in this subchapter alters an employee's at-will status and shall not constitute nor be deemed a contract or promise of employment for a specified period of time. Employees remain free to resign their employment at any time for any or no reason, without notice, and the authority retains the right to terminate any employee at any time, for any or no reason, without notice.

101.051 Other Laws And Regulations

The provisions of this subchapter shall apply in addition to, and shall be subordinated to, any requirements imposed by applicable federal, state or local laws, regulations or judicial decisions. Unenforceable provisions of this subchapter shall be deemed to be deleted.

101.052 Officers and Directors

All officers, including all board officers (chairman, vice-chairman, treasurer and secretary) and other directors, are encouraged to adhere to the policies reflected herein. Use of illegal drugs, or abuse of controlled substances and/or alcohol may be grounds for removal from office in accordance with the "inability to perform duties" standard set forth in Section 370.254, Transportation Code.

Subchapter D. Travel Expense Policy

101.053 Applicability

This subchapter applies to the board and all staff.

101.054 Submission of Expense Reimbursement Requests

All expense reimbursement requests must be received by the authority no more than 90 days after the occurrence of the expense. Any items over 90 days may be denied reimbursement.

101.055 Requests for Reimbursements that include Overnight Travel

(a) Travel arrangements should be made at lowest cost, using the Internet, if possible, to mitigate fees. Staff will assist in arranging flights. Travel agents may be used on more complicated travel arrangements to reduce staff time and thereby reduce overall costs.

(b) Employee travel should be done in a manner to minimize time away from work.

(c) Hotel shuttles should be used when available. Rental cars should be approved in advance by the executive director or chief financial officer.

(d) Additional lodging reimbursement would be allowed only if there is a significant reduction in airfare over the cost for the extra days lodging and per 'diems. '

(e) All incremental costs of any non-authority companion traveling with an employee or director will be paid for by the employee or director and must be paid in advance or promptly reimbursed to the authority.

(f) Travel expenses must be approved by the executive director before reimbursement. All out of state travel by staff must be approved by the executive director prior to travel.

101.056 Airfare

(a) Airfare should be booked at the most economical rate as far in advance as reasonably possible.

(b) Coach or business fares or Internet specials should be used when possible. Cost of upgrades at user's expense.

(c) Travel agents may be used on more complicated travel arrangements to reduce staff time and thereby reduce overall costs. .

(d) Cancellation fees or fees for ticket changes will be reimbursed if it is in the best interests of the authority or a family emergency.

101.057 Hotel accommodations

(a) Hotel stays will be reimbursed or paid for at the lowest reasonable rate.

(b) Exceptions to the above rate would include:

(1) The alternate hotel would reduce total overall costs of travel, such as not requiring a rental car.

(2) Time constraints for business meetings would require staying at a closer hotel.

(3) Conference rate is always acceptable in Conference hotel or one located nearby.

101.058 Meals

(a) Meals will be reimbursed without a receipt at $34/day.

(b) Meals above $34/day will require a receipt and justification.

(c) No meals not related to authority business will be allowed.

(d) No reimbursement for alcohol will be allowed.

101.059 Incidentals

(a) Reasonable and customary tips and gratuities do not require a receipt.

(b) Parking, toll and taxi receipts will be reimbursed on an actual basis.

(c) Other minor expenditures should have a receipt and justification.

(d) Local calls related to business will be reimbursed.

(e) Long distance calls related to business, including Internet connections will be reimbursed.

(f) There will be no reimbursement for any parking or traffic violations.

(g) There will be no reimbursement for entertainment purposes, including in hotel movies.

101.060 Rental vehicles

(a) Vehicle rental should be approved in advance by executive director or chief financial officer.

(b) Preference for compact or mid sized vehicles, unless multiple persons traveling in vehicle.

(c) Gasoline should be refilled prior to returning.

(d) Loss damage waiver should be used until such time as the authority has either insurance coverage or individual personal coverage extension.

(e) In certain cities, it is cost effective to use private van services in order to meet meeting schedules. The costs should be compared to taxi services for reasonableness.

101.061 Mileage Reimbursement

(a) Use of a personal vehicle on authority business will be reimbursed using the current Internal Revenue Service rate. A request for reimbursement should include:

(1) The purpose of the travel;

(2) The dates of the travel; and

(3) Net Mileage.

(b) If a personal vehicle is used and extended or long-distance trip, the maximum reimbursement will be at the lower of the:

(1) IRS rate times the number of miles driven or

(2) The lowest quoted airfare at the time of travel for overnight stay.

101.062 Food Service at Local Meetings

Food service for local business meetings will be reimbursed. These business meetings are required for the active conduct of authority business and include board meetings and workshops, board committee meetings, meetings with other governmental entities for authority business and other official business as determined by the executive director. A request for reimbursement should include:

(1) The purpose of the meeting

(2) The time and location of the meeting

(3) Names of principle attendees

(4) Approval of the reimbursement request by the executive director

101.063 Other expenses

(a) Recruiting expenses for top level candidates, subject to approval by the board.

(b) Organizational membership fees, subject to advance approval by Executive Committee.

Article 4. Conflict of Interest

Subchapter A. Conflict of Interest Policy for Consultants

101.064 Purpose

The authority anticipates utilizing outside consultants for a significant portion of the work necessary to plan, study, and develop transportation projects. The authority also anticipates developing projects through a variety of means, including through private sector involvement and contracts which combine various elements of the work necessary for design, construction, financing, operation and/or maintenance of projects. The authority recognizes that many of the same individuals and firms that provide services to it may also have, or previously have had, some business relationship with individuals and firms seeking to do business with the authority. To assure that any such relationships are fully disclosed and so as to assure that the impartiality of the individuals and firms working for the authority is not compromised, individuals and firms working for the authority, and those seeking to do business with the authority, must adhere to the following procedures:

101.065 Key Personnel and Firms

The authority shall maintain, on its website and in the records of the authority, a list of key personnel and firms performing work for the authority. Any individual or firm receiving more than $10,000 in compensation for goods and services rendered to the authority during the preceding 12 months, as well as any newly hired individual or firm expected to be paid more than $10,000 in a 12 month period, shall be included on that list.

101.066 Disclosure of Business Relationship

(a) Any individual, firm, or team, including individual team members, submitting a proposal, including an unsolicited proposal and a response to a solicited proposal, to the authority to perform work for the authority shall disclose in its submittal the existence of any current or previous (defined as one terminating within 12 months prior to submission of the proposal) business relationship with any of the authority's key personnel. The disclosure shall include information on the nature of the relationship, the current status, and the date of termination or expected termination, if known, of the relationship. Failure to make the disclosure required in this subsection is grounds for rejection of the proposal and disqualification from further consideration for the project or work which is the subject of the proposal.

(b) Separate and apart from the disclosure required to be made by proposers under subsection (a), any key personnel of the authority who are requested to participate in any way in the review of a proposal, the procurement of goods and services leading to a proposal, or the supervision of work to be performed pursuant to a proposal, must disclose the existence of any current or previous business relationship with any individual, firm, or team, including team members, making a proposal to provide goods or services or a proposal to perform work to be supervised. Failure to make the disclosure required in this subsection is grounds for termination of work by the key personnel failing to make the disclosure. Disclosures required under this subsection shall be made within three business days of receipt of information concerning the identity of a proposer to the authority's

general counsel in accordance with Section 101.068, unless the disclosure is required of the general counsel, in which case disclosure shall be made to the executive director.

101.067 Submittal of Form

For any disclosures required underSection 101.066, the affected key personnel shall complete and submit the form attached hereto as Appendix 2. (Submittal of such form shall be sufficient to constitute the disclosure required under Section 101.066.) Completion of the required information is necessary to provide the authority with information to assess the nature of the prior or current business relationships, the role of individuals and firms involved, internal safeguards which may be implemented by the key personnel to protect against access to, or disclosure of, information, and the potential for the prior or current business relationship to compromise the independence of the affected key personnel.

101.068 Executive Committee Decision

The authority's general counsel shall be responsible for compiling and presenting to the Executive Committee information concerning all conflict of interest disclosures (e.g., those contained in proposals and those made by key personnel). The Executive Committee shall determine whether to permit the affected key personnel to continue its work on the proposal or the work giving rise to the conflict, and if such work is permitted to continue, the safeguards to be implemented as a condition of the continuation. If continuation of work is approved subject to the implementation of safeguards, failure to implement and maintain those measures is grounds for termination of that work and any further work for the authority. If the Executive Committee does not approve of the continuation of work by the key personnel, the key personnel shall immediately cease any work and shall turn over all records concerning such work to the authority.

101.069 Amendments

These policies and procedures may be amended or modified at any time by action of the board. Key personnel and proposers seeking to do business with the authority are responsible for complying with these policies and procedures as amended from time to time.

Subchapter B. Conflict of Interest Policy for Financial Team Members

101.070 Purpose

The authority anticipates utilizing outside consultants for a significant portion of the work necessary to develop financial plans for the financing of specific authority projects and for advice concerning the overall management of the authority's financial affairs. The authority also anticipates developing projects through a variety of means, including through private sector involvement and contracts which combine various elements of the work necessary for design, construction, financing, operation and/or maintenance of projects. The authority recognizes that many of the same

individuals and firms that provide financial planning and advisory services to it may also have, or previously have had, some business relationship with individuals and firms seeking to do business with the authority. To assure that any such relationships are fully disclosed and so as to assure that the impartiality of the individuals and firms working for the authority on financial matters is not compromised, individuals and firms working for the authority, and those seeking to do business with the authority, must adhere to the procedures established by this subchapter.

101.071 Key Financial Personnel and Firms

The authority shall maintain, on its website and in the records of the authority, a list of key financial personnel and firms performing work for the authority. At a minimum, this group will include the authority's financial advisor(s), bond counsel, accountants and auditors, and investment banking firms which are part of an underwriting syndicate for any authorityproject. Other individuals or firms may be classified as authority key financial personnel at the sole discretion of the authority.

101.072 Disclosure by Proposers

Any individual, firm, or team (including individual team members) submitting a proposal (including an unsolicited proposal and a response to a solicited proposal) to the authority to perform work for the authority shall disclose in its submittal the existence of any current or previous (defined as one terminating within 12 months prior to submission of the proposal) business relationship with any of the authority's key financial personnel. The disclosure shall include information on the nature of the relationship, the current status, and the date of termination, or expected termination, if known, of the relationship. Failure to make the disclosure required in this section is grounds for rejection of the proposal and disqualification from further consideration for the project or work which is the subject of the proposal.

101.073 Disclosure by Key Financial Personnel

Separate and apart from the disclosure required to be made by proposers under Section 101.072, any key financial personnel of the authority must disclose the existence of any current or previous business relationship with any individual, firm, or team, including team members, making a proposal to provide goods or services or a proposal to perform work to be supervised. Failure to make the disclosure required in this section is grounds for termination of work by the key financial personnel failing to make the disclosure. Disclosures required under this section shall be made to the authority's general counsel within three business days of receipt of information from the authority concerning the identity of a proposer, including its team members and known subconsultants. Disclosures shall be made in accordance with Section 101.074.

101.074 Form for Disclosure

For any disclosures required under this subchapter, the affected key financial personnel shall complete and submit the form attached hereto as Appendix 3. Submittal of such form shall be

sufficient to constitute the disclosure required under Section 101.073. Completion of the required information is necessary to provide the authority with information to assess the nature of the prior or current business relationships, the role of individuals and firms involved, internal safeguards which may be implemented by the key financial personnel to protect against access to, or disclosure of, information, and the potential for the prior or current business relationship to compromise the independence of the affected key financial personnel.

101.075 Participation Ineligibility

Except for investment banking firms, key financial personnel shall not be permitted to be part of a team (as a partner, subconsultant, or in any other capacity) proposing or competing to develop a transportation project through a comprehensive development agreement. Investment banking firms shall not be permitted to participate in a syndicate of firms designated by the authority to participate in the financing of a project and also be part of a team (as a partner, subconsultant, or in any other capacity) proposing or competing to develop that same project (or a variation of that project). Investment banking firms may be part of a team proposing or competing to develop a project for which they have not been designated as part of the underwriting syndicate for that project by the authority. These prohibitions are intended to preclude key financial personnel from working both for the authority and for (or with) entities seeking to do business with the authority in a manner which would result in or create the appearance of conflicting loyalties in financial matters.

101.076 Executive Committee Decision

The authority's general counsel shall be responsible for compiling and presenting to the Executive Committee information concerning all conflict of interest disclosures (e.g., those contained in proposals and those made by key financial personnel). The Executive Committee shall determine whether to permit the affected key financial personnel to continue its work on the proposal or the work giving rise to the conflict, and if such work is permitted to continue, the safeguards to be implemented as a condition of the continuation. If continuation of work is approved subject to the implementation of safeguards, failure to implement and maintain those measures is grounds for termination of that work and any further work for the authority. If the Executive Committee does not approve of the continuation of work by the key financial personnel, the key financial personnel shall immediately cease any work and shall turn over all records concerning such work to the authority.

101.077 Amendment

These policies and procedures may be amended or modified at any time action of the board. Key financial personnel and proposers seeking do business with the authority are responsible for complying with these policies and procedures as amended from time to time.

Chapter 2: FINANCES

Article 1. Investment Policy

201.001 Overview

This article is adopted and intended to comply with the Texas Public Funds Investment Act, Chapter 2256, Government Code, as that act may be amended from time to time (the "PFIA"). It is the policy of the authority to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the authority conforming to all state and local statutes governing the investment of public funds. The authority's investment policy is approved by the board and is adopted to provide investment policy guidelines for use by authority staff and its advisors.

201.002 Scope

(a) This article applies to all investment activities of authority funds except those subject to other investment covenants, or excluded by contract. All funds covered by this article shall be invested in accordance with the PFIA. These funds are accounted for in the authority's annual financial report and include:

(1) Revenue Fund

(2) Rebate Fund

(3) Operating Funds

(4) Debt Service Funds

(5) Debt Service Reserve Funds

(6) Renewal and Replacement Fund

(7) General Fund

(8) Capital Projects Funds

201.003 Objectives

(a) The primary objectives, in priority order, of investment activities shall be:

(1) Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk.

(2) Credit Risk: Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:

(3) Limiting investments to the safest types of securities; as listed in Section 201.014.

(4) Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the authority will do business; and,

(5) Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

(6) Interest Rate Risk: Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

(7) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing projects, thereby avoiding the need to sell securities on the open market prior to maturity; and,

(8) By investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with Section 201.009.

(9) Liquidity: The investment portfolio shall remain sufficiently liquid to meet all project and operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

(10) Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be held to maturity with the following exceptions:

(11) A declining credit security could be sold early to minimize loss of principal;

(12) A security swap would improve the quality, yield, or target duration in the portfolio; or,

(13) Liquidity needs of the portfolio require that the security be sold.

(14) Public Trust: Participants in the authority's investment process shall act responsibly as public trust custodians. Investment Officers shall avoid transactions which might impair public confidence in the authority's ability to manage effectively.

201.004 Standards Of Care

(a) Prudence: The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. An Investment Officer acting in accordance with the investment policy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

(b) Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

201.005 Ethics and Conflicts

(a) Investment Officers shall refrain from personal business activity that could conflict with or be perceived to conflict with the proper execution and management of the investment program, or that could impair their ability to make an impartial decision. An Investment Officer shall refrain from undertaking personal investment transactions with an individual person with whom business is conducted on behalf of the authority.

(b) For purposes of this section, an investment officer has a personal business relationship with a business organization if:

(1) 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;

(2) 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

(3) 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.

(c) An Investment Officer shall file with the Texas Ethics Commission and with the board a statement disclosing the existence of the relationship if the Investment Officer:

(1) has a personal business relationship with a business organization offering to engage in an investment transaction with the authority; or

(2) is related within the second degree by affinity or consanguinity, as determined under Chapter 573, Government Code, to an individual seeking to sell an investment to the authority.

201.006 Designation of Investment Officer

The chief financial officer and controller are designated and shall act as the Investment Officers of the authority and shall have responsibility for managing the authority's investment program. Additional authority personnel may also be designated as an Investment Officer with approval of the Board. Written operational and investment procedures consistent with this chapter shall be established. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this chapter and the established procedures.

201.007 Investment Advisor

The board may select an Investment Advisor to advise the authority on investment of funds and other responsibilities as outlined in this article including but not limited to broker compliance, security selection, competitive bidding, reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

201.008 Required Training

The chief financial officer and controller and any other person designated by resolution of the board as an Investment Officer shall attend at least one training session relating to the responsibilities of maintaining the investment portfolio within 12 months after taking office or assuming duties; and shall attend a training session not less than once every two years and receive not less than ten hours of training. Such training, from an independent source, shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the PFIA. Training required by this section shall be from an independent source certified to provide training required by the PFIA and approved or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments.

201.009 Investment Strategies

(a) The authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

(b) Market Yield Benchmark: The authority's investment strategy is conservative. Given this strategy, the basis used by the chief financial officer to determine whether minimum market yields are being achieved shall be the six month T-bill rate. Investment Officers and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.

(c) Maximum Maturities: To the extent possible, the authority will attempt to match its investments with anticipated project cash flow requirements. Unless matched to a specific cash flow, the authority will not directly invest operating or general funds in securities maturing more than 16

months from the date of purchase, unless approved by the Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project.

(d) Reserve funds may be invested in securities exceeding 12 months if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

201.010 Diversification

The authority will seek to diversify investments, by security types and maturity dates in order to avoid incurring unreasonable risks.

201.011 Safekeeping And Custody

(a) Authorized Financial Dealer and Institutions: The chief financial officer shall maintain a list of financial institutions authorized by the board to provide investment services and a list of security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Texas and who have been approved by the Board. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

(b) All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the chief financial officer with the following:

(1) Audited financial statements;

(2) Proof of National Association of Securities Dealers (NASD) certification;

(3) Proof of state registration;

(4) The completed broker/dealer questionnaire in the form approved by this Investment Policy on page 12; and,

(5) A written certification signed by a qualified representative of the firm in the form approved by this Investment Policy on page 13. The authority will not enter into an investment transaction with a financial institution prior to receiving this written certification and acknowledgement.

(c) A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the authority invests. An annual review of the financial condition and registrations of qualified bidders will be conducted by the executive director.

(d) Collateralization: The authority, in accordance with State Statutes, requires all funds held by financial institutions above the Federal Deposit Insurance Corporation (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of principal and accrued interest by that institution with the authority's custodial bank. Private insurance coverage is not an

acceptable collateralization form. Securities which are acceptable for collateralization purposes are as follows:

(1) FDIC insurance coverage.

(2) A bond bill, certificate of indebtedness, or Treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States (i.e. Treasury Agency issues).

(3) Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.

(4) A bond of the State of Texas or a country, city or other political subdivision of the State of Texas having been rated as investment grade by a nationally recognized rating agency with a remaining maturity of ten years or less.

201.012 Custody - Delivery vs. Payment

All security transactions entered into by the authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the authority's custodial bank and evidenced by safekeeping receipts.

201.013 Safekeeping of Securities

(a) Securities purchased for the authority's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the authority's safekeeping and custodian bank.

(b) The authority will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the authority's interest. All securities owned by the authority will be held in a Customer Account naming the authority as the customer.

(c) The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards no. 70 or SAS 70).

201.014 Authorized And Suitable Investments

(a) The investment of authority funds will be made using only those investment types approved by the board and which are in accordance with the PFIA. The approved investment types will be limited to the following:

(1) U.S. Treasury and Federal Agency Issues.

(2) Certificates of Deposit as authorized under Section 2256.010 of the PFIA.

(3) Repurchase Agreements, including flexible Repurchase Agreements, collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of an Investment Repurchase Agreement under the guidelines of Section 2256.011 of the PFIA, using the Bond Market Association Public Securities Association Master Repurchase Agreement as a general guide and with such changes thereto as are deemed in the best interest of the authority. Such an Agreement must be executed prior to entering into any transaction with a repo counter-party.

(4) Guaranteed Investment Contracts (GIC's) collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested for a term which exceeds five years from the date of bond issuance.

(5) 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, with fixed interest rates and fixed maturities.

(6) SEC registered no-load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less; that fully invest dollar for dollar all authority funds without sales commissions or loads; and whose investment objectives include the maintenance of a stable net asset value of $1 per share

(7) Local government investment pools, which are "AAA" rated by a nationally recognized bond rating company (e.g., Moody's, S&P, Fitch), and which participation in any particular investment pool(s) has been authorized by resolution of the board, not to exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100%.

(b) The authority is prohibited from purchasing any security that is not authorized by Texas law, or any direct investment in asset-backed or mortgage-backed securities. The authority expressly prohibits the purchase of inverse floaters, interest-only (IO) and principal-only (PO) collateralized mortgage obligations (CMO's).

(c) An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Investment Officers shall monitor the credit rating on all authorized investments in the portfolio based upon independent

information from a nationally recognized rating agency. The authority shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

201.015 Reporting and Review

(a) Quarterly Report Requirements: The Investment Officers shall jointly prepare, no less than on a quarterly basis, an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made after the ending period of the most recent investment report. The report shall be provided to the board and the executive director. The report shall comply with requirements of the PFIA and shall include the following:

(1) The investment position of the authority on the date of the report.

(2) The signature of each Investment Officer.

(3) Summary for each fund stating:

(A) Beginning market value;

(B) Ending market value.

(4) Beginning and ending book value and market value for each investment along with fully accrued interest for the reporting period.

(5) Maturity date of each investment.

(6) Description of the account or fund for which the investments were made.

(7) Statement that the investment portfolio is in compliance with the authority's investment policy and strategies.

(b) Security Pricing: Current market value of securities may be obtained by independent market pricing sources including, but not limited to, the Wall Street Journal, broker dealers and banks other than those who originally sold the security to the authority as well as the authority's safekeeping agent.

(c) Annual Audit: If the authority places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Executive Committee. In addition, the authority's external auditors shall conduct a compliance audit of management controls on investments and adherence to the Investment Policy.

201.016 Current Investments Exempted from Policy

Any investment currently held that does not meet the guidelines of this article or subsequent amended versions shall be exempted from the requirements of this article. At maturity or liquidation, such monies shall be reinvested only as provided by this article.

201.017 Annual Review

The authority shall review and approve the Investment Policy annually. This review shall be conducted by the board with recommendations from the executive director. Any approved amendments shall be promptly incorporated into written policy.

Article 2. Swap Policy

201.018 Purpose

Interest rate swap transactions can be an integral part of the authority's asset/liability and debt management strategy. By utilizing interest rate swaps, the authority can expeditiously take advantage of market opportunities to reduce costs. Interest rate swaps will allow the authority to actively manage asset and liability interest rate risk, balance financial risk, and achieve debt management goals and objectives through synthetic fixed rate and variable rate financing structures. The authority shall not enter into interest rate swaps for speculative purposes.

201.019 Authorization

(a) By recommendation of the Executive Committee of the board (the "Executive Committee"), approval to execute an interest rate swap on behalf of the authority will be authorized by a resolution passed by the board on a case-by-case basis.

(b) Each swap resolution will authorize the swap agreement and its provisions to include, notional amount, security, payment, and certain other terms in regards to the swap agreement between the authority and qualified swap counterparties ("Counterparties"), and other necessary documents. Each swap resolution shall specify the appropriate authority officials authorized to make modifications to the swaps contemplated, within certain parameters. In the event of a conflict between a swap resolution and the Master Swap Policy, the terms and conditions of the swap resolution shall control.

(c) Such actions of the authority will be taken pursuant to applicable provisions of the Government Code, whereby the authority must make a finding and determine that it is prudent and advisable for the authority to enter into interest rate swap agreements or other such arrangements from time to time based on certain terms and conditions set forth in the swap resolution and this article.

201.020 General Guidelines for Interest Rate Swap Agreements

(a) The following non-exclusive list provides certain guidelines the Executive Committee will follow in the evaluation and recommendation of interest rate swap transactions:

(1) Legality: The Executive Committee must first determine, or have determined by appropriate legal counsel, that the proposed contract fits within the legal constraints imposed by state laws, authority resolutions, and existing indentures and other contracts.

(2) Goals: In the authorizing resolution, the authority must clearly state the goals to be achieved through the swap contract and must adopt execution parameters consistent with the goals.

(3) Rating Agencies: The swap agreement being entered into will not have an adverse impact on any existing authority credit rating. In addition to the legal constraints as noted above, the swap agreement will conform to outstanding commitments with bond insurers, credit enhancers, and surety providers. Where possible, the authority shall obtain confirmation on the underlying ratings of the revenue source obligated under the swap agreement. All swap agreements must be discussed with the rating agencies prior to execution, and cannot be executed if doing so would impact negatively on the authority' s credit ratings.

(4) Term: The authority shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. However, in no circumstance may the term of a swap agreement entered into for liability management purposes between the authority and a qualified swap Counterparty extend beyond the final maturity date of the underlying debt of the authority, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.

(5) Impact on Variable Rate Capacity: The impact of the swap agreement on the authority's variable rate capacity must be quantified prior to execution so as not to hinder the authority's ability to continue the issuance of traditional variable rate products such as commercial paper which is used to fund capital projects.

(6) Enhancements: The authority may utilize other swap enhancement products such as forward swaps, swap options, basis swaps, caps, floors, collars, cancellation options, etc. Utilization and consideration of each of these products will be part of the approval process per swap agreement as detailed 201.024in Section 201.024. The costs, benefits, and other considerations regarding the enhancement will be explained to board as a part of the approval process. In the case of swap options in which the authority would receive up-front cash, the authority will not enter into any such swap agreements.

(7) Bond Covenants: The implementation of derivative products or interest rate swaps will not conflict with existing bond covenants and debt policies. The derivative product will also not contain terms that would cause restrictions on additional bond test and protective covenants of outstanding bonds or create cross defaults.

(8) Accounting Compliance: The impact of compliance with GASB Technical Bulletin No. 2003-1 shall be disclosed in the authority's annual financial reports.

(9) Staffing: The authority shall maintain appropriate staff with responsibility and knowledge suitable for monitoring swap transactions. Before entering into a swap, the accounting impact of the swap on the authority must be determined.

(10) Exit Strategy: The mechanics for determining termination values at various times and upon various occurrences must be explicit in the swap agreement, and the authority should obtain estimates from it's financial advisor and swap advisor of the potential termination costs which might occur under various interest rate scenarios, and plan for how such costs would be funded.

201.021 Basis of Award

(a) Competitive Bid: Competitively bid transactions will be deemed "quasi-competitive" and will include not fewer than three firms. The Executive Committee will recommend to the board the method of sale and which firms will participate in the competitive transaction based on criteria described in Section 201.023. However, for a competitive bid, in situations in which the authority would like to a reward a particular firm or firms, or wishes to achieve diversification of its Counterparty exposure, the Executive Committee may select one of the following bases for award:

(1) Allow the firm or firms not submitting the best bid to amend its bid to match the best bid, and by doing so, be awarded up to a specific percentage of the transaction.

(2) To encourage competition, the second and third place bidders may be allowed to contract for a specific amount of the notional amount as long as their bid is no greater than a pre-specified spread from the best bidder in a proportional manner as specified in bidding parameters.

(3) The authority may award the transaction to a firm or firms that submit the best bid as defined in the solicitation for bid.

(b) Negotiated Transactions: In the case of a pure negotiated transaction, the authority shall rely on its swap advisor to negotiate the price and render a "fair value opinion." The Counterparty shall disclose payments to third parties regarding the execution of the derivative contract.

201.022 Management of Swap Transaction Risk

Certain risks will be created as the authority enters into various interest rates swap agreements with numerous swap counterparties. In order to manage the associated risks, guidelines and parameters for each risk category are as follows:

(1) Counterparty Risk: The risk of swap Counterparty default can be reduced by limiting swap agreements between the authority and any single swap Counterparty that qualifies as an eligible swap Counterparty to the authority as described in Section 201.023(a) and Section 201.023(b). In addition, the authority may require the posting of collateral by the swap

Counterparty, with a mark-to-market as requested by the authority, in accordance with the guidelines described in Section 201.023(c).

(2) Termination Risk:

(A) Optional Termination: At a minimum, the authority shall have the right to optionally terminate a swap agreement at any time over the term of the agreement (elective termination right) at the then-prevailing market value of the swap (so long as a swap Counterparty receiving payment upon termination is not in default). In general, exercising the right to optionally terminate an agreement should produce a benefit to the authority, either through receipt of a payment from a termination, or if a termination payment is made by the authority, in conjunction with a conversion to a more beneficial (desirable) debt obligation of the authority as determined by the authority. Termination value shall be readily determinable by one or more independent swap counterparties, who may assume the swap obligations of the authority. A Counterparty to the authority shall not have the elective right to terminate the swap agreement except when a termination option has been priced into the terms of the swap at inception. The authority should explore the viability of a unilateral termination provision without being exposed to a termination payment.

(B) Mandatory Termination: A termination payment by the authority may be required in the event of termination of a swap agreement due to a Counterparty default or following a decrease in credit rating of the authority. In some circumstances, the defaulting party will be required to make a termination payment to the non-defaulting party. However, under certain circumstances, upon an event of termination, the non-defaulting party may be required to make a payment to the defaulting party. It is the intent of the authority not to make a termination payment to a Counterparty failing to meet its contractual obligations. At a minimum, prior to making any such termination payment, the authority shall require a suitable time period during which the authority may evaluate whether it is financially advantageous for the authority to obtain a replacement Counterparty to avoid making a termination payment. For example, in order to mitigate the financial impact of making such a payment, at the time such payment is due, the authority will seek to replace the terms of the terminated transaction with a new Counterparty and, as a result, receive value from the replacement Counterparty. The new or replacement Counterparty would make an upfront payment to the authority in an amount that would offset (either in whole or in part) the payment obligation of the authority to the original Counterparty. The market value of each swap agreement (including termination costs) will be calculated by the swap advisor and provided periodically as information to board in accordance with the provisions of Section 201.027 to monitor the transaction's value and in order to implement an appropriate exit strategy in a timely manner, if required.

(3) Amortization Risk (Term): The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, termination value, and the impact that the term of the swap has on the overall exposure of the authority shall be considered in determining the

appropriate term of any swap agreement. Any swap should reflect the amortization of the debt swapped against or will be in place for no longer than the period of time that matching assets are available to hedge the transaction.

(4) Liquidity Risk: The authority should consider if the swap market is sufficiently liquid (i.e., if enough potential qualified counterparties participate actively in the market to assure fair pricing) for the type of swap being considered and the potential ramifications of an illiquid market for such types of swaps. There may not be another appropriate party available to act as an offsetting Counterparty. The authority may enter into liquidity agreements with qualified liquidity providers and/or credit enhancers to protect against this risk.

(5) Basis (Index) Risk (including Tax Risk): Any index chosen as part of an interest rate swap agreement shall be a recognized market index, including but not limited to The Bond Market Association Municipal Swap Index (TBMA) or London Interbank Offering Rate (LIBOR). The authority shall not enter into swap agreements that do not have a direct (one to one) correlation with the movement of an index without analyzing the risk associated with the enhancement. Any Counterparty for a swap which relies on an index will agree to not lobby, or otherwise influence, any changes to the index that will adversely affect the authority. The tax risk and impact to the authority of each swap transaction shall be detailed through the Counterparty disclosure requirements outlined in Section 201.024.

(6) Bankruptcy Risk: Bond or swap counsel will disclose to the authority the bankruptcy risks and issues associated with the Counterparty and type of swap chosen. Additionally, bond or swap counsel will disclose to the authority the bankruptcy issues associated with the method of collateral required to be posted.

201.023 Counterparty Approval Guidelines

(a) Eligibility: The authority shall enter into interest rate swap transactions only with Counterparties. To qualify as a Counterparty under this article, at the time of entry into a swap transaction, the selected swap provider(s):

(1) shall be rated at least AA-/Aa3/AA- by at least two of the three nationally recognized credit rating agencies (Standard & Poor's, Moody's, and Fitch Ratings, respectively) and shall have a minimum capitalization of $50 million, or

(2) shall be rated at least BBB-/lBaa3/BBB- by two of the three nationally recognized credit rating agencies and shall provide a credit support annex ("CSA"") to the schedule to the ISDA master agreement that shall require such party to deliver collateral for the benefit of the authority:

(A) that is of a kind and in such amounts as are specified therein and which relate to various rating threshold levels of the Counterparty or its guarantor, from AA-/Aa3/AA- through BBB/Baa3/BBB-, and

(B) that, in the judgment of the authority in consultation with its Financial Advisor, is reasonable and customary for similar transactions, taking into account all aspects of such transaction including without limitation the economic terms of such transaction and the creditworthiness of the Counterparty or, if applicable, its guarantor; or

(C) shall post suitable and adequate collatera1 (separate from any collateral requirements of Section 6.3) at a third party for the benefit of the authority; or

(3) shall obtain credit enhancement from a provider with respect to its obligations under the transaction that satisfies the requirements of subdivision (1) of this subsection, given the undertaking involved with the particular transaction.

The authority shall not enter into an interest rate swap transaction with a firm that does not qualify as a Counterparty. The Counterparty must make available audited financial statements and rating reports of the Counterparty (and any guarantor), and must identify the amount and type of derivative exposure, and the net aggregate exposure to all parties (the authority and others), along with relevant credit reports at the time of entering into a swap and annually thereafter unless the entity or credit enhancer is under credit or regulatory review and in that case immediately upon notice by the appropriate agencies to the entity.

(b) Swap Counterparty Exposure Limits and Transfer: In order to limit and diversify the authority's Counterparty risk, and to monitor credit exposure to each Counterparty, the authority may not enter into an interest rate swap agreement with a qualified swap Counterparty if the following exposure limits are reached per Counterparty:

(1) The maximum notional amount for interest rate swaps between a particular Counterparty (and its unconditional guarantor, if applicable) and the authority shall not exceed the maximum of $100 million. The $100 million limitation shall be the net exposure total of all notional amounts between each Counterparty and the authority. As such, notional amounts for fixed to floating swaps may be used to "offset" the notional amounts for floating to fixed swaps, or vice versa.

(2) Limitations on transfers of swaps with a particular Counterparty should be carefully analyzed and would require the authority's prior written consent. If the Counterparty unilaterally restricts transfer, then the authority should have the ability to terminate the swap without penalty if the swap is transferred or the Counterparty is merged with another entity that changes the credit profile of the swap Counterparty, unless the authority gives its prior written consent.

(3) If the maximum notional limit for a particular Counterparty is exceeded solely by reason of merger or acquisition involving two or more counterparties, the authority shall expeditiously analyze the exposure, but shall not be required to "unwind" existing swap transactions unless

the authority determines such action is in its best interest, given all the facts and circumstances.

(4) If the exposure limit is breached by a Counterparty, then the authority shall:

(A) conduct a review .of the exposure limit calculation of the counterparty; and

(B) determine if collateral may be posted to satisfy the exposure limits; and

(C) enter into an offsetting swap transaction, if necessary.

(5) The authority will not enter into contracts with derivative product companies ("DPCs") that are classified as "terminating" or "Sub-T" DPC's by the rating agencies.

(c) Collateral Requirements: Collateral posting requirements between the authority and each swap Counterparty should not be unilateral in favor of the Counterparty. As part of the swap agreement, the authority or the swap Counterparty may require that collateralization to secure any or all swap payment obligations be posted. Collateral requirements shall be subject to the following guidelines:

(1) Collateral requirements imposed on the authority should not be accepted to the extent they would impair the authority's existing operational flow of funds.

(2) Each Counterparty shall be required to provide a form of a Credit Support Annex should the credit rating of the Counterparty fall below the "A-/A3/A-" category by at least two of the nationally recognized agencies:

(3) A list of acceptable .securities that may be posted as collateral and the valuation of such collateral will.be determined and mutually agreed upon during negotiation of the swap agreement with each swap Counterparty.

(4) The market value of the collateral shall be determined on either a daily, weekly, or monthly basis by an independent third party, as provided in the swap documentation.

(5) Failure to meet collateral requirements will be a default pursuant to the terms of the swap agreement.

(6) The authority and each swap Counterparty may provide in the supporting documents to the swap agreement for reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.

(7) The swap agreement may provide for the right of assignment by one of the parties in the event of certain credit rating events affecting the other party. The authority (or the Counterparty) shall first request that the Counterparty (or the authority) post credit support, or provide a credit support facility. If the Counterparty (or the authority) does not provide the required credit support, then the authority (or the Counterparty) shall have the right to assign the agreement to a third party acceptable to both parties and based on terms mutually

acceptable to both parties. The credit rating thresholds to trigger an assignment shall be inc1uded in the supporting documents.

201.024 Form of Swap Agreements and Other Documentation

Each interest rate swap agreement shall contain terms and conditions as set forth in the International Swap & Derivatives Association, Inc. ("ISDA") Master Agreement and such other terms and conditions included in any schedules, confirmations, and credit support annexes as approved in accordance with the authority's swap resolution pertaining to that transaction. The swap Counterparty shall provide a disclosure memorandum that will include an analysis by the Counterparty of the risks and benefits of the transactions, with amounts quantified. This analysis should include, among other things, a matrix of maximum termination values over the life of the swap. The disclosure memorandum shall become a part of the official transcript for the transaction. The swap Counterparty shall also affirm receipt and understanding of the authority's statement of swap policies, and will further affirm that the contemplated transactions fit within the swap policies as described.

201.025 Modification of Swaps

Each swap resolution should provide specific approval guidelines for the swap transactions to which it pertains. These guidelines should provide for modifications to the approved swap transactions, provided such modifications, unless considered and recommended by the Executive Committee, do not .extend the average life of the term of the swap, increase the overall risk to the authority resulting from the swap, or increase the notional amount of the swap. The swap resolution should further designate which authority officers shall be authorized to cause such modifications.

201.026 Aggregation of Swaps

Unless the swap resolution states otherwise, the approval requirements set forth in each swap resolution are applicable for the total notional amount of transactions executed over a consecutive three-month period for a given security or credit. Therefore, the notional amount of swap transactions including the average life of the swap agreements over a consecutive three-month period are considered in total (net of the notional amount of a swap reversal) to determine what approval is required pursuant to a particular swap resolution.

201.027 Reporting Requirements

The Executive Committee shall be required to report the status of all interest rate swap agreements to the board at least on an annual basis and shall present all footnote disclosure items required by GASB Technical Bulletin No. 2003-1.

Article 3. Reserve Fund Policy

201.028 Purpose

In Resolution No. 10-12, dated February 26, 2010, the board approved the establishment of a reserve fund. The reserve fund is intended to ensure that the authority maintains adequate funds to satisfy its outstanding financial commitments and operational requirements in the event of unforeseen circumstances or events. The board recognizes that establishment and maintenance of sufficient reserve funds is of particular importance in light of the authority's dependence upon discretionary user fees as its primary revenue stream.

201.029 Fund Balance

(a) It shall be the goal of the authority to maintain twelve months of funds sufficient to pay, maintain, or satisfy all required debt service, debt service coverage, contractual financial commitments, and operational requirements (collectively, "Funding Requirements") as a reserve fund; provided, however, that the executive director shall have the authority to take action resulting in a reduction of the reserve fund to a minimum of nine months of funding sufficient to pay, maintain, or satisfy all Funding Requirements if he determines that such action is necessary, in the best interest of the authority, and will not adversely affect the authority's financial stability.

(b) In the event that the executive director authorizes action on behalf of the authority to reduce the reserve fund balance to less than twelve months of funding sufficient to pay, maintain, or satisfy all Funding Requirements, he shall disclose to the board at the next regular board meeting the amount by which the reserve fund was reduced and the circumstances that led to the reduction.

(c) In no event may the reserve fund balance be reduced to less than nine months of funding sufficient to pay, maintain, or satisfy all Funding Requirements without the prior approval of the board.

Article 4. Damage Claims by CTRMA

201.030 Purpose

This article sets forth guidelines for management and collection of claims by the authority against an individual, company, or organization for damage to a transportation project. This article is not intended to apply to damage to authority property resulting from the actions of contractors engaged in the construction, maintenance, or repair of authority projects.

201.031 Definitions

(1) Accident: A collision, crash, or impact, with or without apparent cause, involving one or more vehicles.

(2) Damage: Loss or harm to a transportation project resulting from an accident or from a deliberate act, including an act of vandalism. Damage does not include wear and tear caused by normal use of a transportation project.

(3) Insurer: An insurance company authorized to write motor vehicle insurance in this state and through which a responsible party had a motor vehicle insurance policy in effect at the time of an accident.

(4) Responsible Party: The owner or operator of a vehicle involved in an accident resulting in damage or the person responsible for a deliberate act resulting in damage to a transportation project.

(5) Transportation Project: A turnpike project, passenger or freight rail facility, roadway, pedestrian or bicycle facility, or any other facility or structure included within the definition of "transportation project" set forth in Section 370.003(13), Transportation Code.

(6) Vehicle: A device in or by which a person or property is or may be transported or drawn on a public highway, other than a device used exclusively on stationary rails or tracks. Includes, without limitation, a passenger car, truck, bus, tractor, trailer, semi-trailer, all-terrain vehicle, recreational vehicle, motorcycle, moped, or bicycle.

201.032 Collection of Damage Claims

(a) The authority shall seek reimbursement from the responsible party for costs it incurs to repair damage to a transportation project owned or maintained by the authority, including the cost of labor, materials, equipment. Additionally, the authority may seek reimbursement for any internal or external administrative or other costs the authority necessarily incurs in connection with making repairs to the damage and obtaining reimbursement for those costs.

(b) The executive director shall develop and implement procedures for maintaining records of all damage claims and notifying a responsible party and/or the party's insurer, as appropriate, of the existence and nature of damage claim by the authority and for recovering the cost of the repairs. A responsible party and the insurer shall be provided with a copy of any police report relating to the accident or damage, a description of the damage, and a summary of the costs incurred or estimates of costs to be incurred for repairing the damage. The authority shall provide a process for a responsible party and the insurer to dispute the liability of a responsible party or the existence or amount of a damage claim.

(c) If a responsible party who did not have an insurance policy in effect at the time of an accident fails to pay a claim for damages totaling at least $1,000.00 within 90 days after notice of a claim is sent to the responsible party by the authority, the authority may notify the Texas Department of Public Safety and may recommend that the responsible party's driver's license be suspended in accordance with procedures set forth in Subchapter F, Chapter 601, Transportation Code.

(d) For a damage claim that totals at least $500 against a responsible party who did not have a motor vehicle insurance policy in effect at the time of an accident, the authority may enter into a payment plan with the responsible party; provided, however, that payments shall not extend beyond a one year period.

(e) A damage claim that does not exceed $50,000 may be compromised or settled in the best interests of the authority with the approval of the executive director. A damage claim that exceeds $50,000 may be compromised or settled only with the approval of the board.

(f) If the authority is unable to collect a damage claim through its internal collection procedures, the claim may be assigned to a collection agency or, with the approval of the board, the authority

may institute a civil action to recover its damages in a court of competent jurisdiction. All efforts by the authority to recover costs of repairing damage to authority property shall comply with applicable state and federal laws and regulations governing the collection of debts.

Chapter 3: OPERATIONS

Article 1. Toll Policies

Subchapter A. Toll Rates

301.001 Tolling Policy for Phases of Turnpike Project "Under Construction"

(a) For any phase of a toll project "under construction" as of the date the project is included in CAMPO's then governing transportation plan or transportation improvement program as a toll project or candidate toll project, the authority shall defer the commencement of toll collection operations on that phase until additional phases of the project are constructed so as to provide continuous uninterrupted travel for a distance, or to a destination, to be designated by the board on a project specific basis. Toll projects subject to this provision are designated on Attachment "A" to Resolution No. 04-62 and to Resolution No. 07-02which shall be updated periodically by action of the Board. The deferral of toll collection operations shall end once the component phases of the project or the designated travel corridor (as identified on Attachment "A" to Resolution No. 04-62 and to Resolution No. 07-02) are "substantially complete".

(b) For purposes of this section the phrase "under construction" shall mean that a contract has been executed by the authority or TxDOT which provides for roadway construction of a phase of the toll project. The phrase "substantially complete" shall mean that the toll project is open to traffic for its entire length as designated on Attachment "A" to Resolution No. 04-62 and to Resolution No. 07-02. Temporary closures due to emergencies or short-term construction or maintenance operations shall not preclude a toll project from being deemed substantially complete.

(c) The authority may install signage and toll collection equipment on or along a project (or any phase thereof) indicating that toll collection operations are being deferred and that tolls will be collected on the entirety (or any portion) of the project in the future.

(d) The designation of a project as a toll project or candidate toll project in CAMPO's then governing transportation plan or transportation improvement program prior to the time it is open to traffic shall preclude the project from being deemed a "conversion" under provisions of the Transportation Code when toll collection operations begin.

(e) Notwithstanding the foregoing, the board may, upon receipt of a written request from CAMPO or from the Commissioners Court(s) of the county(s) in which a project is located, waive this section and toll a phase of project that is under construction prior to completion of the entirety of the project.

301.002 Toll Rates Revised November 7, 2007

(a) Revisions to the Toll Policies are reflected either in the Policies and Procedures for Toll Collection Operations on the CTRMA Turnpike System ("Policies and Procedures Document") originally adopted December 8, 2004, or as included in the Toll Rates Structure (the "Official Statement Toll Rate Structure") included in the Official Statement dated February 16, 2005 in connection with the authority's issuance of various debt obligations (the "Official Statement");

(b) To the extent authorized revisions have been made to the Policies and Procedures Document, such revisions are reflected therein, and the authorized revisions to the Official Statement Toll Rate Structure are as stated below:

(c) The following revisions to the Official Statement Toll Rate Structure are authorized and adopted as follows:

(1) Flat Rate at Brushy Creek Ramps, 183-A Toll Project. The Official Statement Toll Rate Structure, as previously amended, provided that the toll rates at the Brushy Creek Ramps on the 183-A Toll Project between the hours of 6 am and 10 pm would vary based upon the number of axles of each vehicle. Further, the toll booths at the Brushy Creek Ramps were to be manned between the hours of 6 am and 10 pm to allow for collection of cash toll payments as well as determination of the number of axles on a vehicle paying a cash toll. However, it has been determined that significant efficiencies will be realized if this provision is revised. This revision provides that all vehicles traveling through any of the Brushy Creek Ramps' lanes will be charged the toll rate established for passenger cars, regardless of the number of axles on a vehicle. In addition, it will no longer be necessary for the Brushy Creek Ramps toll collections booths to be manned at any time, if desired by the authority.

(2) Four Axle Rate to be the Same as Three Axle Rate. The Official Statement Toll Rate Structure provides that toll rates increase based upon the number of axles a vehicle has over two axles. Therefore, a vehicle with four axles pays a higher toll rate than a vehicle with three axles. However, it has been determined that a majority of four axle vehicles utilizing authority facilities consist of a motorized vehicle towing a small trailer with two additional axles. These type vehicles generally do not cause wear or damage to authority facilities in significant excess over the wear and damage caused by a vehicle with three axles. Therefore, the toll rates for all four-axle vehicles shall be the same toll rate as those charged for three-axle vehicles. This is consistent with the authority's efforts to provide equitable toll rates for its customers. This revision only applies to four-axle vehicles. All other rates based on axle count shall remain as established from time to time by the authority.

301.003 Toll Rates Revised June 25, 2008

(a) The board has, by passage of its Resolution 08-33 dated June 25, 2008, adopted certain revisions to the Toll Policies of the authority.

(b) Revisions to the Toll Policies are reflected either in the Policies and Procedures for Toll Collection Operations on the Turnpike System ("Policies and Procedures Document") originally adopted December 8, 2004, or as included in the Toll Rates Structure (the "Official Statement Toll Rate Structure") included in the Official Statement dated February 16, 2005 in connection with the issuance of various debt obligations (the "Official Statement").

(c) To the extent authorized revisions have been mode to the Policies and Procedures Document, such revisions are reflected therein, and any authorized revisions to the Official Statement Toll Rate Structure are as stated below.

(d) The following revisions to the Policies and Procedures Document and the Official Statement Toll Rate Structure (as applicable) are authorized and adopted as follows:

(1) Automated Electronic Toll Collection. The authority may implement and utilize a toll collection system on any or all of its toll projects whereby all tolls are collected through automated electronic toll collection ("AETC") methods. Under this "cashless" toll collection system, accommodations for cash toll transactions will not be provided. Customers will either obtain and utilize a transponder (currently the TxTag transponder system, or other interoperable transponder system) or utilize the video toll collection system.

(2) The AETC will be instituted by the authority on its l83-A Toll Project in a manner and on a schedule to be determined by authority staff and consultants that is deemed to be the most efficient and effective for the Project. This will result in cash toll collections at the Park Street Plaza and Brushy Creek Ramp Plazas to no longer be available once the AETC is fully implemented. Future toll collection facilities for the 183-A Toll Project will be designed and constructed in a manner consistent with AETC.

(e) The above revisions shall be deemed part of the Policies and Procedures Document and the Official Statement Toll Rate Structure as provided in Resolution No. 08-33, unless and until further revised by the board by appropriate resolution, in accordance with the provisions of the Official Statement, or as otherwise provided herein.

301.004 2010 Toll Rate for 183A

(a) As reflected in Table 6-2 of the Traffic and Revenue Study Final Report set forth as Appendix D in the 183A Project Official Statement dated February 16, 2005, the base toll rates for passenger car tolls (2 axles) to be collected on the north and south main lanes at the Park Street Plaza shall be revised as follows, effective January 1, 2010:

(1)	Electronic Toll Collection Rate (TxTag or interoperable tag)	$1.55
(2)	Pay by Mail Toll Collection Rate	$2.07

(b) Vehicles with more than two axles will pay the applicable base toll rate times (n-1), with "n" being the number of axles on the vehicle.

(c) Base toll rates at all toll gantries and ramps other than at the Park Street Plaza toll gantries shall remain as set forth in the Policies and Procedure Document until the effective date of the 2012 Toll Modification set forth below.

301.005 2012 Toll Rates for 183A

(a) Effective upon the date Phase II of the 183A Project is completed and open to the travelling public, the following base toll rates for passenger car tolls (2 axles) shall be collected at the respective toll gantries set forth below:

Paypoint Location (Toll Gantry)	Toll Direction	Payment Type (ECT=Eletronic Toll Collection)	Base Toll Rate
New Hope ML	NB/SB	ETC	$0.95
New Hope ML	NB/SB	Pay by Mail	$1.27
New Hope Ramp	From South	ETC	$0.54
New Hope Ramp	From South	Pay by Mail	$0.72
Park Street ML	NB/SB	ETC	$1.35
Park Street ML	NB/SB	Pay by Mail	$1.80
Brushy Creek Ramp	To/from South	ETC	$0.54
Brushy Creek Ramp	To/from South	Pay by Mail	$0.72
Lakeline ML	NB/SB	ETC	$0.50
Lakeline ML	NB/SB	Pay by Mail	$0.67
Full Length Trip On Main Lanes		ETC	$2.80
		Pay by Mail	$3.74

(b) Vehicles with more than two axles will pay the applicable base toll rate times (n-1), with "n" being the number of axles on the vehicle.

301.006 Annual Toll Rate Escalation

(a) The following provisions are fully adopted and made a part of the Policies and Procedure Document and may be incorporated in any Trust Indenture or Supplemental Trust Indenture issued in conjunction with bond financing to be utilized for the financing of the construction and development of projects by the authority (defined terms in these provisions shall be in accordance with the terms and definitions set forth in the Master Trust Indenture and any applicable Supplemental Trust Indenture):

> Subject in all instances to the provisions, requirements and restrictions of the Master Indenture, as amended and supplemented from time to time, beginning on October 1, 2012 and on each October 1 thereafter (the "Toll Escalation Determination Date"), a percentage increase in the Toll rates charged on all toll facilities in the Turnpike System will be determined in an amount equal to the Toll Rate Escalation Percentage. The Toll Rate Escalation Percentage, as calculated on each Toll Escalation Determination Date, shall be reported to the board each year at its October board meeting. The percentage increase in the Toll rates shall be effective on the January 1 of the next calendar year, unless at such board meeting the board affirmatively votes to modify the Toll Rate Escalation Percentage. If the board votes to modify the Toll Rate Escalation Percentage, the Toll rate increase to be effective on January 1 of the next calendar year shall be based on the modified Toll Rate Escalation Percentage.

(b) For purposes of determining the Toll Rate Escalation Percentage, the following capitalized terms shall have the meanings given below:

(1) "Toll Rate Escalation Percentage" = shall mean a percentage amount equal to $[(CPI^{t} - CPI^{t-12})/CPI^{t-12}]$. In the event the Toll Rate Escalation Percentage is calculated to equal less than 0%, then the Toll Rate Escalation Percentage shall be deemed to equal 0%.

(2) "CPI^{t}" = the most recently published non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment ("CPI"), as published by the Bureau of Labor Statistics of the U.S. Department of Labor ("BLS") prior to the Toll Escalation Determination Date for which such calculation is being made. The CPI is published monthly and the CPI for a particular month is generally released and published during the following month. The CPI is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors' and dentists' services, and drugs. In calculating the index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and

the weights assigned to the various items are updated periodically by the BLS to take into account changes in consumer expenditure patterns. The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The base reference period for the CPI is the 1982-1984 average.

(3) "CPI^{t-12}" = the CPI published by the BLS in the month that is 12 months prior to the month used to established CPI^{t}.

(4) If the CPI is discontinued or substantially altered, as determined in the sole discretion of the authority, the authority will determine an appropriate substitute index or, if no such substitute index is able to be determined, the authority reserves the right to modify its obligations under this section.

(c) The above revisions shall be deemed part of the Policies and Procedures Document as provided in Resolution No. 11-041, unless and until further revised by the board by appropriate resolution and in accordance with the provisions of the Bond Documents.

301.007 Priority of Bond Documents

Notwithstanding any conflicting provisions of these or prior revisions to the Toll Policies, the toll schedules set forth in the Policies and Procedures Document shall always be sufficient to meet or exceed all covenants and requirements set forth in all applicable bond documents, and in the event of any conflict between the effects of these or prior revisions to Toll Policies and the bond documents, the covenants and requirements of the bond documents shall control.

301.008 Discounts and Incentives

(a) A primary objective of the authority's Marketing and Public Information Program is to enroll as many customers as possible in the ETC program. The authority will determine appropriate introductory and marketing activities on a project-by-project basis, which may include, but not be limited to, those described in subsection (b).

(b) Incentives and Discounts: During the initial start-up phase of tolling on a particular project, some incentives to customers may be offered depending on the level of toll tag enrollment, such as the following discounts and incentives:

(1) Incentive Offers: The authority may offer incentives with each new toll project that is opened to encourage ridership.

(2) Discounts for Toll Tag Users: Ten percent toll tag user discount; equals a discount of 10 percent off of the toll amount paid by cash only toll customers.

301.009 US183-A Turnpike Introductory Programs

(a) Discount For New Customers: Free $10.00 credit for toll charges given to a new customer per each toll tag account.

(b) Step-Up or No Charge for Introductory Period: The authority shall offer a six-month Introductory Period after US 183-A is constructed and opened to traffic. The initial four weeks of the Introductory Period will be free usage for all customers. The period of free usage will be extended up to eight weeks free usage for toll tag customers, and for the remaining four months of the Introductory Period, there will be a 50 percent reduction in amount of tolls charged for those toll tag customers.

(c) Customer Friendly Toll Violation Enforcement Process: If a customer who realizes they caused a Non-payment Transaction contacts the CSC and establishes (or re-establishes, if the customer has an invalid toll tag account) a valid, funded toll tag account within ten days, or such period of time that is dictated by the terms of any agreement with TxDOT concerning the VPC, after the Non-payment Transaction was committed, the administrative fee that the authority is allowed to charge under Section 370.177(c), Transportation Code will be waived, and the unpaid toll amount will be deducted from the customer's account balance. In the event that the violating customer does not either open and adequately fund a new toll tag account, or adequately fund their existing toll tag account, within the specified time frame, that customer will then receive a "Notice of Nonpayment" via regular mail for the unpaid toll amount plus a $25.00 administrative fee. If the violating customer contacts the CSC within 30 days after such notice is mailed, and either opens and adequately funds a new toll tag account, or adequately funds their existing toll tag account, either part of or all of the $25.00 administrative fee will be waived, and any remainder of the fee not waived, plus the unpaid toll amount, will be deducted from the customer's account balance.

(d) The waiver of administrative fees will be graduated over an 18 month period of time, where: during the first six months of the toll road operations, all administrative fees will be waived; during next six months of operations, $15.00 of the fee will be waived; during the third 6 to 12 months of operations, $10.00 of the administrative fee will be waived; and after a total period of 18 months after opening of operations, no portion of the administrative fee will be waived.

301.010 Exemption from Toll Payment

(a) Users of Toll Facilities shall be required to pay a toll unless they are determined to be exempt under Texas State Statutes or as authorized by the board under the provisions of the Texas State Statutes.

(b) Emergency and Military Vehicles: In accordance with the provisions of Sections 370.177, 362.901, and 541.201, Transportation Code, the authority will create technical procedures to ensure that authorized emergency vehicles, as well as state and federal military vehicles, are exempt from paying tolls on the toll road system.

(c) Public Transportation Vehicles: As authorized under the provisions of Section 370.177, Transportation Code, and to facilitate a multi-modal transportation system that ensures safe and efficient travel for all individuals in Central Texas, public transportation vehicles with a carrying capacity of 16 or more individuals that are owned and/or operated on behalf of the Capital Metropolitan Transportation Authority or the Capital Area Rural Transportation System shall be exempt from paying tolls on toll facilities.

301.011 Special Toll Tag Accounts

(a) The authority recognizes the importance of encouraging mass transit users to travel on toll roads to further relieve congestion and increase regional mobility. Special toll tags accounts and discounts will be provided to these users.

(b) School Buses: School buses from school districts in the Central Texas region that elect to establish a toll tag account with the authority shall receive a toll tag rate equal to the rate for cars, and shall also receive a 10 percent discount off that rate.

(c) Express Buses: Express buses operated by transportation providers other than Capital Metro/CARTS shall receive a toll tag rate equal to the rate for cars, and shall also receive a 10 percent discount off that rate.

(d) Other Mass Transit Provider Vehicles: Vehicles belonging to additional mass transit providers other than Capital Metro/CARTS that choose to establish a toll tag account with the authority shall receive a toll tag rate equal to the rate for cars, and shall also receive a 10 percent discount off that rate.

Subchapter B. Toll Collections

301.012 Purpose

This subchapter is established pursuant to Resolution No. 04-62, adopted by the board on December 8, 2004. Under provisions of Chapter 370, Transportation Code, the authority possesses the authority to designate a turnpike project or a portion of a turnpike project as a controlled-access toll road (Sec. 370.179). This subchapter establishes practices and operations for toll collection systems on designated controlled-access toll roads operating within the turnpike system, and incorporates provisions of Section 370.177, Transportation Code, regarding failure or refusal to pay turnpike project tolls and related penalties and offenses.

301.013 Definitions

(1) ACH: Automated Clearing House Network.

(2) CSC: Customer Service Center.

(3) Electronic Toll Tag or Toll Tag A device that records the usage of a vehicle using a toll road; usually adhered to the windshield of the vehicle, allowing motorists to drive non-stop through designated electronic toll collection lanes. Electronic Toll Tags are a type of "transponder" pursuant to Section 370.178, Transportation Code.

(4) ETC: Electronic Toll Collection.

(5) IVR: Interactive Voice Response.

(6) Non-payment Transaction: A transaction where the customer does not pay the toll in the lane at the time of travel through the toll lane.

(7) Non-Tagged Non-payment: Vehicles not equipped with toll tags and that do not pay the toll at the time of travel through the toll lane.

(8) Tag Class: The class that is determined using the vehicle information that is programmed in the toll tag.

(9) Tagged Non-payment: A vehicle equipped with a toll tag that is not valid and does not stop to pay toll.

(10) U/O: Unusual Occurrence.

(11) VES: Violation Enforcement System.

(12) VPC: Violation Processing Center.

301.014 Toll Tag Accounts Generally

(a) Customers may establish either individual or business toll tag accounts by contacting the Customer Service Center ("CSC"). Qualification for an "individual" account versus a "business" account will depend upon the number of toll tags a customer seeks to obtain as set forth below. Any customer personal or business information provided to the authority, including but not limited to name, address, telephone number, facsimile number, or e-mail address, and information regarding the type of account or number of toll tags issued, shall not be disclosed by the authority to any third parties, except for where such disclosure is required as a matter of law. Toll tags will be provided free of charge to customers who establish toll tag accounts; provided, however, that customers with an "initial deposit" individual account described below must pay an additional account set up fee if they request an additional toll tag. Upon issuance, the toll tag will remain the property of the authority and the Texas Department of Transportation (TxDOT), and is subject to the provisions of Section 370.178, Transportation Code. If and when a customer returns a toll tag to the the authority, any remaining account balance in the customer's account will be refunded.

(b) The following is a description of the three types of toll tag accounts that customers may establish:

(1) Individual Account (Registered): A customer opens a toll tag account with a minimum of $20.00. A minimum account balance of $0.50 is required per toll tag. The first toll tag for the toll tag account is free, however, customers must pay an additional $20.00 for each additional toll tag requested in conjunction with a toll tag account. Customer will be notified via regular mail, or e-mail if the customer so elects, when their account balance falls to $10.00. Such notification is provided as a courtesy by the authority, and failure to notify shall not relieve the customer of their obligation to remain apprised of their toll tag account balance at all times.

(2) Individual Account (Unregistered): A customer opens a toll tag account with a minimum of $20.00. A minimum account balance of $0.50 is required per toll tag. Customers choosing to remain anonymous by selecting the unregistered account option will be responsible for remaining apprised of their toll tag account balance because the authority will not be able to issue any balance notifications due to the account's unregistered status. In addition, unregistered customers will not be eligible for a refund or replacement for any toll tag that is lost or stolen. Customers should consider the toll tags affiliated with their unregistered account the same as cash, and should take extreme caution to prevent the loss or theft of such toll tag(s).

(3) Business Account (Registered): To qualify for a Business Account, customer must order a minimum of six toll tags. Customers must open a Business Account with a minimum of $30.00 per toll tag, with $30.00 for the account per toll tag, and including the $.50 required minimum account balance per toll tag. Customer will be notified via regular mail, or e-mail should the customer so elect, when their account balance falls below 50 percent of the starting account balance. Such notification is provided as a courtesy by the authority, and failure to notify shall not relieve the customer of their obligation to remain apprised of their toll tag account balance at all times. Business Account customers are allowed to obtain an unlimited number of toll tags for their account.

301.015 Toll Tag Distribution

(a) Distribution by Mail: Toll tags will be mailed via regular mail to customers who choose to open their toll tag accounts via the following methods, or for customers who request additional toll tags :

(1) Request via Telephone

(2) Request via Facsimile

(3) Request via E-mail

(4) The authority's Web Site Application

(5) Request by Regular Mail

(6) Certain Authorized Retail Outlets

(b) Distribution via In-Person Pickup: A customer may obtain their toll tag(s) in person when establishing a toll tag account via the following methods :

(1) In-person visit to the authority's CSC or any CSC Remote Counter Location

(2) Vending Kiosk or Machine

(3) Authorized Retail Outlets

(4) Toll Lane Attendant Booth

(c) Authority Use of Distribution Information: The authority will track the number and frequency of toll tags distributed according to the particular type of distribution method to identify the most frequently used distribution channels.

(d) Technical Operation and Technical Problems With Toll Tag Function: The authority will make reasonable efforts to test each toll tag that is issued to a customer. However, customers should test the functioning of their toll tag by passing through a tollbooth lane upon their first use of the toll tag to verify whether the toll tag is capable of being read by the toll collection equipment. If a customer becomes aware of a technical problem, either through self-testing, or because the customer is contacted by the authority for a Non-payment Transaction even though the customer has an adequate balance in their account, the customer should immediately contact the CSC to make arrangements to correct the problem or to receive a new toll tag.

301.016 Unauthorized Transfer of Toll Tag

Toll tags are issued by the the authority for use with one corresponding vehicle per toll tag. Customers should not to attempt to remove and transfer a toll tag to another vehicle once the tag is adhered to the original vehicle's windshield. To engage in such unauthorized transfer of a toll tag is against authority policy, and the authority reserves the right to refuse to recognize as valid any toll transaction made pursuant to such unauthorized transfer of a toll tag from its original vehicle.

301.017 Payment Methods

(a) Accounts (Registered or Unregistered) are pre-paid, and can be established and maintained by credit card, debit card, automatic clearing house (ACH) transaction, money order, check, and/or cash. To establish a registered account, the customer is required to complete the Account Setup Application and establish a means of account replenishment. Customers with unregistered accounts are not required to provide any information.

(b) The following payment methods are available for the corresponding methods of opening a customer account:

(1) Customers may pay with cash to open an account via: walk-in visits to the CSC or CSC Remote Location Counter; vending machines or kiosks; authorized retail outlets; or request to open an account made to a toll lane attendant.

(2) Customers may pay with checks or money orders to open an account via: walk-in visits to the CSC or CSC Remote Location Counter; regular mail; authorized retail outlets; or request to open account made to a toll lane attendant.

(3) Customers may pay with credit cards, or debit cards that do not require personal identification numbers (PINs), to open an account via: walk-in visits to the CSC or CSC Remote Location Counter; telephone; IVR; the authority's Web Site Application; facsimile; e-mail; vending machines or kiosks; authorized retail outlets.

301.018 Video Billing

(a) The authority shall offer video billing as another payment option for customers that use toll lanes that require a toll tag. This is a supplement to the existing toll policy. The authority, through its Violations Process and Debt Collection Provider (the "Collections Contractor"), will use the license plate information of a vehicle that does not have a valid toll tag but is utilizing toll lanes that require a toll tag to determine the registered owner of such a vehicle via an interface with Vehicle Title Registration.

(b) The Collections Contractor will send an invoice to the registered owner of the vehicle and receive payment on behalf of the authority. The Collections Contractor will add a 20% additional toll surcharge per toll transaction and a $1.00 handling fee for each invoice. If the transaction is paid by a charge or debit card, an additional $2.50 convenience fee will be added, while payment by check by telephone will require a $2.00 convenience fee. The Collections Contractor will retain the additional toll surcharge, handling fee and any convenience fee to cover their cost and forward the toll payments to the authority. An example could be as follows:

Toll	Surcharge	Handling Charge	Invoice Total
$ .50	$ .10		
$ .50	$ .10		
$1.50	$ .30		
$2.50	**$ .50**	**$1.00**	**$4.00 + any convenience fee**

(c) Video billing is an enhanced customer service offered by the authority which customers should be considered as a privilege. All invoices will require payment within 30 days of the date thereof. Customers who have at least two delinquent video bills no longer qualify for invoices but have all subsequent non-payment of tolls during the pendency of any such delinquency treated as violations and will receive violation notices. The Collections Contractor, based on filtered information provided by the authority host computer system will send either an invoice or violation

notice to these customers, as appropriate. Customers may have their video billing privilege reinstated by paying all delinquent lines, fees and tolls.

301.019 Establishment of Administrative Fee for Unpaid Tolls

(a) Section 370.177, Transportation Code, provides for the collection of an Administrative Fee to recover the cost of collecting unpaid tolls by a regional mobility authority such as the authority. The Administrative Fee cannot exceed $100.00. The authority has determined that such fees may vary depending on how far in the collection process a delinquent account proceeds.

(b) The current Administrative Fee shall be $15.00 applied at each phase of the collection process. This means that upon issuance of a notice of non-payment, a $15.00 Administrative Fee shall be collected in addition to the toll and any other fees that are otherwise due.

(c) In the event payment is not received in connection with the first notice of non-payment, and a second notice of non-payment is sent, an additional $15.00 Administrative Fee shall become due. Therefore, full payment of a second notice of non-payment will require the payment of $30.00 in Administrative Fees, in addition to all other amounts due.

(d) In the event payment is not received in connection with either the first or second notice of non-payment, such account shall be considered for collection, and an additional $30.00 Administrative Fee shall become due and the cumulative Administrative Fee shall be $60.00.

(e) The board recognizes that the amount of the Administrative Fee should be subject to periodic change when collection costs and associated matters are considered. Therefore, the authority to revise the Administrative Fee, or any aspect thereof, is granted to the executive director, in consultation with the director of operations, and may be revised by written amendment hereto. The board shall be notified of any such revisions by the executive director at the next regularly scheduled board meeting after such revision is put into effect.

(f) The above revisions shall be deemed part of the Policies and Procedures Document and the Official Statement Toll Rate Structure as provided in Resolution No. 08-04, unless and until further revised by the board by appropriate resolution, in accordance with the provisions of the Official Statement, or as otherwise provided herein.

301.020 Customer Service and Violation Policies

(a) Upon implementation of the toll collection system, the authority expects that there may be a high percentage of customers using a toll road who will not have a toll tag. The objective of the toll operations procedures and policies created by the authority is to increase the percentage of toll road customers who establish toll tag accounts with the CSC. Additionally, because tolling is a new concept for customers in the Central Texas region, it will take some time for customers to adjust to the toll road operations, rules and regulations. During the few months after the start of the authority's toll collection operations, a tolerant and customer-friendly approach will be employed

towards customers who use the road without paying toll charges. While it is understood that the objective of the authority is to collect revenue and minimize toll violation abuse, the authority believes that a moderate approach towards customers who did not pay the toll ultimately will allow for a period of adjustment as customers begin using the new toll roads, and will create new toll customers for the the authority.

(b) The authority will establish a "Violation Processing Center (VPC)" where vehicle images captured at the toll collection point and for which no toll was paid will be reviewed and processed according to authority policies in accordance with the toll enforcement process set forth in Section 370.177, Transportation Code. Repeat offenders will be issued notices of nonpayment and will be given the opportunity to make outstanding toll and administrative payments. Failure to respond to the established Customer Contact Process, and to satisfy outstanding, unpaid toll amounts, will result in the issuance of citation and prosecution under the provisions of Section 370.177.

301.021 Violation Enforcement Strategies

(a) The (CSC) provides customer service to authority customers and supports all operations related to customer toll tag account setup, account maintenance and customer service. The efficient operation of the CSC is critical to the success of the toll collections. The CSC will adhere to the following provisions with respect to customer service, toll violations, and toll tag use:

(1) Customers That Use Toll Tag Lanes Without Corresponding Toll Tags: If a customer who realizes they caused a Non-payment Transaction contacts the CSC and establishes (or re-establishes, if the customer has an invalid toll tag account) a valid, funded toll tag account within ten days, or such period of time that is dictated by the terms of any agreement with TxDOT concerning the VPC, after the Non-payment Transaction was committed, the administrative fee that the authority is allowed to charge under Section 370.177(c), Transportation Code, will be waived, and the unpaid toll amount will be deducted from the customer's account balance. In the event that the violating customer does not either open and adequately fund a new toll tag account, or adequately fund their existing toll tag account, within the specified time frame, that customer will then receive a "Notice of Nonpayment" via regular mail for the unpaid toll amount plus a $25.00 administrative fee.

(2) If the violating customer contacts the CSC within 30 days after such notice is mailed, and either opens and adequately funds a new toll tag account, or adequately funds their existing toll tag account, either part of or all of the $25.00 administrative fee will be waived, and any remainder of the fee not waived, plus the unpaid toll amount, will be deducted from the customer's account balance.

(b) If a customer who receives a "Notice of Nonpayment" does not take any of the actions described in subsection (a) above within 30 days after such notice is mailed, the Non-payment Transaction becomes an offense under Section 370.177, Transportation Code, and a collection

process will be implemented to attempt collection of the unpaid toll amount plus the additional administrative fee (which may include the collection agency's fees).

(c) If the collection process does not succeed in obtaining the toll amount and corresponding fees owed, the violating customer will be referred for prosecution. An offense for failure or refusal to pay a toll under Section 370.177, Transportation Code, is a misdemeanor subject to a fine of up to $250.00 for each offense.

(d) If convicted of the offense, a violating customer will be liable for the unpaid toll amount, plus a $100 administrative fee, plus court costs and a fine of up to $250.00.

(e) In the prosecution of an offense under Sec. 370.177, proof that the vehicle passed through a toll collection facility without payment of the proper toll, together with proof that the defendant was the registered owner or the customer of the vehicle when the failure to pay occurred, establishes the nonpayment of the registered owner. The proof may be by testimony of a peace officer or authority employee, video surveillance, or any other reasonable evidence.

(f) Under provisions of Sec. 370.177, there are certain exceptions to violation for failure to pay toll regarding rental cars and vehicles sold but for which title has not been officially transferred by TxDOT. In addition, it is a defense to prosecution if the vehicle is stolen prior to the failure to pay a toll, but only if the theft is reported to the appropriate law enforcement agency within the required time period.

301.022 Procedures for Disputing Toll Violations

(a) Customers may dispute an alleged failure to pay toll violation via the CTMRA web site or by contacting the CSC by walk-in, telephone, regular mail, e-mail, or facsimile.

(b) A customer who has contacted the CSC and has been unable to satisfactorily resolve a dispute regarding a toll violation may submit a written appeal to the authority. Such appeal shall be for the purposes of the customer providing the authority with the information upon which they base their appeal. The authority may or may not determine that there is any merit to such appeal and is not required to undertake any formal proceedings to make such determination.

Article 2. Operations

301.023 Statement of General Policy

(a) The mission of the authority is to implement innovative multi-modal transportation solutions that reduce congestion and create transportation choices that enhance quality of life and economic vitality. It is the policy of the authority that all actions shall be based on achieving the highest degree of regional mobility and transportation safety while encouraging economic development and enhancing the quality of life.

(b) Pursuant to Section 370.033(a)(12), Transportation Code, this article adopts and establishes rules for the use of the authority's transportation projects. These provisions are in addition to and an enhancement of the provisions of Subtitle C, Title 7, Transportation Code (the "Statutory Rules of the Road"). The authority expressly adopts these provisions and those set forth in the Statutory Rules of the Road. To the extent any conflict arises between the provisions hereof and the Statutory Rules of the Road that cannot be overcome through any reasonable consideration of both, the Statutory Rules of the Road shall control.

301.024 Definitions

The following words and terms, when used in these policies, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Median: the area between traffic lanes for the purpose of separating traffic

(2) Toll Plaza: The area where tolls are collected

(3) Toll Gantry: A structural frame installed over tolled roadways and/or ramps supporting electronic toll collection systems.

301.025 Speed Limits

(a) Subchapter H, Chapter 545, Transportation Code, "Speed Restrictions," governs speeds on highways in the State of Texas. The authority has the authority to alter prima facie speed limits on its toll roads, provided the Procedures for Establishing Speed Zones are followed.

(b) Guidelines established by Texas Department of Transportation Procedures for Establishing Speed Zones, current edition, will be used in conducting Speed Zone Studies and establishing Speed Limits on authority operated toll roads. The data collected during the Speed Zone Studies are analyzed to determine the 85th Percentile Speed. The 85th Percentile Speed is the speed at which 85% of the traffic at a specific test site is traveling at or slower. The 85th Percentile Speed will be the basis for how the posted speed limit is determined.

(c) Maximum speeds within construction, transitional or reduced speed zones or during any period of adverse atmospheric or weather conditions shall be in accordance with signs displayed for such zones. All regulatory and zoning signs displayed on authority operated toll roads shall be obeyed.

(d) Regulatory signs for toll plaza speed zones shall be placed in advance of, at the beginning, and at the end of the defined speed zone. All regulatory signs displayed at the toll plaza shall be obeyed.

(e) Motor vehicles shall not be driven in excess of the mechanical limits of vehicles or tires. If traffic, weather, pavement or other conditions render the maximum allowable speed hazardous, the speed of motor vehicles shall be reduced consistent with such conditions.

301.026 183A Turnpike

The maximum speed of motor vehicles on the 183A Turnpike shall be limited to 70 miles per hour except within construction, transitional or reduced speed zones or during any period of adverse atmospheric or weather conditions. Notwithstanding the foregoing, the maximum speed of motor vehicles on the portion of the 183A Turnpike as Frontage Roads lying north of FM 1431 shall be 60 miles per hour.

301.027 Parking

(a) Parking or stopping of vehicles on any traffic lane, deceleration lane, acceleration lane, or on any bridge is prohibited. Parking or stopping of vehicles is permitted only on the shoulders to the right of the traffic lane. All wheels and projecting parts of the vehicle or load shall be completely clear of the traffic lane.

(b) During the period beginning 30 minutes after sunset and ending 30 minutes before sunrise or at any other time when insufficient light or unfavorable atmospheric or weather conditions require, any parked vehicle shall display illuminated parking and tail lights, or lighted flares to indicate its location.

(c) Unnecessary parking or parking of vehicles for extended periods of time (in excess of 24 hours) is prohibited, and the driver of a disabled vehicle shall arrange for its prompt removal from authority operated toll roads.

301.028 Median Strip

(a) The median strip is the area between the dual or triple traffic lanes for the purpose of separating traffic.

(b) Crossing, driving, parking or stopping on the median strip is prohibited, except as necessary for official maintenance, operational or emergency uses.

301.029 No U-Turn

Except as specifically provided for as standard Turnarounds, U-Turns at any location on authority operated toll roads are prohibited.

301.030 Pedestrians

Pedestrians are not permitted on the mainlane roadways, access ramps or any interchange of authority toll roads. Solicitation of rides or "hitchhiking", panhandling, passing of handbills, displaying signs, or attempting to sell merchandise is prohibited on authority operated toll roads. Loitering in or about Toll Plazas or upon any Turnpike property is prohibited.

301.031 Prohibited Modes of Transportation

(a) No person shall operate any of the following on any roadway or access ramp operated by the authority:

(1) Animal drawn vehicles.

(2) Animals - led, ridden, or driven.

(3) Vehicles loaded with animals or poultry not properly confined.

(4) Vehicles with flat pneumatic tires.

(5) Vehicles in the charge of intoxicated or otherwise incapacitated operators.

(6) Vehicles with improperly secured loads which may shift or litter the highway.

(7) Vehicles with metal tires or which have solid tires worn to metal.

(8) Rollers, graders, power shovels, or other construction equipment, either self- propelled or in tow of another vehicle, unless such equipment is either:

(A) truck mounted, and such truck can be operated at a minimum speed of 45 miles per hour while traveling on the mainlane roadways of authority operated toll roads, weather and road conditions permitting, or

(B) owned or controlled by the authority or by any contractor in connection with the performance of work authorized by the authority.

(9) Vehicles exceeding the maximum weights allowed on State highways under the motor vehicles laws of the State of Texas in effect from time to time.

(10) Vehicles including any load thereon exceeding the following maximum dimensions are prohibited:

Height	13 feet 6 inches
Width	8 feet 6 inches
Length	The maximum allowable lengths permitted on Interstate highways and other controlled access roadways in Texas pursuant to the motor vehicle laws of the State of Texas, as in effect from time to time, without an over-length permit.

(11) Disabled vehicles in tow by tow-rope or chain.

(b) No person shall operate any of the following on the mainlane roadways or access ramps of authority operated toll roads:

(1) Bicycles or tricycles, with or without motors, and motor driven cycles, including motor scooters, and

(2) Farm implements.

301.032 Evasion of Fare

(a) Entering or leaving authority operated toll roads or any part of its right of way except through the regular Toll Plaza lanes, or committing any act with intent to defraud or evade payment of fare is prohibited.

301.033 Trees, Shrubs and Plants

Culling, mutilating or removing trees, shrubs, or plants located within authority operated toll roads right-of-way is prohibited.

301.034 State Laws

All laws, rules and regulations in the State of Texas pertaining to the use of public highways and policing thereof, including but not limited to the Statutory Rules of the Road, shall apply to authority operated toll roads, except insofar as they may be supplemented by this article.

301.035 Penalties

Any violation of a provision of this article shall be deemed an offense as defined in the Statutory Rules of the Road and shall be subject to prosecution and penalties as set forth in the Statutory Rules of the Road.

Article 3. Frontage Road Access

301.036 Statement of General Policy

(a) The mission of the authority is to implement innovative multi-modal transportation solutions that reduce congestion and create transportation choices that enhance quality of life and economic vitality. It is the policy of the authority that all actions shall be based on achieving the highest degree of regional mobility and transportation safety while encouraging economic development and enhancing the quality of life.

(b) On August 29, 2007, all previously permitted access as a condition of the acquisition process for the 183A facility are "grandfathered" as accepted access. However, property owners must

coordinate with the authority or the municipality responsible for access permitting prior to making any property modifications that will result in changes to the traffic patterns associated with the access. To ensure an effective and consistent process for consideration of requests for additional access connections, criteria for establishing driveways to abutting properties shall be in accordance with the criteria established for frontage roads in the *TxDOT Access Management Manual, current issue*, except as may be required otherwise herein.

301.037 Application of Access Criteria

(a) Frontage roads are considered essential elements of the highway facilities being developed in the region by the authority, particularly to provide direct access to abutting property where:

(1) alternative access is not available and the property might otherwise be landlocked;

(2) it is not feasible for the authority to purchase the access; and/or

(3) the frontage road allows for improved mobility together with the property access.

(b) Direct access to the frontage roads is prohibited in the vicinity of existing ramp connections to the mainlane roadways and as proposed on the approved Schematic design, and as proposed and indicated by a "Control of Access" area on the Right-of-Way Maps for the 183A Project, or as described in the TxDOT *Roadway Design Manual*, Chapter 3.

301.038 Driveways

(a) Driveways should provide free and safe access to properties along roadway facilities. Driveways can be classified into two main categories based on the property served:

(1) Private: serving dwellings, duplexes, and townhouses.

(2) Commercial & Public: serving either business and commercial establishments or public places (schools, churches, cemeteries, etc.).

(b) Driveways are also classified into urban (curbed) or rural (uncurbed) based on their location along rural or urban facilities. The 183A Turnpike is classified as an Urban Freeway. Moreover, driveways are classified into three categories based on the direction of traffic and the separation of vehicles entering and exiting the served property: one-way, two-way divided, two-way undivided.

301.039 Connection Spacing Criteria for Frontage Roads

(a) Access to the frontage roads shall not be granted or approved in the "Control of Access" areas depicted on maps and drawings on file with the authority. In the event ramp locations for the 183A Turnpike depicted on maps and drawings on file with the authority are moved prior to the design and construction of the 183A Turnpike mainlanes, access points shall not be granted within the areas reasonably designated by the authority as "Control of Access" areas. Nothing herein shall preclude the authority from requiring the expansion of either or both frontage roads if necessary, at the authority's sole discretion, to accommodate traffic volumes or to improve safety.

(b) Outside of the designated "Control of Access" areas, criteria for establishing driveways to abutting properties shall be in accordance with the criteria established for Frontage Roads in *TxDOT Access Management Manual, Chapter 2, Section 5*.

(c) Table 2-1 gives the minimum connection spacing criteria for Frontage Roads. However, a lesser connection spacing may be allowed without deviation in the following situations:

(1) To keep from land-locking a property where such land-locking is solely the result of action by the authority (for example, design and construction modifications which physically prevent a driveway installation due to grade changes, retaining walls, or barrier installations) where the authority does not control the access; or

(2) Replacement or re-establishment of reasonable access.

Table 2-1 Access connection is from EOP to EOP		
Posted Speed (mph)	One-Way FR(ft)	Two-Way FR(ft)
<30	200	200
35	250	300
40	305	360
45	360	435
≥50	425	510

(d) The above references to land-locking do not apply to circumstances where an existing larger tract of land is subdivided (and the subdivided lots sold to separate owners) after August 29, 2007, and the original tract of land either already has an existing permitted access connection point, or would qualify for such an access connection point based upon the spacing requirements of this section. Potential land-locking caused by subdivision and resale is the result of such subdivision process and will not alone justify variances or deviations in the spacing requirements contained in this section. Therefore, as part of the subdividing process, the party proposing the subdivision (and the municipality approving such subdivisions) should require and provide some type of internal access easements to the existing access connection points (or to such access connection point locations that qualify for future permits based on this section's spacing requirements).

(e) The distance between access connections is measured along the edge of the traveled way from the closest edge of pavement (EOP) of the first access connection to the closest edge of pavement of the second access connection. Additionally, the access connection spacing in the proximity of frontage road U-turn lanes will be measured from the inside edge of the U-turn lane to the closest edge of the first access connection.

(f) A spacing that is shorter than the minimum allowable, as set forth in this section, is considered a deviation from the guidelines. Requests for deviations, accompanied by supporting analyses and documentation, shall be submitted to the authority for consideration.

301.040 Access Management Coordination with Municipalities

(a) The Access Management Plan initially is intended to be tailored to the 183A Turnpike facility. Municipalities wanting authority to govern access connection location decisions within their jurisdiction are encouraged to develop access management guidelines or plans for the 183A Corridor within their jurisdiction acceptable to the authority, or adopt the authority's guidelines.

(b) Granting location permit authority to municipalities does not preclude the need for engineering driveway locations. Any impacts to drainage or hydraulics on the authority's highway system resulting from access connections must be coordinated with the authority prior to any local access location approval. Issuance of access permits by a municipality must address traffic operations, driveway geometrics, utility location/relocation, compliance with the Americans with Disabilities Act (ADA) and Texas Accessibility Standards (TAS), environmental requirements, wetland considerations if appropriate, and all other applicable state and federal laws, rules, and regulations.

301.041 Access Permit Application Process

(a) In the absence of any safety or operational problems, additional access connections may be considered if the size and trip generation potential of the proposed development requires additional access in order to maintain good roadway traffic operations. Any additional access must not interfere with the location, planning, and operation of the frontage roads and the public street system. Where the property abuts or has primary access to a lesser function road, to an internal street system, or by means of dedicated access easement, any access to the authority's highway system will be considered as an additional access.

(b) If the access connection causes operational problems (i.e. reduced the capacity of the through lanes, etc.) or the operational analysis causes the intersection to exceed a V/C ratio of 1.0, mitigation and/or additional operational improvements may be required as a condition of the permit.

(c) Requests for driveway access shall be initiated with the preparation and submittal of a "Permit to Construct Access Driveway Facilities on Highway Right of Way" form. Forms are available from the the authority. Pending review and acceptance of the documentation provided with the permit form, the authority's "*Right of Way Access Application*" form should be submitted for approval. The permit may be issued, accompanied by General Plan Requirements, Special Provisions, and the associated Access Driveway Regulations. Construction and operation of any access granted shall be strictly in accordance with the specific requirements of the issued permit.

Article 4. Encasement Protected Right-of-Way

301.042 Applicability

This article applies only to a utility facility constructed in Encasement Protected ROW after January 25, 2012.

301.043 Definitions

In this article:

(1) "Utility Facility" means: (a) a water, wastewater, natural gas, or petroleum pipeline or associated equipment; (b) an electric transmission or distribution line or associated equipment; or (c) telecommunications information services, or cable television infrastructure or associated equipment, including fiber optic cable, conduit, and wireless communications facilities, used to provide a utility service.

(2) "Authority Encasement" means an encasement installed under a roadway within right-of-way and owned by the authority.

(3) "Encasement Protected ROW" means right-of-way for 183A between its intersections with RM 2243 and Hero Way.

301.044 Utility Facility in Encasement Protected ROW.

(a) A Utility Facility installed in Encasement Protected ROW shall be installed only within a Authority Encasement.

(b) This section does not apply to a Utility Facility that the authority determines cannot reasonably be installed within an Authority Encasement because the Authority Encasement has insufficient capacity to contain the proposed Utility Facility.

301.045 Agreement to Install a Utility Facility in an Authority Encasement

(a) A Utility Facility may not be installed in an Authority Encasement unless the owner of the Utility Facility executes an agreement with the authority.

(b) An agreement under this section must:

(1) include such terms and conditions as are reasonably necessary to protect the interests of the authority and its customers, as may be recommended by the executive director and approved by the board;

(2) include payment terms that fully reimburse the authority for its actual costs incurred to design, construct, and maintain the Authority Encasement; and

(3) be competitively neutral and nondiscriminatory among similarly situated users of the Encasement Protected ROW.

(c) A requirement of this section that directly conflicts with another law relating to use of authority right-of-way for a Utility Facility shall be subject to the provisions of the other law to the extent of such conflict.

Chapter 4: PROCUREMENT OF GOODS AND SERVICES

Article 1. General

401.001 Statement of General Policy.

It is the policy of the authority that all authority procurements shall be based solely on economic and business merit in order to best promote the interests of the citizens of the counties served by the authority.

401.002 Definitions.

(a) As used in this chapter, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise.

(1) Available bidding capacity: Bidding capacity less uncompleted work under a construction or building contract.

(2) Bid or quote: The response to a request for the pricing of products, goods, or services (other than professional services or certain consulting services) that the authority proposes to procure.

(3) Bid documents: Forms promulgated by the authority which the bidder completes and submits to the authority to document the bidder's bid on a contract to be let by the authority. Bid documents promulgated by the authority for a procurement will include the following information:

(A) the location and description of the proposed work;

(B) an estimate of the various quantities and kinds of work to be performed and/or materials to be furnished;

(C) a schedule of items for which unit prices are requested;

(D) the time within which the work is to be completed;

(E) any special provisions and special specifications; (vi) the amount of bid guaranty, if any, required; and

(F) the authority's goals regarding the participation in the contract or in subcontracts let under the contract by Disadvantaged Business Enterprises, in accordance with the authority's policies regarding such participation.

(4) Bid guaranty: The security designated in the bid documents for a construction or building contract to be furnished by the bidder as a guaranty that the bidder will enter into a contract if awarded the work.

(5) Bidder: An individual, partnership, limited liability company, corporation or any combination submitting a bid or offer of goods or services.

(6) Bidding capacity: The maximum dollar value a contractor may have under a construction or building contract at any given time, as determined by the authority.

(7) Building contract: A contract for the construction or maintenance of an authority building, toll plaza, or appurtenant facilities.

(8) Comprehensive Development Agreement: An agreement with a private entity that at a minimum provides for the design and construction of a transportation project and may also provide for financing, acquisition, maintenance or operation of a transportation project.

(9) Construction contract: A contract for the construction, reconstruction, maintenance, or repair of a segment of a transportation project, including a contract let to preserve and prevent further deterioration of a transportation project.

(10) Consulting service: The service of advising or preparing studies or analyses for the authority under a contract that does not involve the traditional relationship of employer and employee. Except in connection with comprehensive development agreements consulting services may not be procured under a construction or building contract. Consulting services are not professional services or general goods and services as defined by this chapter.

(11) Counties of the Authority: Travis and Williamson Counties, as well as any counties which may subsequently join the authority.

(12) Emergency: Any situation or condition affecting a transportation project resulting from a natural or man-made cause, which poses an imminent threat to life or property of the traveling public or which substantially disrupts or may disrupt the safe and efficient flow of traffic and commerce or which has caused unforeseen damage to machinery, equipment or other property which would substantially interfere with or prohibit the collection of tolls in accordance with the authority's bonding obligations and requirements.

(13) Executive director: The executive director of the authority or any individual designated by the Board to act as the chief administrative officer of the authority.

(14) Federal-aid project: The construction, reconstruction, maintenance, or repair of a segment of a transportation project, including a contract let to preserve and prevent further deterioration of a transportation project, funded in whole or in part with funds provided by the government of the United States or any department thereof.

(15) General goods and services: Goods, services, equipment, personal property and any other item procured by the authority in connection with the fulfillment of its statutory purposes that are not procured under a construction or building contract or that are not consulting services or professional services as defined by this chapter.

(16) Highway: A road, highway, farm-to-market road, or street under the supervision of a state or political subdivision of the State.

(17) Intermodal hub: A central location where cargo containers can be easily and quickly transferred between trucks, trains and airplanes.

(18) Lowest best bidder: The lowest responsible bidder on a contract that complies with the authority's criteria for such contract, as described in this chapter.

(19) Materially unbalanced bid: A bid, as may be more particularly defined in the bid documents, on a construction or building contract which generates a reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will result in the lowest ultimate cost to the authority.

(20) Mathematically unbalanced bid: A bid, as may be more particularly defined in the bid documents, on a construction or building contract containing lump sum or unit bid items which do not reflect reasonable actual costs plus a reasonable proportionate share of the bidder's anticipated profit, overhead costs, and other indirect costs.

(21) Official newspaper of the authority: A general circulation newspaper published in the counties of the authority. If there are multiple newspapers which are published in the counties of the authority, the board shall designate which one is the official newspaper of the authority.

(22) Professional services: Services which political subdivisions of the State must procure pursuant to the Professional Services Procurement Act, which are services defined by state law of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising, or professional nursing, or services provided in connection with the employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician (including a surgeon), an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse. Except in connection with a comprehensive development agreement professional services may not be procured under a construction or building contract.

(23) Professional Services Procurement Act: Subchapter A, Chapter 2254. Government Code, as amended from time to time.

(24) Public Utility Facility: A

(A) water, wastewater, natural gas, or petroleum pipeline or associated equipment;

(B) an electric transmission or distribution line or associated equipment; or

(C) telecommunications information services, or cable television infrastructure or associated equipment, including fiber optic cable, conduit and wireless communications facilities.

(25) Salvage property: Personal property (including, without limitation, supplies, equipment, and vehicles), other than items routinely discarded as waste, that through use, time, or accident is so damaged, used, consumed, or outmoded that it has little or no value to the authority.

(26) Surplus property: Personal property (including, without limitation, supplies, equipment, and vehicles) that is not currently needed by the authority and is not required for the authority's foreseeable needs. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

(27) State: The State of Texas.

(28) System: A transportation project or a combination of transportation projects designated as a system by the board in accordance with Section 370.034, Transportation Code.

(29) Transportation Project: Includes a(n):

(A) turnpike project;

(B) system;

(C) passenger or freight rail facility, including (i) tracks; (ii) a rail line; (iii) switching, signaling, or other operating equipment; (iv) a depot; (v) a locomotive; (vi) rolling stock; (vii) a maintenance facility; and (viii) other real and personal property associated with a rail operation.

(D) roadway with a functional classification greater than a local road or rural minor collector;

(E) ferry;

(F) airport, other than an airport that on September 1, 2005, was served by one or more air carriers engaged in scheduled interstate transportation, as those terms were defined by 14 C.F.R. Section 1.1 on that date;

(G) pedestrian or bicycle facility;

(H) intermodal hub;

(I) automated conveyor belt for the movement of freight;

(J) border crossing inspection station;

(K) air quality improvement initiative;

(L) public utility facility;

(M) a transit system; and

(N) projects and programs listed in the most recently approved state implementation plan for the area covered by the authority, including an early action compact.

(30) Turnpike Project: A highway of any number of lanes, with or without grade separations, owned or operated by the authority and any improvement, extension or expansion to the highway, including:

(A) an improvement to relieve traffic congestion or promote safety;

(B) a bridge, tunnel, overpass, underpass, interchange, entrance plaza, approach, toll house, service road, ramp, or service station;

(C) an administration, storage, or other building the board considers necessary to operate the project;

(D) property rights, easements and interests the board acquires to construct or operate the project;

(E) a parking area or structure, rest stop, park, and any other improvement or amenity the board considers necessary, useful, or beneficial for the operation of a turnpike project; and

(F) a toll-free facility that is appurtenant to and necessary for the efficient operation of a turnpike project, including a service road, access road, ramp, interchange, bridge, or tunnel.

(31) TxDOT: The Texas Department of Transportation.

401.003 Conflict of Interest.

(a) In addition to any other requirements or restrictions imposed by state law, a director or an employee or agent of the authority shall not:

(1) contract with the authority or, without disclosure and recusal, be directly or indirectly interested in a contract with the authority or the sale of property to the authority;

(2) accept or solicit any gift, favor, or service that might reasonably tend to influence that director, employee or agent in the making of procurement decisions or that the director, employee or agent knows or should have known is being offered with the intent to influence the director's, employee's or agent's making of procurement decisions; or

(3) accept other compensation that could reasonably be expected to impair the director's, employee's or agent's independence of judgment in the making of procurement decisions.

(b) A bidder shall not be eligible to contract with the authority if a director, employee or agent is related to the bidder within the second degree of consanguinity or affinity, as determined under Chapter 573, Government Code. A bidder shall be required to complete a conflict of interest disclosure statement disclosing any business or familial relationships with directors, employees or agents of the authority which may disqualify the bidder from consideration.

401.004 Disadvantaged Business Participation; Compliance With Policy.

Disadvantaged Business Enterprises will be encouraged to participate in the procurement process. If the authority adopts a policy regarding Disadvantaged Business Enterprises, all procurements shall comply with such policy.

401.005 Dispute Resolution Procedures

The authority shall have the general ability and authority, when negotiating the terms and conditions of any contract to be entered into with any entity, to negotiate for the inclusion of dispute resolution procedures in such contract. Such dispute resolution procedures may vary from contract to contract, provided that, at a minimum, the procedures require that a meeting of principles, mediation, and/or formal alternative dispute resolution procedures be followed before any party may file suit against, or initiate an arbitration proceeding against, the authority for an alleged breach of contract claim.

401.006 Emergency Procurements

(a) Emergency Procurement Procedures. The authority may employ alternate procedures for the expedited award of construction contracts and to procure goods and services to meet emergency conditions in which essential corrective or preventive action would be unreasonably hampered or delayed by compliance with the foregoing rules. Types of work which may qualify for emergency contracts include, but are not limited to, emergency repair or reconstruction of streets, roads, highways, building, facilities, bridges, toll collection systems and other authority property; clearing debris or deposits from the roadway or in drainage courses within the right of way; removal of hazardous materials; restoration of stream channels outside the right of way in certain conditions; temporary traffic operations; and mowing to eliminate safety hazards.

(b) Before a contract is awarded under this section, the executive director or his designee must certify in writing the fact and nature of the emergency giving rise to the award.

(c) To be eligible to bid on an emergency construction and building projects, a contractor must be qualified to bid on TxDOT construction or maintenance contracts or be pre-qualified by the authority to bid on authority construction or building contracts.

(d) A bidder need not be qualified or pre-qualified by the authority to be eligible to bid on emergency non-construction or non-building projects.

(e) After an emergency is certified, if there are three or more firms qualified to bid on the contract as reflected by the authority's files, the authority will send bid documents for the work to at least three qualified contractors. The authority will notify recipients of the bid documents of the date and time by which the bids must be submitted and when the bids will be opened, read, and tabulated. The authority will also notify the recipients of any expedited schedule and information required for the execution of the contract. Bids will be opened, read, and tabulated, and the contract will be awarded, in the manner provided in the other sections of this chapter as required to procure construction or goods and services, as the case may be.

Article 2. State Cooperative Purchasing Programs and Intergovernmental Agreements

401.007 State of Texas CO-OP Purchasing Program.

Pursuant to and in accordance with Section 2155.204, Government Code, and Subchapter D, Chapter 271, Local Government Code, the authority may request the Texas Comptroller of Public Accounts to allow the authority to participate on a voluntary basis in the program established by the comptroller by which the comptroller performs purchasing services for local governments.

401.008 Catalog Purchase of Automated Information Systems.

Pursuant to and in accordance with Chapter 2157, Government Code, the authority may utilize the catalogue purchasing procedure established by the comptroller with respect to the purchase of automated information systems.

401.009 Cooperative Purchases.

Pursuant to and in accordance with Subchapter F, Chapter 271, Local Government Code, the authority may participate in one or more cooperative purchasing programs with local governments or local cooperative programs.

401.010 Interlocal Agreements with TxDOT.

Subject to limitations imposed by general law, the authority may enter into inter-local agreements with TxDOT to procure goods and services from TxDOT.

401.011 Effect of Procurements under this Article.

Purchases made through the comptroller, a cooperative program or by interlocal agreement shall be deemed to have satisfied the procurement requirements of this chapter and shall be exempted from a procurement requirement contained in another article of this chapter.

Article 3. General Goods and Services

401.012 Approval of Board.

(a) Every procurement of general goods and services costing more than $50,000 shall require the approval of the board, evidenced by a resolution adopted by the Board.

(b) A large procurement may not be divided into smaller lot purchases to avoid the dollar limits prescribed herein.

401.013 Purchase Threshold Amounts.

(a) The authority may procure general goods and services costing $50,000 or less by such method and on such terms as the executive director determines to be in the best interests of the authority.

(b) General goods and services costing more than $50,000 shall be procured using competitive bidding or competitive sealed proposals.

(c) A large procurement may not be divided into smaller lot purchases to avoid the dollar limits prescribed herein.

401.014 Competitive Bidding Procedures.

Competitive bidding for general goods and services shall be conducted using the same procedures specified for the competitive bidding of construction contracts, except that:

(1) with respect to a particular procurement, the executive director may waive the qualification requirements for all prospective bidders;

(2) the executive director may waive the submission of payment or performance bonds (or both) and/or insurance certificates by the successful bidder if not otherwise required by law;

(3) notice of the procurement shall be published once at least two weeks before the deadline for the submission of responses in the officially designated newspaper of the authority, as well as on the authority's website (www.ctrma.org).

(4) in addition to advertisement of the procurement as set forth in subsection 7.3(c) above, the authority may solicit bids by direct mail, telephone, Texas Register publication, advertising in other locations, or via the Internet. If such solicitations are made in addition to newspaper advertising, the prospective bidder may not be solicited by mail, telephone and internet or in

any other manner, nor may the prospective bidder receive bid documents until such time that the advertisement has appeared on the authority's website (www.ctrma.org); and

(5) a purchase may be proposed on a lump-sum or unit price basis. If the authority chooses to use unit pricing in its notice, the information furnished to bidder must specify the approximate quantities estimated on the best available information, but the compensation paid the bidder must be based on the actual quantities purchased.

401.015 Award Under Competitive Bidding.

(a) Contracts for general goods and services procured using competitive bidding shall be awarded to the lowest best bidder based on the same criteria used in awarding construction contacts, together with the following additional criteria:

(1) the quality and availability of the goods or contractual services to be provided and their adaptability to the authority's needs and uses; and

(2) the bidder's ability to provide, in timely manner, future maintenance, repair parts, and service for goods being purchased.

(b) In accordance with Subchapter A, Chapter 2252, Government Code, the authority will not award a contract to a nonresident bidder unless the nonresident underbids the lowest best bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

401.016 Competitive Sealed Proposals.

(a) Request for Proposals. The authority may solicit offers for provision of general goods and services by issuing a request for proposals ("RFP"). Each RFP shall contain the following information :

(1) the authority's specifications for the good or service to be procured;

(2) an estimate of the various quantities and kinds of services to be performed and/or materials to be furnished;

(3) a schedule of items for which unit prices are requested;

(4) the time within which the contract is to be performed;

(5) any special provisions and special specifications; and

(6) the authority's goals regarding the participation in the contract or in subcontracts let under the contract by Disadvantaged Business Enterprises. The authority shall give public notice of a RFP in the manner provided for requests for competitive bids for general goods and services.

(b) Opening and Filing of Proposals; Public Inspection. The authority shall avoid disclosing the contents of each proposal on opening the proposal and during negotiations with competing offerors. The authority shall file each proposal in a register of proposals, which, after a contract is awarded, is open for public inspection unless the register contains information that is excepted from disclosure as public information.

(c) Revision of Proposals. After receiving a proposal but before making an award, the authority may permit an offeror to revise its proposal to obtain the best final offer. The authority may discuss acceptable or potentially acceptable proposals with offerors to assess an offeror's ability to meet the solicitation requirements. The authority may not disclose information derived from proposals submitted from competing offerors. The authority shall provide each offeror an equal opportunity to discuss and revise proposals.

(d) Refusal of All Proposals. The authority shall refuse all proposals if none of those submitted is acceptable.

(e) Contract Execution. The authority shall submit a written contract to the offeror (the "first-choice candidate") whose proposal is the most advantageous to the authority, considering price and the evaluation factors in the RFP. The terms of the contract shall incorporate the terms set forth in the RFP and the proposal submitted by the first choice candidate, but if the proposal conflicts with the RFP, the RFP shall control unless the authority elects otherwise. If the authority and the first choice candidate cannot agree on the terms of a contract, the authority may elect not to contract with the first choice candidate, and at the exclusive option of the authority, may submit a contract to the offeror ("second-choice candidate") whose proposal is the next most favorable to the authority. If agreement is not reached with the second choice candidate, the process may be continued with other offerors in like manner, but the authority shall have no obligation to submit a contract to the next highest-ranked offeror if the authority determines at any time during the process that none of the remaining proposals is acceptable or otherwise within the best interest of the authority.

401.017 Proprietary Purchases.

If the executive director finds that the authority's requirements for the procurement of a general good or service describe a product that is proprietary to one vendor and do not permit an equivalent product to be supplied, the authority may solicit a bid for the general good or service solely from the proprietary vendor, without using the competitive bidding or competitive proposal procedures. The executive director shall justify in writing the authority's requirements and shall submit the written justification to the Board. The written justification must:

(1) explain the need for the specifications;

(2) state the reason competing products are not satisfactory; and

(3) provide other information requested by the Board.

Article 4. Consulting Services

401.018 Contracting for Consulting Services.

The authority may contract for consulting services if the executive director reasonably determines that the authority cannot adequately perform the services with its own personnel.

401.019 Selection Criteria.

The authority shall base its selection on demonstrated competence, knowledge, and qualifications and on the reasonableness of the proposed fee for the services.

401.020 Contract Amounts.

(a) The authority may procure consulting services anticipated to cost no more than $50,000 by such method and on such terms as the executive director determines to be in the best interests of the authority. Without limiting the foregoing, the executive director may procure consulting services anticipated to cost no more than $50,000 pursuant to a "single-source contract," if the executive director determines that only one prospective consultant possesses the demonstrated competence, knowledge, and qualifications to provide the services required by the authority at a reasonable fee and within the time limitations required by the authority.

(b) Consulting services anticipated to cost more than $50,000 shall be procured by the authority's issuance of either a Request for Qualifications ("RFQ") or a Request for Proposals ("RFP") as the authority deems appropriate.

401.021 Request for Qualifications.

Each RFQ prepared by the authority shall invite prospective consultants to submit their qualifications to provide such services as specified in the RFQ. Each RFQ shall describe the services required by the authority, the criteria used to evaluate proposals, and the relative weight given to the criteria. In procuring consulting services through issuance of a RFQ, the authority shall follow the notices set forth in Section 401.0326 of these policies for the procurement of professional services.

401.022 Request for Proposals.

(a) Each RFP shall contain the following information:

(1) the authority's specifications for the service to be procured;

(2) an estimate of the various quantities and kinds of services to be performed;

(3) a schedule of items for which unit prices are requested;

(4) the time within which the contract is to be performed;

(5) any special provisions and special specifications; and

(6) the authority's goals regarding the participation in the contract or in subcontracts let under the contract by Disadvantaged Business Enterprises. The authority shall give public notice of a RFP in the manner provided for requests for competitive bids for general goods and services.

(b) In procuring consulting services through issuance of a RFP, the authority shall follow the notices set forth in Section 401.014for the procurement of general goods and services.

401.023 Notice of RFQs and RFPs.

(a) Notice of the issuance of a RFQ or RFP must provide:

(1) the date, time, and place where responses to the RFQ or RFP will be opened,

(2) the address and telephone number from which prospective proposers may request the RFQ or RFP, and

(3) a general description of the type of services being sought by the authority.

(b) Alternatively, the authority may publish and otherwise distribute, in accordance with these procedures, the RFQ or RFP itself in lieu of publishing a notice of issuance of a RFQ or RFP.

(c) The authority shall publish the notice of issuance of a RFQ or RFP on its website and shall either:

(1) publish notice of the issuance of a RFQ or RFP, or the content of the RFQ or RFP itself, in an issue of the Texas Register; or

(2) publish in the officially designated newspaper of the authority notice of the issuance of a RFQ or RFP, or the content of the RFQ or RFP itself, once at least two weeks before deadline for the submission for responses in the officially designated newspaper of the authority.

(d) The authority may, but shall not be required to, solicit responses to a RFQ or RFP by direct mail, telephone, advertising in trade journals or other locations, or via the Internet. With regard to RFPs, if such solicitations are made in addition to the required publications, the prospective bidder may not be solicited by mail, telephone and internet or in any other manner, nor may the prospective bidder receive bid documents until such time that notice of the RFP has been made available on the authority's website.

(e) The date specified in the RFQ or RFP as the deadline for submission of responses may be extended if the executive director determines that the extension is in the best interest of the authority.

401.024 Opening and Filing of Responses; Public Inspection.

The authority shall avoid disclosing the contents of each response to a RFQ on opening the response and during negotiations with competing respondents. The authority shall file each response in a register of responses, which, after a contract is awarded, is open for public inspection unless the register contains information that is excepted from disclosure as an open record.

401.025 Contract Negotiation and Execution.

(a) With regard to consulting services procured through issuance of a RFQ, the authority shall submit a written contract to the respondent (the "first choice candidate") whose response best satisfies the authority's selection criteria. If the authority and the first choice candidate cannot agree on the terms of a contract, the authority may terminate negotiations with the first choice candidate, and, at the exclusive option of the authority, the authority may enter into contract negotiations with the respondent ("second choice candidate") whose response is the next most favorable to the authority. If agreement is not reached with the second choice candidate, the process may be continued with other respondents in like manner, but the authority shall have no obligation to submit a contract to the next highest-ranked respondent if the authority determines that none of the remaining responses is acceptable or that continuing with the procurement is not within the best interest of the authority.

(b) With regard to consulting services procured through issuance of a RFP, the authority shall submit a written contract to the offeror (the "first-choice candidate") whose proposal is the most advantageous to the authority, considering price and the evaluation factors in the RFP. The terms of the contract shall incorporate the terms set forth in the RFP and the proposal submitted by the first choice candidate, but if the proposal conflicts with the RFP, the RFP shall control unless the authority elects otherwise. If the authority and the first choice candidate cannot agree on the terms of a contract, the authority may elect not to contract with the first choice candidate, and at the exclusive option of the authority, may submit a contract to the offeror ("second-choice candidate") whose proposal is the next most favorable to the authority. If agreement is not reached with the second choice candidate, the process may be continued with other offerors in like manner, but the authority shall have no obligation to submit a contract to the next highest-ranked offeror if the authority determines at any time during the process that none of the remaining proposals is acceptable or otherwise within the best interest of the authority.

401.026 Single-Source Contracts.

If the executive director determines that only one prospective consultant possesses the demonstrated competence, knowledge, and qualifications to provide the services required by the authority at a reasonable fee and within the time limitations required by the authority, consulting services from that consultant may be procured without issuing a RFQ or RFP. Provided, however, that the executive director shall justify in writing the basis for classifying the consultant as a single-source and shall submit the written justification to the Board. The justification shall be submitted for board consideration prior to contracting with the consultant if the anticipated cost of the services

exceeds $50,000. If the anticipated cost of services does not exceed $50,000, the executive director, with the prior approval of the Executive Committee, may enter into a contract for services and shall submit the justification to the board at its next regularly scheduled board meeting.

401.027 Prior Employees.

Except as otherwise provided by state or federal law or for those employment positions identified in a resolution of the board, nothing shall prohibit the authority from procuring consulting services from an individual who has previously been employed by the authority or by any other political subdivision of the state or by any state agency; provided, that if a prospective consultant has been employed by the authority, another political subdivision, or a state agency at any time during the two years preceding the making of an offer to provide consulting services to the authority, the prospective consultant shall disclose in writing to the authority the nature of his or her previous employment with the authority, other political subdivision, or state agency; the date such employment was terminated; and his or her annual rate of compensation for the employment at the time of termination.

401.028 Mixed Contracts.

This article applies to a contract that involves both consulting and other services if the primary objective of the contract is the acquisition of consulting services.

Article 5. Professional Services

401.029 General.

Except as otherwise permitted by Chapter 370, Transportation Code, the authority shall procure all professional services governed by the Professional Services Procurement Act in accordance with the requirements of that Act. In the event of any conflict between these policies and procedures and the Act, the Act shall control.

401.030 Selection of Provider; Fees.

(a) The authority may not select a provider of professional services or a group or association of providers or award a contract for the services on the basis of competitive bids submitted for the contract or for the services, but shall make the selection and award based on the provider's:

(1) demonstrated competence and qualifications to perform the service, including pre-certification by TxDOT; and

(2) ability to perform the services for a fair and reasonable price.

(b) The professional fees under the contract:

(1) may be consistent with and must not be higher than the recommended practices and fees published by any applicable professional associations and which are customary in the area of the authority; and

(2) may not exceed any maximum provided by law.

401.031 Request For Qualifications.

(a) In order to evaluate the demonstrated competence and qualifications of prospective providers of professional services, the authority shall invite prospective providers of professional services to submit their qualifications to provide such services as specified in a Request for Qualifications ("RFQ") issued by the authority.

(b) Each RFQ for professional services shall describe the services required by the authority, the criteria used to evaluate proposals, and the relative weight given to the criteria.

401.032 Notice of RFQs.

(a) Notice of the issuance of a RFQ for professional services must provide:

(1) the date, time, and place where responses to the RFQ will be opened,

(2) the contact or location from which prospective professional service providers may request the RFQ, and

(3) a general description of the type of professional services being sought by the authority.

Alternatively, the authority may publish or otherwise distribute, in accordance with these procedures, the RFQ itself in lieu of publishing a notice of RFQ. Neither a notice of a RFQ for professional services, nor any RFQ itself shall require the submission of any specific pricing information for the specific work described in the RFQ, and may only require information necessary to demonstrate the experience, qualifications, and competence of the potential provider of professional services.

(b) The authority shall publish on its website (www.ctrma.org) all notices of the issuance of a RFQ and/or the entirety of the RFQ itself at least two weeks prior to the deadline for the responses.

(c) The authority may also publish notice of the issuance of a RFQ, or the content of the RFQ itself, in an issue of the *Texas Register*, and in newspapers, trade journals, or other such locations as the authority determines will enhance competition for the provision of services.

(d) The date specified in the RFQ as the deadline for submission of responses may be extended if the executive director determines that the extension is in the best interest of the authority.

401.033 Contract for Professional Services.

(a) In procuring professional services, the authority shall:

(1) first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and

(2) then attempt to negotiate with that provider a contract at a fair and reasonable price.

(b) If a satisfactory contract cannot be negotiated with the most highly qualified provider of professional services, the authority shall:

(1) formally end negotiations with that provider;

(2) select the next most highly qualified provider; and

(3) attempt to negotiate a contract with that provider at a fair and reasonable price.

(c) The authority shall continue the process described in this section to select and negotiate with providers until a contract is entered into or until it determines that the services are no longer needed or cannot be procured on an economically acceptable basis.

Article 6. Construction and Building Contracts

401.034 Competitive Bidding.

A contract requiring the expenditure of public funds for the construction or maintenance of the authority's transportation projects may be let by competitive bidding in which the contract is awarded to the lowest responsible bidder that complies with the authority's criteria for such contract, and such bidder shall constitute the lowest best bidder in accordance with this article. Bidding for procurements made by competitive bidding will be open and unrestricted, subject to the procedures set forth in this article.

401.035 Qualification of Bidders.

A potential bidder must be qualified to bid on construction contracts of the authority. Unless the authority elects, in its sole discretion, to separately qualify bidders on a construction project, only bidders qualified by TxDOT to bid on construction or maintenance contracts of TxDOT will be deemed qualified by the authority to bid on the authority's construction contracts. At its election, the authority may waive this section with respect to bidders on building contracts.

401.036 Qualifying with the Authority.

(a) If, in its sole discretion, the authority elects to separately qualify bidders on a construction project, the authority will require each potential bidder not already qualified by TxDOT to submit to the authority an application for qualification containing :

(1) a confidential questionnaire in a form prescribed by the authority, which may include certain information concerning the bidder's equipment, experience, references as well as financial condition;

(2) the bidder's current audited financial statement in form and substance acceptable to the authority; and

(3) a reasonable fee to be specified by the authority to cover the cost of evaluating the bidder's application.

(b) An audited financial statement requires examination of the accounting system, records, and financial statements of the bidder by an independent certified public accountant in accordance with generally accepted auditing standards. Based on the examination, the auditor expresses an opinion concerning the fairness of the financial statements and conformity with generally accepted accounting principles.

(c) Upon the recommendation of the executive director and with the concurrence of the board, the authority may waive the requirement that a bidder's financial statement be audited if the estimated amount of the contract is one-million dollars ($1,000,000.00) or less. A bidder with no prior experience in construction or maintenance shall not receive a bidding capacity of more than one hundred thousand dollars ($100,000.00).

(d) The authority will advise the bidder of its qualification and approved bidding capacity or of its failure to qualify. A bidder qualified by the authority will remain qualified at its approved bidding capacity for 12 months from the date of the bidder's financial statement; provided, however, that the authority may require updated audited information at any time if circumstances develop which might alter the bidder's financial condition, ownership structure, affiliation status, or ability to operate as an ongoing concern, and the authority may revoke or modify the bidder's qualification and approved bidding capacity based on such updated information. All such decisions concerning bidder qualifications shall be at the authority's sole discretion.

401.037 Notice of Contract Letting

(a) Each notice of contract letting must provide :

(1) the date, time, and place where contracts will be let and bids opened;

(2) the address and telephone number from which prospective bidders may request bid documents; and

(3) a general description of the type of construction, services or goods being sought by the authority.

(b) The authority shall post notices of contract lettings on its website (www.ctrma.org) for at least two weeks before the date set for letting of a contract.

(c) Notice of contract letting shall also be published in the officially designated newspaper of the authority at least once, and no less than three weeks before the date set for letting of the contract.

(d) The authority may also publish notice of contract lettings in the *Texas Register*, trade publications, or such other places that the authority determines will enhance competition for the work.

(e) The date specified in the notice may be extended if the executive director, in his or her sole discretion, determines that the extension is in the best interest of the authority. All bids, including those received before an extension is made, must be opened at the same time.

(f) As a courtesy the authority will attempt to post notices of contract lettings on its website, as well as any addenda thereto. Potential bidders and interested parties should not, however, rely on the website for notices and addenda, as the notice required under subsections (b) and (c) shall constitute the only official notice.

401.038 Bid Documents.

The authority will prepare a set of bid documents for each construction or building contract to be let through the procedures of this article.

401.039 Issuance of Bid Documents.

(a) Except as otherwise provided in this article, the authority will issue bid documents for a construction contract or building contract upon request and only after proper notice has been given regarding the contract letting.

(b) A request for bid documents for a federal-aid project must be submitted in writing and must include a statement in a form prescribed by the authority certifying whether the bidder is currently disqualified by an agency of the federal government as a participant in programs and activities involving federal financial and non-financial assistance and benefits.

(c) A request for bid documents for any other construction or building contract may be made orally or in writing.

(d) Unless otherwise prohibited under this article, the authority will, upon receipt of a request, issue bid documents for a construction contract as follows:

(1) to a bidder qualified by TxDOT, if the estimated cost of the project is within that bidder's available bidding capacity as determined by TxDOT;

(2) to a bidder qualified by the authority, if the estimated cost of the project is within that bidder's available bidding capacity as determined by the authority; and

(3) to a bidder who has substantially complied with the authority's requirements for qualification, as determined by the authority.

401.040 Withholding Bid Documents.

The authority will not issue bid documents for a construction contract if:

(1) the bidder is suspended or debarred from contracting with TxDOT or the authority;

(2) the bidder is prohibited from rebidding a specific project because of default of the first awarded bid;

(3) the bidder has not fulfilled the requirements for qualification under this article, unless the bidder has substantially complied with the requirements for qualification, as determined by the authority;

(4) the bidder is disqualified by an agency of the federal government as a participant in programs and activities involving federal assistance and benefits, and the contract is for a federal-aid project; or

(5) the bidder or its subsidiary or affiliate has received compensation from the authority to participate in the preparation of the plans or specifications on which the bid or contract is based.

401.041 Completion and Submission of Bid Documents.

(a) At the option of the authority, a pre-bid conference may be held before opening bids to allow potential bidders to seek clarification regarding the procurement and/or the bid documents. Alternatively, bidders may submit written requests for clarification.

(b) Bidders shall complete all information requested in bid documents by typing, printing by computer printer, or printing in ink. The bidder shall submit a unit price, expressed in numerals, for each item for which a bid is requested (including zero dollars and zero cents, if appropriate), except in the case of a regular item that has an alternate bid item. In such case, prices must be submitted for the base bid or with the set of items of one or more of the alternates. Unit prices shown on acceptable computer printouts will be the official unit prices used to tabulate the official total bid amount and used in the contract if awarded.

(c) Each set of bid documents shall be executed in ink in the complete and correct name of the bidder making the bid and shall be signed by the person or persons authorized to bind the bidder.

(d) If required by the bid documents, the bidder must submit a bid guaranty with the bid. The bid guaranty shall be in the amount specified in the bid documents, shall be payable to the authority, and shall be in the form of a cashier's check, money order, or teller's check issued by a state or national bank, savings and loan association, or a state or federally chartered credit union (collectively referred

to as "bank"). The authority will not accept cash, credit cards, personal checks or certified checks, or other types of money orders. Bid bonds may be accepted at the sole discretion of the authority. Failure to submit the required bid guaranty in the form set forth in this subsection shall disqualify a bidder from bidding on the project described in the bid documents.

(e) A bid on a federal-aid project shall include, in a form prescribed by the authority, a certification of eligibility status. The certification shall describe any suspension, debarment, voluntary exclusion, or ineligibility determination actions by an agency of the federal government, and any indictment, conviction, or civil judgment involving fraud or official misconduct, each with respect to the bidder or any person associated therewith in the capacity of owner, partner, director, officer, principal investor, project director/supervisor, manager, auditor, or a position involving the administration of federal funds; such certification shall cover the three-year period immediately preceding the date of the bid. Information adverse to the bidder as contained in the certification will be reviewed by the authority and by the Federal Highway Administration, and may result in rejection of the bid and disqualification of the bidder.

(f) The bidder shall place each completed set of bid documents in a sealed envelope which shall be clearly marked "Bid Documents for _____" (name of the project or service). When submitted by mail, this envelope shall be placed in another envelope which shall be sealed and addressed as indicated in the notice. Bids must be received at the location designated in the notice on or before the hour, as established by the official clock of the authority, and date set for the receipt. The official clock at the place designated for receipt of bids shall serve as the official determinant of the hour for which the bid shall be submitted and shall be considered late.

401.042 Revision of Bid by Bidder.

(a) A bidder may change a bid price before it is submitted to the authority by changing the price and initialing the revision in ink.

(b) A bidder may change a bid price after it is submitted to the authority by requesting return of the bid in writing prior to the expiration of the time for receipt of bids. The request must be made by a person authorized to bind the bidder.

(c) The authority will not accept a request by telephone, telegraph, or electronic mail, but will accept a properly signed facsimile request. The revised bid must be resubmitted prior to the time specified for the close of the receipt of bids.

401.043 Withdrawal of Bid.

(a) A bidder may withdraw a bid by submitting a request in writing before the time and date of the bid opening. The request must be made by a person authorized to bind the bidder.

(b) The authority will not accept telephone, telegraph, or electronic mail requests, but will accept a properly signed facsimile request.

401.044 Acceptance, Rejection, and Reading of Bids.

(a) Bids will be opened and read at a public meeting held at the time, date and place designated in the notice. Only the person so designated by the authority shall open bids on the date specified in the notice, or as may have been extended by direction of the executive director.

(b) The authority, acting through the executive director or the executive director's designee, will not accept and will not read a bid if:

(1) the bid is submitted by an unqualified bidder;

(2) the bid is in a form other than the official bid documents issued to the bidder;

(3) the form and content of the bid do not comply with the requirements of the bid documents and/or subsection 5.8;

(4) the bid, and if required, federal-aid project certification, are not signed;

(5) the bid was received after the time or at some location other than specified in the notice or as may have been extended;

(6) the bid guaranty, if required, does not comply with subsection 5.8;

(7) the bidder did not attend a specified mandatory pre-bid conference, if required under the bid documents;

(8) the proprietor, partner, majority shareholder, or substantial owner is 30 or more days delinquent in providing child support under a court order or a written repayment agreement;

(9) the bidder was not authorized to be issued a bid under this article;

(10) more than one bid involves a bidder under the same or different names.

401.045 Tabulation of Bids.

(a) Except for lump sum building contracts bid items, the official total bid amount for each bidder will be determined by multiplying the unit bid price written in for each item by the respective quantity and totaling those amounts. Bid entries such as "no dollars and no cents" or "zero dollars and zero cents" will be interpreted to be one-tenth of a cent ($.001) and will be entered in the bid tabulation as $.001. Any entry less than $.001 will be interpreted and entered as $.001.

(b) If a bidder submits both a completed set of bid documents and a properly completed computer printout of unit bid prices, the authority will use the computer printout to determine the total bid amount of the bid. If the computer printout is incomplete, the authority will use the completed bid documents to determine the total bid amount of the bid. If a bidder submits two

computer printouts reflecting different totals, both printouts will be tabulated, and the authority will use the lowest tabulation.

(c) If a unit bid price is illegible, the authority will make a documented determination of the unit bid price for tabulation purposes. If a unit bid price has been entered for both the regular bid and a corresponding alternate bid, the authority will determine the option that results in the lowest total cost to the authority and tabulate as such. If both the regular and alternate bids result in the same cost to the authority, the authority will select the regular bid item or items.

401.046 Award of Contract.

(a) Except as otherwise provided in this article, if the authority does not reject all bids, it will award the contract to the lowest best bidder.

(b) In determining the lowest best bidder, in addition to price the authority shall consider:

(1) the bidder's ability, capacity, and skill to perform the contract or provide the service required;

(2) the bidder's ability to perform the contract or provide the service promptly, or in the time required, without delay or interference;

(3) the bidder's character, responsibility, integrity, reputation, and experience;

(4) the quality of performance by the bidder of previous contracts or services;

(5) the bidder's previous and existing compliance with laws relating to the contract or service; and

(6) the sufficiency of the bidder's financial resources and ability to perform the contract or provide the service.

401.047 Rejection of Bids; Nonresident Bidders.

(a) The authority, acting through the executive director or his designee, may reject any and all bids opened, read, and tabulated under this article. It will reject all bids if:

(1) there is reason to believe collusion may have existed among the bidders;

(2) the low bid is determined to be both mathematically and materially unbalanced;

(3) the lowest best bid is higher than the authority's estimate and the authority determines that re-advertising the project for bids may result in a significantly lower low bid or that the work should be done by the authority; or

(4) the board, acting on the recommendation of the executive director, determines, for any reason, that it is in the best interest of the authority to reject all bids.

(b) In accordance with Subchapter A, Chapter 2252, Government Code, the authority will not award a contract to a nonresident bidder unless the nonresident underbids the lowest best bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

401.048 Bid Protests.

(a) All protests relating to advertising of bid notices, alleged improprieties or ambiguities in bid documents, deadlines, bid openings and all other bid-related procedures must be made in writing and submitted to the executive director within five days of the bid opening. Each protest must include the following:

(1) the name and address of the protester, and the vendor it represents, if different;

(2) the identification number, reference number, or other identifying criteria specified in the bid documents to identify the procurement in question;

(3) a statement of the grounds for protest; and

(4) all documentation supporting the protest.

(b) A decision and response to the protest will be prepared by the executive director within a reasonable time after receipt of a properly prepared written protest.

(c) Appeals of responses and decisions regarding protests must be made to the board in writing, and must be filed with the executive director of the authority, with a copy to the chairman of the board, within ten days after the response and decision regarding the original protest are issued. Written appeals shall include all information contained in the original written protest, as well as any newly discovered documentation supporting the protest that was not reasonably available to the protester when the original protest was filed. Subject to all applicable laws governing the authority, the decision of the board regarding an appeal shall be final.

401.049 Contract Execution; Submission of Ancillary Items.

(a) Within the time limit specified by the authority, the successful bidder must execute and deliver the contract to the authority together with all information required by the authority relating to the Disadvantaged Business Enterprises participation to be used to achieve the contract's Disadvantaged Business Enterprises goal as specified in the bid documents and the contract.

(b) After the authority sends written notification of its acceptance of the successful bidder's documentation to achieve the Disadvantaged Business Enterprises goal, if any, the successful bidder must furnish to the authority within the time limit specified by the authority:

(1) a performance bond and a payment bond, if required and as required by Chapter 2253, Government Code, with powers of attorneys attached, each in the full amount of the contract price, executed by a surety company or surety companies authorized to execute surety bonds under and in accordance with state law;

(2) a certificate of insurance on form ACORD-27 showing coverages in accordance with contract requirements; provided, however, that a successful bidder on a routine construction contract will be required to provide the certificate of insurance prior to the date the contractor begins work as specified in the authority's order to begin work.

401.050 Unbalanced Bids.

The authority will examine the unit bid prices of the apparent low bid for reasonable conformance with the authority's estimated prices. The authority will evaluate, and may reject, a bid with extreme variations from the authority's estimate, or where obvious unbalancing of unit prices has occurred.

401.051 Bid Guaranty.

(a) Not later than seven days after bids are opened, the authority will mail the bid guaranty of all bidders to the address specified on each bidder's bid documents, except that the authority will retain the bid guaranty of the apparent lowest best bidder, second-lowest best bidder, and third-lowest best bidder, until after the contract has been awarded, executed, and bonded.

(b) If the successful bidder (including a second-lowest best bidder or third-lowest best bidder that ultimately becomes the successful bidder due to a superior bidder's failure to comply with these rules or to execute a contract with the authority) does not comply with subsection 5.16 the bid guaranty will become the property of the authority, not as a penalty but as liquidated damages, unless the bidder effects compliance within seven days after the date the bidder is required to submit the bonds and insurance certificate under subsection 5.16.

(c) A bidder who forfeits a bid guaranty will not be considered in future bids for the same work unless there has been a substantial change in the design of the project subsequent to the forfeiture of the bid guaranty and the board, upon request made in writing by bidder and received at such time that the board may consider the request at a regularly scheduled board meeting prior to the due date for the bids approves of the submission of a bid by the bidder.

401.052 Progress Payments; Retainage and Liquated Damages.

(a) In addition to other provisions required by the authority, construction and building contracts will provide for the authority to make progress payments, which shall be reduced by retainage, as work progresses and is approved by the authority.

(b) Retainage shall be in the amount of five percent of the contract price until the entire work has been completed and accepted. Unless the authority agrees otherwise in writing, retainage shall not

bear interest or be segregated from other authority funds. If the authority agrees to segregate retainage in an interest-bearing account, the authority may impose terms and conditions on such arrangement, including but not limited to, the following:

(1) retained funds must be deposited under the terms of a trust agreement with a state or national bank domiciled in Texas and approved by the authority;

(2) all expenses incident to the deposit and all charges made by the escrow agent for custody of the securities and forwarding of interest shall be paid solely by the contractor;

(3) the authority may, at any time and with or without reason, demand in writing that the bank return or repay, within 30 days of the demand, the retainage or any investments in which it is invested; and

(4) any other terms and conditions prescribed by the authority as necessary to protect the interests of the authority.

(c) Without limiting the authority's right to require any other contract provisions, the authority, at its sole discretion, may elect to require that a liquidated damages provision be made a part of any contract it enters into.

Article 7. Comprehensive Development Agreements

401.053 Comprehensive Development Agreements Allowed.

The authority may enter into a comprehensive development agreement (CDA) with a private entity to construct, maintain, repair, operate, extend, or expand a transportation project. A CDA shall, at a minimum, provide for the design and construction of a transportation project, and may also provide for the financing, acquisition, maintenance, or operation of a transportation project. The authority is also allowed to negotiate provisions relating to professional and consulting services provided in connection with a CDA.

401.054 Competitive Procurement Process For CDA.

The authority may either accept unsolicited proposals relating to a CDA or solicit proposals relating to a CDA in accordance with this article. The competitive bidding requirements for highway projects as specified under Chapter 223, Transportation Code, and Chapter 2254, the Texas Professional Services Procurement Act, Government Code, do not apply to a CDA.

401.055 Unsolicited Proposals.

(a) The authority may accept unsolicited proposals for a project proposer to be developed through a CDA. An unsolicited proposal must be filed with the authority and be accompanied by a

$20,000.00 non-refundable review fee. An unsolicited proposal must include the following information:

(1) the proposed transportation project location, scope, and limits;

(2) information regarding the proposing entity's qualifications, experience, technical competence, and capability to develop the project;

(3) a proposed financial plan for the proposed project that includes, at a minimum:

(A) projected project costs, and

(B) proposed sources of funds; and

(C) the identity of any member of, or proposed subconsultant for, the proposing entity or team who is also performing work, directly or as a subconsultant, for the authority.

(b) Unsolicited proposals shall be reviewed by the authority staff and/or consultants. The staff/consultants may request additional information from the proposer. Based on its review, the staff will make an initial recommendation to the board (or a designated committee thereof) as to whether the authority should authorize further evaluation of the unsolicited proposal.

(c) If the authority authorizes further evaluation of an unsolicited proposal, then the authority shall publish a request for qualifications (RFQ) in accordance with the requirements of Section 401.056. Evaluation of proposals submitted in response to RFQs shall occur in accordance with the provisions of Section 401.057.

401.056 Authority Solicitation of Requests for Qualifications.

(a) The authority may solicit proposals or competing proposals by issuing a RFQ relating to a CDA project. The authority shall publish a RFQ (or a notice of availability of a RFQ) in the Texas Register and post it on the authority's website.

(b) A RFQ issued by the authority shall include the following information :

(1) a description of the project;

(2) criteria used to evaluate the proposals;

(3) the relative weight given to the criteria; and

(4) the deadline by which proposals must be received by the authority.

(c) A proposal submitted in response to a RFQ issued under this article, or a competing proposal submitted in response to a RFQ issued under Section 401.055(c), must include, at a minimum, the following:

(1) information regarding the proposer's qualifications, experience, technical competence, and capability to develop the project;

(2) a proposed financial plan for the proposed project that includes, at a minimum:

(A) projected project costs, and

(B) proposed sources of funds;

(3) such additional information that the authority requests within the RFQ;

(4) the identity of any member of, or proposed subconsultant for, the proposing entity or team who is also performing work, directly or as a subconsultant, for the authority; and

(5) in the case of a competing proposal submitted in response to a RFQ published by the authority after receipt of an unsolicited proposal, a $20,000 non-refundable proposal review fee.

(d) The authority may withdraw a RFQ at any time, and may then publish a new RFQ in accordance with this section.

401.057 Evaluation of Responses to a Request For Qualifications.

(a) The authority shall review responses to a RFQ submitted in accordance with Section 401.057 based on the criteria described in the RFQ. The authority shall evaluate all proposals received, and shall determine which proposers will qualify to submit detailed proposals in accordance with the requirements of Section 401.058. The authority may include an interview as part of its evaluation process.

(b) The authority must qualify at least two private entities to submit detailed proposals in accordance with the procedures under Section 401.058, unless the authority does not receive more than one (1) proposal in response to a RFQ. If only one (1) entity responds to a RFQ (or no entity submits a response to a RFQ issued after receipt of an unsolicited proposal) the authority may request a detailed proposal from, and may attempt to negotiate a CDA with, the sole proposer.

401.058 Requests for Detailed Proposals.

(a) The authority shall issue a request for detailed proposals (RFDP) from all proposers qualified in accordance with Section 401.057. The authority shall mail a RFDP directly to the proposer's main address as designated in the response to the RFQ, and such RFDP must contain the following information :

(1) the criteria which will be used to evaluate the detailed proposals;

(2) the relative weight to be given to the criteria;

(3) a stipulated amount to be paid to unsuccessful proposers subject to Section 401.064; and

(4) the deadline date by which proposals must be received.

(b) A RFDP under this article may require proposers to provide information relating to the following:

(1) the proposer's qualifications and demonstrated technical competence;

(2) the feasibility of developing the project as proposed;

(3) detailed engineering or architectural designs;

(4) the proposer's ability to meet schedules;

(5) costing methodology; and

(6) any other information the authority considers relevant or necessary to fully assess the project.

(c) The authority may withdraw a RFDP at any time prior to the submission deadline for detailed proposals. In such event the authority shall have no liability to the entities chosen to submit detailed proposals.

(d) In developing and preparing to issue a RFDP in accordance with Section 401.058, the authority may solicit input from entities qualified under Section 401.057 or any other person.

(e) After the authority has issued a RFDP under Section 401.058, the authority may solicit input from the proposers regarding alternative technical concepts.

401.059 Evaluation and Ranking of Detailed CDA Proposals.

The authority shall evaluate and rank each detailed proposal received based on the criteria described in the RFDP and shall identify the proposer whose proposal offers the best value to the authority. The authority may interview the proposers as part of its evaluation process.

401.060 Post-Submissions Discussions.

(a) After the authority has evaluated and ranked the detailed proposals in accordance with Section 401.059, the authority may enter into discussions with the proposer whose proposal offers the apparent best value provided that the discussions must be limited to incorporation of aspects of other detailed proposals for the purpose of achieving the overall best value for the authority, clarifications and minor adjustments in scheduling, cash flow, similar items, and other matters that have arisen since the submission of the detailed proposal.

(b) If at any point in discussions under subsection (a), it appears to the authority that the highest-ranking proposal will not provide the authority with the overall best value, the authority may enter into discussions with the proposer submitting the next-highest ranking proposal.

(c) If, after receipt of detailed proposals, the authority determines that development of a project through a CDA is not in the best interest of the authority, or the authority determines for any other reason that it does not desire to continue the procurement, the authority may terminate the process and, in such event, it shall not be required to negotiate a CDA with any of the proposers.

401.061 Negotiations for CDA.

(a) Subsequent to the discussions conducted pursuant to Section 401.060 and provided the authority has not terminated or withdrawn the procurement, the authority and the highest-ranking proposer shall attempt to negotiate the specific terms of a CDA.

(b) The authority shall prescribe the general form of the CDA and may include any matter therein considered advantageous to the authority.

(c) The authority may establish a deadline for the completion of negotiations for a CDA. If an agreement has not been executed within that time, the authority may terminate the negotiations, or, at its discretion, may extend the time for negotiating an agreement.

(d) In the event an agreement is not negotiated within the time specified by the authority, or if the parties otherwise agree to cease negotiations, the authority may commence negotiations with the second-ranked proposer or it may terminate the process of pursuing a CDA for the project which is the subject of the procurement process.

(e) Notwithstanding the foregoing, the authority may terminate the procurement process, including the negotiations for a CDA, at any time upon a determination that continuation of the process or development of a project through a CDA is not in the authority's best interest. In such event, the authority shall have no liability to any proposer beyond the payment provided for under section 9.12 if detailed proposals have been submitted to the authority.

401.062 CDA Projects with Private Equity Investment.

(a) If a project to be developed through a CDA involves an equity investment by the proposer, the terms to be negotiated by the authority and the proposer may include, but shall not be limited to:

(1) methods to determine the applicable cost, profit, and project distribution between the proposer and the authority;

(2) reasonable methods to determine and clarify toll rates or user fees;

(3) acceptable safety and policing standards; and

(4) other applicable professional, consulting, construction, operational and maintenance standards, expenses and costs.

(b) The authority may only enter into a CDA with private equity investment if the project which is the subject of the CDA is identified in TxDOT's unified transportation program or is located on a transportation corridor identified in a statewide transportation plan.

(c) The authority may not incur a financial obligation for a private entity that constructs, maintains, or operates a transportation project. A CDA must include a provision authorizing the authority to purchase the interest of a private equity investor in a transportation project.

401.063 Authority Property Subject to a CDA.

A transportation project (excluding a public utility facility) that is the subject of a CDA is public property and belongs to the authority, provided that the authority may lease rights-of-ways, grant easements, issue franchises, licenses, permits or any other lawful form of use to enable a private entity to construct, operate, and maintain a transportation project, including supplemental facilities. At the termination of any such agreement, the transportation project shall be returned to the authority in a state of maintenance deemed adequate by the authority and at no additional cost to the authority.

401.064 Payment For Submission of Detailed CDA Proposals.

(a) The authority shall pay an unsuccessful proposer that submits a detailed proposal in response to a RFDP under Section 401.058 a stipulated amount of the final contract price for any costs incurred in preparing that detailed proposal. Such amount may not exceed the lesser of the amount identified in the RFDP or the value of any work product contained in the proposal that can, as determined by the authority, be used by the authority in the performance of its functions. Use by the authority of any design element contained in an unsuccessful detailed proposal is at the sole risk and discretion of the authority and does not confer liability on the recipient of the stipulated amount under this section.

(b) After payment of the stipulated amount, the authority shall own the exclusive rights to, and may make use of, any work product contained in the detailed proposal, including technologies, techniques, methods, processes, and information contained in the project design. In addition, the work product contained in the proposal becomes the property of the authority.

401.065 Confidentiality of Negotiations for CDAs.

The authority shall use its best efforts to protect the confidentiality of information generated and/or submitted in connection with the process for entering into a CDA to the extent permitted by Section 370.307, Transportation Code. The authority shall notify any proposer whose information is submitted in connection with the process for entering into a CDA is the subject of a Public Information Act request received by the authority.

401.066 Performance and Payment Security.

(a) The authority shall require any private entity entering onto a CDA to provide a performance and payment bond or an alternative form of security in an amount sufficient to insure the proper performance of the agreement and protect the authority and payment bond beneficiaries who have a direct contractual relationship with the private entity or a subcontractor of the private entity to supply labor or material. A performance or payment bond or alternative form of security shall be in an amount equal to the cost of constructing or maintaining the project, provided that if the authority determines that it is impracticable for a private entity to provide security in such amount, the authority shall set the amount of the bond or alternative form of security.

(b) An alternative form of security may not be utilized unless requested by the private entity proposing to enter into a CDA. Such request shall include an explanation as to why an alternative form of security is appropriate, the form of alternative security to be utilized, and the benefits and protections provided to the authority through use of the requested form of alternative security. A decision on whether to accept alternative forms of security, in whole or in part, shall be at the sole discretion of the authority.

(c) A payment or performance bond or alternative form of security is not required for that portion of a CDA that includes only design or planning services, the performance of preliminary studies, or the acquisition of real property.

(d) In no event may the amount of the payment security be less than the performance security.

(e) Alternative forms of security may be permitted or required in the following forms:

(1) a cashier's check drawn on a financial entity specified by the authority;

(2) a U.S. Bond or Note;

(3) a irrevocable bank letter of credit; or

(4) any other form of security determined suitable by the authority.

Article 8. Business Opportunity Program and Policy

401.067 Purpose

In accordance with state and federal law, the authority is required to facilitate and assure the participation of disadvantaged and small businesses in the authority's procurement process. The authority is also generally required to procure its goods and services and construction contracts through a competitive bid process. To facilitate compliance with federal and state laws regarding disadvantaged businesses and competitive bid procurement, the board adopted Resolution No. 03-60, which establishes the Disadvantaged Business Enterprise ("DBE") Policy Statement and this Business Opportunity Program and Policy ("BOPP"). The BOPP incorporates the policies and

objectives of state and federal laws, and establishes goals that attempt to monitor and encourage disadvantaged and small businesses to participate in the process and award of governmental contracts. The BOPP will consist of two separately administered programs: (1) the DBE Program; and (2) the Small Business Enterprise (SBE) Program.

401.068 Applicability

The policies, procedures and contract clause(s) established under the BOPP apply to authority procurements, bidders and recipients of contracts, and to related subcontracts, to the extent that these provisions are not inconsistent with state or federal law or other rules and regulations.

401.069 Policy Statement and Objectives Of Business Opportunity Program

(a) It is the policy of the authority to ensure that disadvantaged businesses, as defined in 49 C.F.R. Part 26 and under this BOPP, have an equal opportunity to receive and participate in contracts. It is the policy of the authority never to 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 on the basis of race, color, sex, or national origin. In administering its BOPP, the authority 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 federal and state law with respect to individuals of a particular race, color, sex, or national origin. In implementing these policies and objectives, the authority will strive to ensure that the DBE Program is narrowly tailored in accordance with applicable law.

(b) This program also incorporates the DBE Policy Statement adopted by the board in Resolution No. 03-60, dated November 5, 2003.

401.070 Administration of Business Opportunity Program

The DBE and SBE programs will be administered through and in accordance with the BOPP. All authority departments, personnel, and/or consultants having or sharing responsibility for awarding contracts and/or making procurements, will support and assist in promoting and carrying out this BOPP. Examples of such departments, or consultant services, include Administration, Engineering, Information Technology, Maintenance, Contract Management, Legal, and Purchasing.

401.071 BOPP Liaison Officer

The executive director will appoint a BOPP Liaison Officer who will report directly to the executive director regarding the implementation, status and compliance with the BOPP. The BOPP Liaison Officer's duties for this BOPP include, but are not limited to, the following:

(1) implementing, coordinating, administering and monitoring the BOPP;

(2) developing and presenting annual and other reports as may be requested by the executive director or board;

(3) coordinating and conducting outreach efforts with other authority departments, TxDOT, FHWA and other agencies;

(4) educating and advising the staff as necessary for effective implementation of the BOPP, and the DBE and SBE programs;

(5) developing and maintaining procedures to ensure that disadvantaged businesses are afforded an equitable opportunity to compete on all contracts by providing assistance and opportunities through workshops and trade fairs, distributing handbooks, conducting pre-bid/pre-proposal conferences, and assuring timely dissemination of bid/contract information;

(6) developing, administering and enforcing policies, standards, definitions, criteria and procedures to govern the implementation, interpretation, and application of the BOPP in a manner that is designed to achieve its purposes;

(7) assuring that listings or directories of SBEs are developed, maintained and available to persons seeking to do business with the authority;

(8) receiving and reviewing inquiries and making recommendations concerning the DBE and/or SBE programs, including concerns about violations and/or abuse of the DBE and/or SBE programs;

(9) making recommendations for resolution of any issues or concerns and taking appropriate steps to enforce the BOPP, including deciding and imposing appropriate sanctions for violations and/or abuse of the program;

(10) considering and evaluating whether efforts for DBE and SBE utilization by contractors satisfy the good faith requirements of the BOPP;

(11) recommending, in cooperation with other departments, appropriate DBE and/or SBE goals and any program changes, which may be appropriate to improve the overall effectiveness of the BOPP;

(12) ensuring that appropriate provisions of the DBE and/or SBE Program are included in bid proposals and contract specifications;

(13) periodically reviewing applicable insurance and bonding requirements with a view toward determining, if prudent and feasible, whether established risk/exposure limits may be changed to allow business enterprises, particularly DBEs and SBEs, to bid more competitively on all contracts;

(14) compiling information to determine the level of DBE and/or SBE utilization; and

(15) reviewing contracting requirement and recommending modification of requirements, where appropriate, that may tend to create barriers for minority, women owned and small businesses.

401.072 Departmental Responsibilities

All authority departments, and consultants, when applicable, will cooperate with the BOPP Liaison Officer in the implementation of the goals and intent of this BOPP. However, certain departments and consultants will have particular responsibilities because of their procurement activity. Examples of such departments and consultant services include Engineering, Information Technology, Maintenance and Purchasing. These responsibilities for this BOPP include, but are not limited to, the following:

(1) assisting the BOPP Liaison Officer in gathering information to determine the availability of qualified disadvantaged businesses, as defined in this BOPP;

(2) assisting and participating in workshops, trade fairs, outreach seminars, and other similar programs designed to identify and increase the participation of disadvantaged businesses in authority projects;

(3) working with the BOPP Liaison and other departments and coordinating with TxDOT, where appropriate, in establishing BOPP goals;

(4) maintaining appropriate records to keep track of compliance with the BOPP and to be able to present reports concerning the DBE/SBE programs;

(5) ensuring that applicable provisions of the DBE and/or SBE programs are included in bid proposals and specifications and in contracts awarded;

(6) assisting in evaluating whether there are opportunities to present bid packages and requests for proposal in a manner that provides DBEs and/or SBEs a maximum opportunity for competitive participation; and

(7) ensuring that purchasing procedures are consistent with the BOPP.

401.073 Outreach

The authority will maintain and participate in outreach programs that are designed to maximize the opportunities for disadvantaged and small businesses to contract with the authority. The outreach efforts will include, but not be limited to, one or more of the following:

(1) Website: The authority's official website will include information about its procurement process and how to do business with the authority.

(2) Notice Of Bidding Opportunities: The authority will advertise bidding opportunities in accordance with the Procurement Policy. The authority may advertise in newspapers or other

publications that target small, minority-owned, and/or woman-owned businesses. The authority will take reasonable steps to include disadvantaged and small businesses on its mailing lists for the receipt of bid documents.

(3) Assistance In Bidding Process: Upon request, the authority will assist small, minority-owned, and woman-owned businesses by providing them information regarding bid specifications, contracting opportunities, and prerequisites for bidding on authoritycontracts.

(4) Structure Of Bidding Opportunities: When determined to be feasible, the authority will structure its solicitations for bid proposals so that they include bidding opportunities for businesses of varying sizes and delivery schedules and encourage opportunities for disadvantaged and small businesses.

(5) Simplification Or Reduction Of Bonding Requirements: When determined to be feasible, the authority will simplify or reduce bonding and financing requirements to encourage disadvantaged and small business participation.

(6) Directory For Prime Contractors: The authority will utilize and refer contractors to the DBE participant directories developed and maintained by TxDOT, to directories maintained by other agencies, and may prepare and maintain one or more of its own directories of disadvantaged and small businesses. The authority will make the directory(ies) available to its prime contractors and known potential prime contractors, and encourage prime contractors to subcontract with the disadvantaged and small businesses.

(7) Encouragement Of Joint Ventures: The authority may encourage joint ventures between and with businesses that qualify as disadvantaged and small businesses by providing access to it directories.

(8) Use Of Financial Institutions: The authority will make reasonable efforts to use small, woman-owned or minority-owned financial institutions. The authority will encourage prime contractors to use such institutions.

(9) TxDOT/FHWA Programs: The authority will use and cooperate with programs administered by TxDOT in its DBE Program.

401.074 Program Monitoring

The authority will keep track of disadvantaged and small business participation in contracts, including those with and without specific contract goals. "Participation" by disadvantaged and small businesses for this purpose means that payments have actually been made to the disadvantaged and/or small business. The record will show the commitments and attainments as required by 49 C.F.R. § 27.37. The BOPP Liaison Officer will monitor the authority's progress toward its annual overall goal as may be required by law or the executive director. Progress toward the federal DBE Program goal will be calculated in accordance with 49 C.F.R. § 26.55.

401.075 Program Inquiries

Any questions about the Programs or Policies, including allegations about possible violation and/or abuse of the Programs or Policies, must be submitted to the BOPP Liaison Officer.

401.076 Directories and Designations of Disadvantaged Businesses

As part of the authority's efforts to identify and ensure participation of disadvantaged and small businesses on projects, the authority will rely on listings (directories) of certified small, woman-owned and minority-owned businesses maintained by TxDOT and other entities and governmental units that satisfy the authority's certification requirements, including the Texas Unified Certification Program for Federal DBE Certification, as administered through TxDOT and the City of Austin's Department of Small and Minority Business Resource (as the designated Texas DBE certifying agency for Hays, Travis, Williamson, Caldwell and Bastrop Counties), or any other recognized certification that the authority finds acceptable.

401.077 General Requirements of Contractors/Vendors:

(a) Good Faith Efforts/Waiver: Contractors/vendors who propose to perform a contract with the authority that is subject to the DBE Program, using their own work force, and without the use of subcontractors will be required to demonstrate good-faith efforts by submitting information (when requested by the authority) sufficient for the authority to determine the following to effectuate a waiver of applicable BOPP requirements:

(1) That it is a normal business practice of the contractor/vendor to perform the elements of the contract with its own work forces without the use of subcontractors;

(2) That the technical nature of the proposed project does not facilitate subcontracting nor any significant supplier opportunities in support of the project; and/or;

(3) That the contractor/vendor in fact has demonstrated its capabilities to perform the elements of the contract with its own work forces without the use of subcontracts.

(b) The authority may also require the same demonstration by contractors/vendors who propose to perform a contract with the authority that is subject to the SBE Program.

(c) Payment Of Subcontractors In A Timely Manner: Each contract the authority signs with a prime contractor/vendor will also contain provisions with regard to the timely payment of subcontractors as required by 49 C.F.R. § 26.29. The following language is an example of the type of language to be included, however, such language may be subject to modification and approval by TxDOT:

> The contractor agrees to pay its subcontractors for satisfactory performance of their contracts no later than 30 days from its receipt of payment from the authority. The contractor shall also

promptly return any retainage payments to subcontractors within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the authority. This clause applies to payments to all subcontractors.

(d) Reasonable Efforts To Use Local DBE/SBE Financial Institutions: Prime contractors subject to the DBE Program will also be encouraged to make reasonable efforts to identify and use financial institutions owned and controlled by socially and economically disadvantaged individuals in their communities pursuant to 49 C.F.R. § 26.27.

(e) Approval For Replacement of DBE: A contactor must obtain approval from the authority to substitute another firm for a DBE firm listed on an approved commitment and demonstrate written justification for the substitution, for example, that the original firm is unable or unwilling to carry out the terms of the contract.

401.078 DBE Program

The authority is required, as a condition of receiving federal financial assistance for transportation projects, to provide certain assurances that it will comply with 49 C.F.R. Part 26, which requires the creation of a DBE Program that applies to contracts, including roadway construction contracts and related purchases, funded in whole or in part with federal funds received from the United States Department of Transportation ("DOT"), including funds received through the Federal Highway Administration ("FHWA"), or funded in whole or in part with such federal funds received by the authority through the Texas Department of Transportation ("TxDOT"). To comply with the federal regulations, the authority may elect to adopt the federally approved TxDOT DBE Program pursuant to 49 C.F.R. § 26.45(c)(4) and the Recreational Trails Program Guidance (Revised 2 June 2000) of the DOT. The authority may agree to a Memorandum of Understanding ("MOU") between the authority, TxDOT and the FHWA concerning the authority's adoption and operation of its DBE program under TxDOT's DBE program for contracts involving federal assistance.

401.079 Definitions

The following are definitions of terms used in this article based primarily on definitions found in 49 C.F.R. § 26.5:

(1) Aspirational Goal: A level of SBE participation that the authority will strive to achieve which may be based upon a numeric formula or other milestones.

(2) Availability: The calculated estimate of qualified small business enterprises in a particular trade and/or profession. In defining availability of small business enterprises, a common sense approach with respect to geographical basis, customs that apply to firms and logistics of timely completion of work orders are taken into consideration.

(3) Bidder/Proposer: Any person, firm, partnership, corporation, association or joint venture as herein provided seeking to be awarded an contract, award or lease by a competitive process.

(4) Business Enterprise: Any legal entity which is organized to engage in lawful commercial transactions and is actively engaged in such transactions as a means of livelihood, such as a sole proprietorship, partnership or corporation, but not a joint venture except as hereinafter provided.

(5) Commercially Useful Function: Means the DBE/SBE is responsible for a distinct element of the work of a contract and actually manages, supervises, and controls the materials, equipment, employees, and all other business obligations related to the satisfactory completion of the contracted work.

(6) Contract: An award by the authority whereby the authority expends or commits the expenditure of its funds in return for work, labor, services, supplies, equipment, materials, or any combination of the foregoing.

(7) Contractor: One who participates through a contract or subcontract in a transportation construction project.

(8) DBE Goal: A flexible target determined by the authority and/or TxDOT, in accordance with the requirements and formulas set forth in 49 C.F.R. Part 26, and applicable rules promulgated thereunder, based on estimates of the availability of qualified and certified disadvantaged business enterprises ("DBEs") in the applicable marketplace, and known circumstances and conditions. In no case will a goal be construed as constituting a quota.

(9) Disadvantaged Business: A minority-owned, woman-owned, or otherwise economically disadvantaged small business in general, used in this BOPP to refer to both DBEs and SBEs, as may be more particularly defined by certifying agencies.

(10) Disadvantaged Business Enterprise ("DBE"): A for-profit small business enterprise:

(A) which is at least 51.0 percent owned, as defined herein, by one or more Socially and Economically Disadvantaged Individual(s), or, in the case of any publicly owned business, at least 51.0 percent of the stock of which is owned by one or more Socially and Economically Disadvantaged Individual(s); and

(B) whose management and daily business operations are controlled, as defined herein, by one or more of the Socially and Economically Disadvantaged Individual(s) who own it; and

(C) which receives appropriate certification status through the appropriate federally-designated or approved DBE certification agency.

The Texas Unified Certification Program, administered by TxDOT, is the certifying agency for businesses within the state of Texas.

(11) Good Faith Efforts: Efforts to achieve a goal or other requirements that, by their scope, intensity and appropriateness to the objective, can reasonably be expected to fulfill the BOPP.

(12) Joint Venture: An association of two or more persons, partnerships, corporations or any combination thereof, founded to carry on a single business activity, which is limited in scope and duration. The degree to which a joint venture may satisfy the stated DBE goal cannot exceed the proportionate interest of the DBE as a member of the joint venture in the work to be performed by the joint venture. For example, a joint venture for which the DBE contractor is to perform 50.0 percent of the contract work itself shall be deemed equivalent to having DBE participation of 50.0 percent of the work. DBE member(s) of the joint venture must have financial, managerial, or technical skills in the work to be performed by the joint venture.

(13) Minority Business Enterprise (MBE): A business enterprise that is owned and controlled by one or more minority person(s). Minority persons include the ethnic categories listed under the definition of "Socially and Economically Disadvantaged Individuals" in this section. The MBE must also satisfy the owned and controlled provisions set forth in the definitions of "Disadvantaged Business Enterprise" and "Socially and Economically Disadvantaged Individuals."

(14) Prime Contractor: Any person, firm, partnership, corporation, association, or joint venture as herein provided which has been awarded an contract or agreement.

(15) Professional Services: Those Services as defined by Chapter 2254, Professional Services Procurement Act, Government Code.

(16) Race-and-Gender Conscious: Describes a measure or program that is focused specifically on assisting only DBEs, including women-owned DBEs.

(17) Race-and-Gender Neutral: Describes a measure or program that is, or can be, used to assist all small businesses.

(18) Small Business Concern: As defined pursuant to Section 3 of the U.S. Small Business Act and relevant regulations promulgated pursuant thereto, except that a small business shall not include any business or group of businesses controlled by the same Socially and Economically Disadvantaged Individual(s) which has annual average gross receipts in excess of the standards established by the Small Business Administration's regulation under 13 C.F.R. Part 121 for a consecutive three-year period. However, no firm is considered small if, including its affiliates, it averages annual gross receipts in excess of $16.6 million per year over the previous three fiscal years. The definition of "Small Business Concern" applies only to federal DBE certification, and not to the authority state SBE program set forth in Section 401.087.

(19) Small Business Enterprise: A business is considered a "Small Business Enterprise" for purposes of the BOPP if it meets the definition of "small business concern" as set forth in Section 3 of the U.S. Small Business Act. This provision defines a "small business concern" as

any business concern (including those limited to enterprises engaged in the business of production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries) which is independently owned and operated and which is not dominant in its field of operation. 13 C.F.R. § 121.201 sets forth the "size standards, " in either number of employees or average annual receipts, that define the maximum size that a concern, together with all of its affiliates, may be to be eligible for federal small business programs. The Small Business Administration organizes these specific size standards according to North American Industry Classification System (NAICS) Codes, as published in the Small Business Administration's "Table of Small Business Size Standards."

(20) Socially and Economically Disadvantaged Individuals: As included in 49 C.F.R. Part 26, individuals who are citizens of the United States (or lawfully admitted permanent residents), and who are Women, Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans and any other minorities or individuals found to be disadvantaged by the Small Business Administration pursuant to section 8(a) of the Small Business Act, or individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities and whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. There shall be a rebuttable presumption that individuals in the following groups are socially and economically disadvantaged, and DBE Program officials may also determine, on a case-by-case basis, that individuals who are not members of one of the following groups are socially and economically disadvantaged :

(A) "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;

(B) "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American or other Spanish or Portuguese culture or origin, regardless of race;

(C) "Native Americans," which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

(D) "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma, Vietnam, Laos, Cambodia, Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, and the U.S. Trust Territories of the Pacific Islands, the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kirbati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;

(E) "Subcontinent Asian Americans," which include persons whose origins are from India, Pakistan and Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;

(F) "Women;" and

(G) Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

(21) Subcontractor: Any named person, firm, partnership, corporation, association or joint venture as herein provided identified as providing work, labor, services, supplies, equipment, materials or any combination of the foregoing, under contract with a prime contractor on a contract.

(22) Vendor: One who participates in contracts with and/or procurements by the authority in a transportation construction project.

(23) Women Business Enterprise (WBE): A business enterprise that is owned and controlled by one or more females. The WBE must also satisfy the owned and controlled provisions under the definition of "Disadvantaged Business Enterprise" in .

401.080 DBE Program Adoption.

(a) This DBE Program is created pursuant to 49 C.F.R. Part 26 and applies only to procurements that are federally-assisted and only until such time that all funds from DOT have been expended. As a sub-recipient of federal funds through TxDOT, the authority may establish a distinct federal DBE Program, or may comply with the federal regulations by adopting the federally approved TxDOT DBE Program.

(b) In order to facilitate the administration of the federal DBE requirements, the authority, and TxDOT may enter into a Memorandum of Understanding (MOU) to establish the obligations and responsibilities of the authority, TxDOT and FHWA in each agency's collective efforts to abide by and implement the policies and objectives of the federal DBE regulations. Should the authority adopt the TxDOT DBE Program, it will conduct its DBE Program in accordance with the MOU that is adopted by the board and incorporated herein for all purposes pursuant to 49 C.F.R. § 26.45(c)(4). If the MOU requirements are inconsistent with the DBE Program requirements, the MOU will govern.

401.081 DBE Certification

The authority will ensure that only businesses certified as DBEs are allowed to participate as DBEs in its DBE Program. To be certified as a DBE, a business must meet the definition of Disadvantaged Business Enterprises as set forth in Section 401.079 and the certification standards set forth at 49 C.F.R. Part 26, Subpart D. The authority will recognize DBE certification by TxDOT, the Texas Unified Certification Program, and the City of Austin Department of Small and Minority Business Resources (as the Federal DBE certifying entity for Hays, Travis, Williamson, Caldwell, and Bastrop Counties), and other agencies, to the extent approved by TxDOT to process applications for DBE certification.

401.082 DBE Goal Setting/DBE Annual Goal :

(a) Process For Establishing DBE Goal: The authority will establish a DBE participation goal following the process set forth in 49 C.F.R. § 26.45 or the MOU. The authority will not use quotas in any way in the administration of this article.

(b) Race- and Gender-Neutral And Race- and Gender-Conscious Participation: The authority will meet the maximum feasible portion of its overall goal by using race- and gender-neutral efforts of facilitating DBE participation. The authority will adjust the estimated percentage of race- and gender-neutral and race- and gender-conscious participation as needed to reflect actual DBE participation and will track and report race- and gender-neutral and race- and gender-conscious participation separately. For reporting purposes, race- and gender-neutral DBE participation is defined in this BOPP.

(c) Race- and Gender-Neutral Efforts To Achieve Annual DBE Goals: Race-and gender-neutral DBE participation exists when a DBE:

(1) wins a prime contract through customary competitive procurement procedures;

(2) is awarded a subcontract on a prime contract that does not carry a DBE goal; or

(3) is awarded a subcontract on a prime contract that carries a DBE goal if the prime contractor awarded the subcontract without regard to DBE status.

401.083 DBE Contract Goals

Contract goals may be established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the authority's overall DBE goal that is not projected to be met through the use of race- and gender-neutral efforts. Contract goals may be set only if the authority determines that it will not meet its annual overall DBE participation goal by race and gender neutral efforts, and that the contract at issue will have subcontracting opportunities. In this event, contract goals shall be set in accordance with 49 C.F.R. § 26.51(e), (f) and (g) and race- and gender-neutral efforts shall be increased to achieve the overall goal. If a contract goal is set, the contract must include provisions requiring the contractor to make good faith efforts to achieve the contract goal and may only be awarded to a bidder who agrees to do so. The authority need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBE's to perform the particular type of work). The authority will express its DBE contract goals as a percentage of the total contract, including both federal and any other funds; however, for purposes of reporting to the U.S. DOT, emphasis will be placed on the percentage of federal funds that were ultimately paid to DBEs.

401.084 Good Faith Effort

The authority will make a good faith effort to meet or exceed the goal of this DBE Program, using good faith efforts and the race- and gender-neutral methods described in this article. Contractors will be required to make good faith efforts to obtain DBE participation as described in Appendix A to 49 C.F.R. Part 26 and the TxDOT DBE Program, if applicable. The authority will grant no preferences to DBEs in the bidding/contracting process.

401.085 DBE Contractor/Vendor Obligations

(a) Potential prime contractors on projects involving federal funds will be notified of this section and must meet the following standards:

(b) Compliance With This Program: Authority contracts that involve federal financial assistance will include a contract provision requiring the contractor:

(1) to encourage the use of DBEs in subcontracting and material supply activities;

(2) to prohibit discrimination against DBEs; and

(3) to provide a method of reporting race-and gender neutral DBE participation.

401.086 Adherence To Equal Opportunity

When federal financial assistance is involved, each contract the authority signs with a contractor and each subcontract between a prime contractor and a subcontractor will include the following assurance as required by 49 C.F.R. § 26.13:

> The contractor, sub-recipient or subcontractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

401.087 SBE Program

(a) The SBE Program is created pursuant to Section 370.183, Transportation Code, and applies to all contracts and procurements that do not involve federal financial assistance (i.e. contracts and procurements funded strictly by state, local or private means, or any combination thereof).

(b) The SBE Program applies to contracts and procurements that do not involve federal financial assistance. In accordance with Section 370.183, Transportation Code, the Procurement Policy, and consistent with general law, the authority will:

(1) set goals for the award of contracts to disadvantaged and small businesses and attempt to meet the goals;

(2) attempt to identify disadvantaged and small businesses that provide or have the potential to provide supplies, materials, equipment, or services to the authority; and

(3) give disadvantaged and small businesses full access to the authority's contract bidding process, inform the businesses about the process, offer the businesses assistance concerning the process, and identify barriers to the businesses' participation in the process.

401.088 SBE Certification

(a) The authority will require SBEs to be certified according to its standards, which may vary from the DBE certification. The authority will recognize as certified SBEs certifications for small, minority-owned, women-owned, historically underutilized, and disadvantaged business enterprises. Such certifications may be provided by one or more of the following agencies or entities: TxDOT; the Texas Unified Certification Program for Federal DBE Certification; the Texas Building and Procurement Commission's Historically Underutilized Business ("HUB") Program Certification; the City of Austin's Department of Small and Minority Business Resources; or any other recognized certification that the authority finds acceptable.

(b) Firms that desire or are required by the authority to be certified for SBE participation must complete and submit a SBE Status Certification Affidavit which identifies the status certification and the group providing the certification. The MWSBE status certification is effective for as long as it is effective with the certifying entity, unless terminated earlier by the authority.

401.089 SBE Goals

(a) The authority will identify overall SBE aspirational goals for the construction, professional services, consulting services and other goods and services procurements. The aspirational goal may generally establish a level of participation that the authority will strive to achieve. The aspirational goal may be based upon a numeric formula and/or based on other factors. During the process of developing SBE goals, the authority may review and consider information on the availability of SBEs in the authority's applicable marketplace, as well as any other information and data which the authority believes is pertinent to goal setting.

(b) The overall SBE aspirational goal(s) may be established or reaffirmed on an annual basis and will reflect the authority's commitment to facilitate opportunities for the participation of small business enterprises in the authority procurement process and awards.

(c) The goals may be expressed as a broad and general aspiration, as a percentage of the total estimated dollar amount of all contracts and subcontracts to be awarded during the applicable fiscal year, or as a specific percentage of the dollar amount on a given contract. The goal may reflect the authority's estimate of overall SBE participation that is attainable given available authority SBE resources and the performance of the authority in its efforts to achieve previous goals under the Program.

(d) If contract-specific goals are established, no contract will be executed until the lowest responsible bidder/proposer has achieved or demonstrated an acceptable good-faith effort toward achievement of the SBE goal. If goals are established and are not met, no sanctions will be recommended or imposed provided the successful bidder/proposer can fully demonstrate that he/she made an acceptable good-faith effort, as defined by the authority, to achieve the goals.

401.090 SBE Contractor/Vendor Obligations

All contracts and specification packages and requests for bids or proposals will incorporate the following provisions specifically or by reference :

(1) It is the policy of the board that disadvantaged and small businesses will have the maximum practicable opportunity to participate in the awarding of contracts and related subcontracts.

(2) The bidder, proposer, contractor or vendor agrees to employ good-faith efforts to carry out this policy through award of subcontracts to small or disadvantaged business enterprises to the fullest extent consistent with the efficient performance of the contract, and/or the utilization of SBE suppliers where feasible. Authority contractors are expected to make a good faith effort to solicit bids for subcontractors/suppliers from available SBEs.

(3) The bidder, proposer, contractor or vendor specifically agrees to comply with all applicable provisions of the SBE Program, and to include federal requirements when applicable.

(4) The contractor/vendor will maintain records, as specified in his/her contract, showing:

(A) subcontract/supplier awards, specifically to small business enterprises;

(B) specific efforts to identify and award such contracts to small business enterprises; and,

(C) submit, when requested, copies of executed contracts to establish actual SBE participation and how much DBEs were paid.

(5) The contractor/vendor agrees to submit periodic reports of subcontract and/or supplier awards to small business enterprises in such form and manner, and at such time, as the authority shall prescribe and will provide access to books, records and accounts to authorized officials of the authority, state or federal agencies for the purpose of verifying SBE participation and good-faith efforts to carry out this SBE policy. All contractors may be subject to a post-contract SBE audit. Audit determination(s) may be considered and have a bearing in the evaluation of a contractor's good-faith efforts on future contracts.

(6) The contractor/vendor will appoint an official or representative knowledgeable as to this Policy and Program to administer and coordinate the contractor's efforts to carry out this SBE policy.

(7) Where possible and/or practical, all vendors and/or contractors will make good-faith efforts to subcontract and meet the SBE goal. Contractors may be required to provide documentation demonstrating that they have made good-faith efforts, as defined by the authority, in attempting to do so by submitting an acceptable SBE Utilization Statement. Bidders are required to satisfy applicable SBE Program requirements prior to the award of contract. Bidders that fail to meet these requirements will be considered non-responsive or in non-compliance.

(8) Vendors or contractors will report any changes in proposed or actual SBEs, and will make good-faith efforts to replace SBE subcontractors or subconsultants unable to perform on the contract with another SBE.

(9) Failure or refusal by a bidder, proposer, contractor or vendor to comply with the SBE provisions herein or any applicable provisions of the SBE Program, either during the bidding process or at anytime during the term of the contract, shall constitute a material breach of contract whereupon the contract, at the option of the authority, may be canceled, terminated or suspended in whole or in part; and, the contractor may be debarred from further contracts with the authority as a non-responsible contractor.

401.091 Compliance With Program

The BOPP Liaison Officer will monitor compliance by all prime contractors with the requirements under these Programs, implement appropriate mechanisms to ensure compliance by all program participants, and verify that the work committed to disadvantaged and small businesses is actually performed by the disadvantaged and/or small business.

401.092 Claims of Program Violations

(a) Allegations about violations and/or abuse should be made in writing and identify the person making the allegation. The BOPP Liaison Officer will review the information presented and take whatever steps he or she determines to be appropriate under the circumstances to resolve the issues raised by the allegation. The BOPP Liaison Officer may conduct an investigation of the allegations. The authority cannot assure complete confidentiality in conducting its investigation, which may require the disclosure of information to other governmental agencies or affected third parties. Allegations that are made anonymously or verbally will be reviewed as is deemed appropriate. It may not be possible to investigate an issue if insufficient information is provided.

(b) Notification of TxDOT, DOT and Other Agencies: The authority will notify TxDOT, FHWA, the DOT and other appropriate agencies of any false, fraudulent, or dishonest conduct in connection with the federal DBE Program, so that TxDOT and/or DOT can take the necessary steps to investigate the alleged conduct as provided in 49 C.F.R. § 26.109.

401.093 Compliance And Severability Clause

(a) It is the intent of the authority to comply with all applicable federal and state laws and regulations and to comply with the TxDOT DBE Program, where applicable. The BOPP will not apply to contracts that are subject to overriding state or federal laws, regulations, policies or guidelines, including those regarding small, minority-owned, or woman-owned businesses. In the event that an apparent conflict arises between the language contained in this Program and federal, state or local law or ordinance, the language will be construed so as to comply with the federal, state or local law or ordinance.

(b) Nothing in this Business Opportunity Program or Policy should be construed as requiring a set-aside or mandatory quota. Any questions regarding the authority's Business Opportunity Program should be directed to the BOPP Liaison Officer.

401.094 Effective Date

This Business Opportunity Program and Policy (BOPP) shall become effective on November 5, 2003, and apply to any contract or procurement executed thereafter. The authority shall approve any amendment, modification, or replacement of this BOPP by resolution, with such resolution including either an explicit repeal of specific sections and provisions of this BOPP, or a replacement of this BOPP with entirely new provisions.

Article 9. Solicitation of Employee Applicants

401.095 Solicitation Of Employee Applicants

In conjunction with efforts to solicit applicants for available employment positions with the authority, authority staff shall follow the solicitation and application guidelines set forth in this article in order to

(1) provide notice of the employment position opening,

(2) provide a method of allowing potential applicants to receive detailed information regarding particular criteria and requirements for the individual employment position, and

(3) provide information related to any application deadlines or extensions of deadlines.

401.096 Solicitation of Applicants for Professional or Managerial Positions.

(a) In order to reach the largest potential pool of qualified applicants for employment positions that are either professional or managerial in nature, authority staff shall post information regarding potential employment opportunities, detailed position descriptions, and requirements for applications for professional or managerial staff positions in the following manner:

(b) Notice of employment position openings with the authority shall be published on the authority's website, and shall include:

(1) employment position title;

(2) a general description of position duties and responsibilities;

(3) educational and prior work experience requirements;

(4) the statement that the authority is an equal opportunity employer;

(5) materials required to be submitted for position applications;

(6) the physical mailing address and/or e-mail address for submitting application materials; and

(7) the telephone number for questions regarding the employment position description and/or application process.

(c) Notice of employment position openings with the authority may be published in the officially designated newspaper of the authority, the Texas Register, trade journals, and other sources that the authority determines are appropriate for contacting potentially qualified applicants. In addition, the authority may, but shall not be required to, solicit potential applicants by direct mail, telephone, or via the Internet.

(d) The application deadline specified in the notice of employment position opening may be extended if the executive director determines that the extension is in the best interest of the authority.

401.097 Solicitation of Administrative or Clerical Applicants.

(a) Authority staff shall post information regarding potential employment opportunities, detailed position descriptions, and requirements for application for administrative or clerical staff positions in the following manner:

(1) Notice of employment position openings with the authority shall be published on the authority's website, and shall include:

(2) employment position title;

(3) a general description of position duties and responsibilities;

(4) educational and prior work experience requirements;

(5) the statement that the authority is an equal opportunity employer;

(6) materials required to be submitted for position applications;

(7) the physical mailing address and/or e-mail address for submitting application materials; and

(8) the telephone number for questions regarding the position description or application process. authority staff may include any and all of the required information listed in (1)-(7) above in a standard employment application form issued by the authority.

(9) Notice of employment position openings with the authority may be published in the officially designated newspaper of the authority and in such other places that the authority determines are appropriate for contacting potentially qualified applicants. In addition, the authority may, but shall not be required to, solicit potential applicants by direct mail, telephone, or via the Internet.

(b) The application deadline specified in the notice of employment position opening may be extended if the executive director determines that the extension is in the best interest of the authority.

Article 10. Disposition of Salvage or Surplus Property

401.098 Sale by Bid or Auction.

The authority may periodically sell the authority's salvage or surplus property by competitive bid or auction. Salvage or surplus property may be offered as individual items or in lots at the authority's discretion.

401.099 Trade-In for New Property.

Notwithstanding subsection 12.1, the authority may offer salvage or surplus property as a trade-in for new property of the same general type if the executive director considers that action to be in the best interests of the authority.

401.100 Heavy Equipment.

If the salvage or surplus property is earth-moving, material-handling, road maintenance, or construction equipment, the authority may exercise a repurchase option in a contract in disposing of such types of property. The repurchase price of equipment contained in a previously accepted purchase contract is considered a bid under subsection (a).

401.101 Sale to State, Counties, etc.

Notwithstanding subsection 12.1 above, competitive bidding or an auction is not necessary if the purchaser is the State or a county, municipality, or other political subdivision of the State. The authority may accept an offer made by the State or a county, municipality, or other political subdivision of the State before offering the salvage or surplus property for sale at auction or by competitive bidding.

401.102 Failure to Attract Bids.

If the authority undertakes to sell property under subsection 12.1. and is unable to do so because no bids are made for the property, the executive director may order such property to be destroyed or otherwise disposed of as worthless. Alternatively, the executive director may cause the authority to dispose of such property by donating it to a civic, educational or charitable organization located in the State.

401.103 Terms of Sale.

All salvage or surplus property sold or otherwise disposed of by the authority shall be conveyed on an "AS IS, WHERE IS" basis. The location, frequency, payment terms, inspection rights, and all other terms of sale shall be determined by the authority in its sole and absolute discretion.

401.104 Rejection of Offers.

The authority or its designated representative conducting a sale of salvage or surplus property may reject any offer to purchase such property if the executive director or the authority's designated representative finds the rejection to be in the best interests of the authority.

401.105 Public Notices of Sale.

The authority shall publish the address and telephone number from which prospective consultants may request information concerning an upcoming sale in at least two issues of the officially designated newspaper of the authority, or any other newspaper of general circulation in each county of the authority, and the authority may, but shall not be required to, provide additional notices of a sale by direct mail, telephone, or via the internet.

Chapter 5: ENVIRONMENTAL REVIEW FOR PROJECTS

501.001 Purpose.

(a) These procedures are adopted pursuant to Section 370.188, Transportation Code, and are applicable only to transportation projects that are not otherwise subject to review under

(1) the National Environmental Policy Act (NEPA) (42 U.S.C. Section 4321, et seq.); or

(2) environmental review and approval conducted by the Texas Department of Transportation ("TxDOT") or the Texas Transportation Commission (the "Commission").

(b) The policies and procedures are intended to be consistent with the spirit and intent of NEPA.

501.002 Definitions.

The following words and terms, when used in these policies, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Authority Project: For purposes of these policies and procedures, authority projects which are not subject to review under NEPA or the procedures for environmental review and approval adopted and administered by TxDOT or the Commission.

(2) Environmental Document: A decision making document which incorporates environmental studies, coordination, and consultation efforts, and engineering elements. Documents may include categorical exclusion assessments, environmental assessments, and environmental impact statements.

(3) Environmental Studies: The investigation of potential environmental impacts of an authority project.

(4) Public Hearing: A hearing held after public notice is provided to solicit public input in determining a preferred alternative for an authority project. All testimony given at a public hearing will be made part of the public hearing record.

(5) Public Involvement: An ongoing phase of the project planning process which encourages and solicits public input, and provides the public the opportunity to become fully informed regarding development of an authority project.

(6) Public Meeting: Informal discussions intended to assist in the preparation of environmental documents. These may be held with local public officials, interested citizens or the general public, and local, neighborhood, or special interest groups for the purpose of exchanging ideas, and collecting input on the need for, and possible alternatives to, a given authority project. Notice of a public meeting will depend upon anticipated audience attendance.

(7) Significantly: This term shall have the same meaning as is used, and has been interpreted, under 42 U.S.C. § 4332 of NEPA.

501.003 Review Of Non-NEPA Authority Projects

(a) Environmental studies for authority projects which are not subject to review under NEPA or are not subject to review and approval through processes administered by TxDOT or the Commission will be accomplished in accordance with these policies and procedures and other applicable state and federal laws including, but not limited to, the Endangered Species Act of 1973, as amended, 16 USC §§ 1531 et seq.; the Rivers and Harbors Act of 1899, as amended, 42 USC §§ 401 et seq.; the Federal Water Pollution Act, as amended, 33 USC § 1251 et seq., 33 CFR Parts 114 through 115; the Safe Drinking Water Act, as amended, 42 USC § 300f et seq.; Chapter 370, Transportation Code. In addition, the authority will coordinate with the Texas Commission on Environmental Quality and the Texas Parks and Wildlife Department in conducting environmental studies under these policies and procedures.

(b) These policies and procedures are intended to establish the minimum guidelines to be followed for environmental review of the authority projects to which they apply. In addition, the

authority anticipates utilizing forms of public involvement when feasible, including, without limitation, processes implementing context sensitive design and other processes intended to encourage public involvement.

501.004 Public Involvement

Public involvement shall be encouraged as an important element of authority project planning. It shall be initiated by the authority staff and will depend on, and be consistent with, the type and complexity of each authority project. Authority staff shall use its best efforts to maintain a list of individuals and groups interested in authority project development, and shall provide notification of public hearing activities to these individuals and groups.

501.005 Public Involvement Methods

(a) INFORMAL MEETINGS: Informal meetings, as one form of public involvement, will be held with affected property owners, residents, any known neighborhood associations within the area of the authority project and which have notified the authority in writing of their interest in the project, and affected local governments and public officials, when such projects require:

(1) detours and/or a minimal amount of right-of-way acquisition, or use of temporary construction easements; and

(2) a minor location or design revision after an environmental document for an authority project has been approved and public involvement requirements have previously been completed, provided that if a location or design revision is deemed by the authority to be significant an additional opportunity for a public hearing will be provided.

(3) Notice of informal meetings, and the time and location of such meetings, will depend upon the nature of the authority project and the number of individuals or entities directly affected by the project.

(b) PUBLIC MEETINGS: Public meetings, as a form of public involvement, will be held:

(A) at any time during project planning and development that the board directs or the authority staff, with the approval of the Executive Committee, deems appropriate in order to keep the public informed;

(B) during the drafting of the draft environmental impact statement, as discussed in Section 501.008;

(C) as early as the authority staff determines feasible to encourage beneficial public input to project planning and consideration of project alternatives;

(D) at a time and place convenient to the public in the vicinity of the authority project; and

(E) pursuant to notice provided by such means as the authority deems appropriate given the scope and magnitude of the project, provided that at a minimum the notice shall be posted on the authority's website. Mailed notice (or email notice in lieu of mailing) shall also be provided to persons or organizations included on any lists of interested parties maintained by the authority for the project, any known neighborhood associations within the area of the authority project and which have notified the authority in writing of their interest in the project, and affected local governments and public officials.

(c) PUBLIC HEARINGS

(1) Permissive Public Hearings. An opportunity for public hearings shall be afforded for authority projects which require or result in:

(A) the acquisition of significant amounts of rights-of-way;

(B) a substantial change in the layout or function of the connecting roadways or of the facility being improved;

(C) a measurable adverse impact on abutting real property;

(D) there is otherwise a substantial social, economic, or environmental effect which may result from the authority project; or

(E) a finding of no significant impact (FONSI), as discussed in Section 501.007below, with such hearing to be afforded at such time as the environmental assessment is considered technically complete and is initially approved by the board to proceed with public involvement.

(2) The following procedures will be followed for providing notice of an opportunity for a public hearing:

(A) Two notices of the opportunity for public hearing shall be published in local newspaper(s) having general circulation. The first notice shall be published approximately 30 days in advance of the deadline set by the authority for submittal of written requests for holding of public hearings; and the second notice shall be published approximately ten days prior to the deadline date. In the event an authority project is expected to directly affect an area that is predominantly Spanish-speaking, the notices required herein shall be published in a Spanish language newspaper of general circulation in the area of the project, if available.

(B) Notices of the opportunity for public hearing shall also be mailed to landowners abutting the roadway as identified by tax rolls, known neighborhood associations whose boundaries encompass all or part of the authority project and which have notified the authority, in writing, of their interest in the project, and to affected local governments and public officials.

(C) No further action will be taken to hold a public hearing if at the end of the time set for affording an opportunity for a public hearing no requests are received.

(3) Mandatory Public Hearings. For projects with substantial public interest, such as authority projects requiring an environmental impact statement or high profile FONSI authority projects, or when a request for hearing is received as discussed in the preceding paragraph (c)(2)(C), or when the authority project requires the taking of public land designated as a park, recreation areas, wildlife refuge, historic site, or scientific area (as covered in Chapter 26, Parks and Wildlife Code), a public hearing will be held to receive suggestions as to project alternatives; to present project alternatives already considered; and to solicit public comment, and shall be held at such time as location and design studies have been developed and when the public can be given a feasible proposal with appropriate environmental studies. The hearing notice for a public hearing under this subsection shall at a minimum contain the following information:

(A) time, date, and location of the hearing;

(B) description of the project termini, improvements, and right-of-way needs;

(C) reference to maps, drawings, and environmental studies and/or documents, and other information about the project, that are available for public inspection at a designated location;

(D) reference to the potential for relocation of residences and businesses and the availability of relocation assistance for displacements;

(E) a statement that verbal and written comments may be presented for a period of 10 days after the hearing;

(F) the address where written comments may be submitted; and

(G) the existence of any floodplain, wetland encroachment, taking of endangered species habitat; or encroachment on a sole source aquifer recharge zone by an authority project.

(H) Except for authority projects requiring the taking of public land designated as a park, recreation area, wildlife refuge, historic site, or scientific area, notice of the public hearing must be given by the publication of two notices in local newspapers having general circulation, with the first notice published approximately 30 days before the hearing, and the second notice published approximately 10 days before the hearing. In the event an authority project is expected to directly affect an area that is predominantly Spanish-speaking, the notices required herein shall be published in a Spanish language newspaper of general circulation in the area of the project, if available. Notices of the public hearing shall also be mailed to landowners abutting the roadway as identified by tax rolls, known neighborhood associations whose boundaries encompass all or part of the authority project and which have notified the authority, in writing, of their interest in the project, and affected local governments and public

officials. For authority projects requiring the taking of public land designated as a park, recreation area, wildlife refuge, historic site, or scientific area, notice of the public hearing shall be given in accordance with Section 26.002, Parks and Wildlife Code.

(d) Public Hearing Record. The public shall have 10 days after the close of a public hearing to submit written comments to the authority office regarding a proposed authority project. Public hearings shall be considered complete at the time and date designated by the authority staff after receipt of a verbatim transcript of the public hearing. As another method of public involvement, there shall be published in a local newspaper of general circulation the notice of the availability of the environmental assessment in order to inform the public of its availability and advising where to obtain information concerning the authority project, and that any written comments should be furnished within a 30-day period of the date of the notice in order to be included within the public hearing record.

501.006 Categorical Exclusions (CE).

(a) An authority project will be classified as a categorical exclusion (CE) if it does not:

(1) involve significant environmental impacts;

(2) induce significant impacts to planned growth or land use of the authority project area;

(3) require the relocation of significant numbers of people;

(4) have a significant impact on any natural, cultural, recreational, historic, or other resource;

(5) involve significant air, noise, or water quality impacts;

(6) significantly impact travel patterns; or

(7) either individually or cumulatively, have any significant environmental impacts.

(b) The following actions are examples of authority projects which meet the criteria of a CE as found in this section and will not in most cases require further environmental review or approval by the authority:

(1) those which do not involve or lead directly to construction, such as planning and technical studies, grants or training and research programs, engineering feasibility studies that either define the elements of a proposed project or identify alternatives so that social, economic, and environmental effects can be assessed for potential impact;

(2) approval of utility installations along or across an authority project;

(3) construction of bicycle and pedestrian lanes, paths, and facilities;

(4) landscaping;

(5) installation of fencing, signs, pavement markings, small passenger shelters, and traffic signals, when no substantial land acquisition or traffic disruption will occur;

(6) emergency repairs as defined in 23 USC § 125;

(7) acquisition of scenic easement; and

(8) alterations to facilities or vehicles in order to make them accessible for elderly and handicapped persons.

(c) For any authority project not of a type described in this section, the authority may conduct appropriate environmental studies to determine if the CE classification is proper. Any other actions meeting the criteria for a CE as found in subsection (a) will require board review and approval.

(d) Board approval will be based on staff submitting a brief environmental overview which demonstrates that the specific conditions or criteria for classification of a CE as found in subsection (a) is satisfied and that significant environmental impacts will not result, including the results of any coordination effected with resource agencies. Examples may include, but are not limited to, the following:

(1) modernization of a roadway by resurfacing, restoration, rehabilitation, reconstruction, adding shoulders, or adding auxiliary lanes such as parking, weaving, turning, climbing, and correcting substandard curves and intersections with only minor amounts of additional right-of-way required;

(2) highway safety or traffic operation improvement projects including the installation of ramp metering control devices and lighting;

(3) bridge rehabilitation, reconstruction, or replacement, or the construction of grade separation to replace existing at-grade railroad crossings;

(4) transportation corridor fringe parking facilities;

(5) approvals for changes in access control; and

(6) approvals for disposal of excess right-of-way or for joint or limited use of right-of-way, where the proposed use does not have significant adverse impacts.

(e) The authority may classify other authority projects as a CE if, from the documentation required to be submitted, a determination is made that the project meets the CE classification. Classification as a CE means that no further environmental review is required. Board approval is required for any CE classification under this provision.

501.007 Environmental Assessments (EA).

(a) Preparation. For authority projects for which the extent of impacts is not readily discerned, an EA will be prepared to determine the nature and extent of environmental impacts, with either a finding of no significant impact anticipated or a finding that an environmental impact statement is required. An EA is not required for any project which is the subject of an Environmental Impact Statement.

(b) Coordination and consultation. For authority projects that require an EA, the interested agencies, local political subdivisions and others to achieve the following objectives:

(1) definition of the scope of the project;

(2) identification of any alternatives to the proposed actions including different modes of transportation;

(3) determination as to which aspects of the proposed actions have potential for environmental impact;

(4) identification of measures and alternatives which might mitigate adverse environmental impacts; and

(5) identification of other environmental review and consultation requirements which should be prepared concurrently.

(c) Notice. As required in Section 501.005(c), the notice of the public hearing or of opportunity for a public hearing will announce the availability of the EA and where it may be obtained or reviewed.

(d) Revised determination. If, at any point in the EA process, the authority staff determines that the project may have a significant impact on the environment, the preparation of an Environmental Impact Statement (EIS) as discussed in Section 501.008 will be required.

(e) Finding of no significant impact. The board, after its review of the EA, proposed mitigation measures, and any public hearing statement or comments received regarding the EA, and if in agreement with the staff recommendations, will make a separate written finding of no significant impact (FONSI), incorporating the EA and any other appropriate environmental documents and agency consultations and coordinations. The FONSI completes the environmental studies and public involvement process for an authority project.

(f) Notification of FONSI. After issuance of the FONSI, a notice of the availability of the FONSI shall be published by the authority. Notification will also be given to the local media through a press release.

501.008 Environmental Impact Statements (EIS).

(a) Required. An EIS will be required for authority projects in which there are likely to be significant environmental impacts. The preparation of the EIS will occur in two stages:

(1) the draft EIS (DEIS); and

(2) the final EIS (FEIS).

(b) Not required. If the analyses or review comments indicate that significant impacts to the human environment will not occur, an EIS should not be prepared.

501.009 Notice of intent.

(a) Prior to the preparation of an EIS there shall be prepared a notice of intent (NOI) to prepare an EIS.

(b) The NOI should:

(1) briefly detail the project;

(2) identify significant impacts on the human environment; and

(3) identify any preliminary alternatives under consideration by the authority.

(c) The NOI shall be sent to applicable agencies for their early review and comment. Any comments received will be used as the basis for the DEIS, as described in subsection (d).

(d) A summary of the NOI shall also be published in the Texas Register, on the authority's website, and in a local newspaper of general circulation.

501.010 Draft Environmental Impact Statement.

(a) The DEIS shall identify and evaluate all reasonable alternatives to the authority project; discuss the elimination of other alternatives, if applicable; summarize the studies, reviews, consultations, and coordination required by law to the extent appropriate; and designate a preferred alternative if appropriate.

(b) When the staff determines that the DEIS complies with these and other requirements, the DEIS will be approved for circulation by signing and dating the cover sheet.

(c) The DEIS will be circulated for comment after a notice is published in the Texas Register, on the authority's website, and in a local newspaper of general circulation which describes a circulation and comment period of no less than 45 days, and identifies where comments are to be sent.

(d) The DEIS shall be transmitted to state and applicable federal agencies.

(e) The DEIS will be made available to interested public officials, interest groups, and members of the public at the request of any such group or individuals. Notice of availability of the DEIS will be mailed to affected local governments and public officials.

(f) A fee which is not more than the actual cost of reproduction of the DEIS and administrative costs of the reproduction may be charged for any written request received for a copy of the DEIS.

(g) The DEIS may also be reviewed at designated public locations.

(h) Either an opportunity for public hearing shall be afforded or a public hearing shall be held for a DEIS authority project.

(i) The DEIS will be made available at the authority for the general public at a minimum of 30 days in advance of the public hearing for authority projects.

501.011 Final Environmental Impact Statement.

(a) After the DEIS is circulated and comments reviewed, a FEIS shall be prepared by the authority.

(b) The FEIS shall:

(1) identify the preferred alternative and evaluate all reasonable alternatives considered;

(2) discuss substantive comments received on the DEIS and responses to those comments;

(3) summarize public involvement that has been afforded for the project;

(4) describe the mitigation measures that are to be incorporated into the authority project;

(5) document compliance, to the extent possible, with all applicable environmental laws, or provide reasonable assurance that requirements can be met; and

(6) identify those issues and the consultations and all reasonable efforts made to resolve interagency disagreements.

(c) The authority will indicate approval of the FEIS by signing and dating the cover page.

(d) The initial printing of the FEIS shall be in sufficient quantities to meet the request for copies which can be reasonably expected from agencies, organizations, and individuals.

(e) A fee which is not more than the actual cost of reproduction and administrative costs associated with the reproduction of the FEIS may be charged for purchase of the document.

(f) Copies of the FEIS may also be placed in appropriate public locations, such as local governmental offices, libraries, or other public institutions.

(g) Notice detailing the availability of the FEIS shall be published in the Texas Register, on the authority's website, and in a local newspaper of general circulation.

(h) The notice shall include information on obtaining copies.

(i) The public and interested organizations will have 30 days following publication of the notice in the Texas Register to submit comments.

(j) Following the approval of the FEIS, it will be made available to agencies which made substantive comments on the DEIS; however, in the event the FEIS is voluminous, the authority may provide for alternative circulation such as notifying agencies of the availability of the FEIS, and by providing a method for these agencies to request a copy.

(k) The authority will complete and sign a record of decision (ROD) no sooner than 30 days after publication of the availability of the FEIS notice in the Texas Register. Until any required ROD has been signed, no further approvals may be taken except for administrative activities taken to secure further project funding. The ROD will:

(1) present the basis for the decision and summarize any mitigation measures; and

(2) be published in the Texas Register.

501.012 Re-evaluations.

An evaluation to determine whether a supplement to the DEIS or a new DEIS is needed shall be prepared by the authority if an acceptable FEIS is not submitted within three years from the date of circulation of the DEIS. The re-evaluation will:

(1) not be circulated for agency review, although resource agency coordination may be required;

(2) be required before further approvals may be granted if major steps to advance the action such as authority to undertake final design or acquire significant portions of right-of-way, or approval of the plans, specifications, and estimates have not occurred within three years after the approval of the FEIS, supplemental FEIS, or the last major departmental approval.

501.013 Supplemental Environmental Impact Statements.

(a) A DEIS or FEIS may be supplemented at any time.

(b) An EIS will be supplemented whenever the authority determines that:

(1) changes to the project would result in significant environmental impacts that were not evaluated in the EIS; or

(2) new information or circumstances relevant to environmental concerns bearing on the proposed action or its impacts would result in significant environmental impacts not evaluated in the EIS.

(c) A supplemental EIS will not be necessary when:

(1) changes to the project, new information, or new circumstances result in a lessening of adverse impacts evaluated in the EIS without causing other environmental impacts that are significant and were not evaluated in the EIS; or

(2) the authority decides to approve an alternative fully evaluated in the approved FEIS but not identified as the preferred alternative.

(d) When there is an uncertainty of the significance of new impacts, the authority will develop appropriate environmental studies, or if deemed appropriate, an EA to assess the impacts of the changes, new information, or new circumstances.

(e) If the authority determines, based on studies, that a supplemental EIS is not necessary, it shall so indicate in the project record.

(f) A supplemental EIS shall be developed using the same process and format as an original EIS, except that early coordination shall not be required.

(g) A supplemental EIS may be required to address issues of limited scope, such as the extent of proposed mitigation, or the evaluation of location or design variations for a limited portion of an overall project. In this situation the preparation of the supplemental EIS shall not necessarily:

(1) prevent the granting of new approvals;

(2) require the withdrawal of previous approvals; or

(3) require the suspension of project activities for any activity not directly affected by the supplement.

Chapter 6: APPENDIXES

Appendix 1: Employee Handbook

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Central Texas Regional Mobility Authority

Employee Handbook

November 18, 2009

EMPLOYEE HANDBOOK

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INTRODUCTION

ABOUT THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

The Central Texas Regional Mobility Authority was created as a result of public statute. In 2001, the 77th Texas State Legislature passed Senate Bill 342, which authorized the creation of Regional Mobility Authorities ("RMA's") to construct, operate and maintain turnpike projects in the state.

In 2002, Travis and Williamson Counties jointly filed a petition with the Texas Transportation Commission to form the Central Texas Regional Mobility Authority ("CTRMA"). The petition was approved in October 2002. In its petition, the CTRMA identified the 183-A Turnpike in Williamson County and SH-45 in Travis County as its first projects, along with several other potential projects.

The CTRMA was initially funded by contributions from each of the counties. Thereafter, the CTRMA will derive its funding from toll revenues It works closely with the Texas Department of Transportation ("TXDOT") and the Capital Area Metropolitan Planning Organization ("CAMPO"), which is the planning organization for Williamson, County and Hays Counties.

The CTRMA is governed by a Board of Directors (the "Board"), consisting of seven (7) members, three (3) of whom are appointed by each of the Counties, and one (1) of whom (the presiding officer) is appointed by the Governor. The first meeting of the Board of Directors took place on January 2003, with Robert E. (Bob) Tesch as the first presiding officer, appointed by Governor Rick Perry.

The Board has the ultimate decision-making authority and responsibility for directing and controlling the affairs of the CTRMA. In addition, the Board is responsible for the establishment of policies that direct the operations, management, and overall implementation of the CTRMA's Strategic Plan.

The Central Texas Regional Mobility Authority is proud to be the first RMA formed in the State of Texas and to serve as a model for others that have followed, including the Alamo RMA (Bexar County), Grayson County RMA, Northeast Texas RMA (Smith and Gregg Counties), and the Cameron County RMA.

Purpose & Scope of Employee Handbook

POLICY

The Central Texas Regional Mobility Authority (hereinafter referred to as the "CTRMA" or the "Agency") provides this Employee Handbook (the "Handbook") to outline basic Agency policies, practices and procedures. The policies have been written to apply on an Agency-wide basis and will supersede and replace all prior published and unpublished policies and procedures of The Central Texas Regional Mobility Authority.

The Handbook contains general statements of Agency policy and provides general guidelines for procedures, conduct and performance. Since no set of policies can anticipate every possible circumstance or situation that may arise in the workplace, any interpretation or application of a policy, or any decision to deviate from a policy, will be made at the sole discretion and judgment of management.

This Handbook does not represent an express or implied contract, promise or agreement of employment. Neither the Handbook nor any policy contained herein can alter the employment-at-will relationship in any way. This means that both the employee and the Agency retain the right to terminate the employment relationship at any time and for any reason. [For further information, please reference the Employment At Will Policy in this Handbook.]

In addition, no one other than the Executive Director and/or Board of Directors of The Central Texas Regional Mobility Authority may alter or modify any of the policies in this Handbook, including the Employment At Will Policy. Any alteration or modification must be in writing, executed by both parties. Any oral representations to the contrary of a policy statement or contrary to the at-will employment status are not binding on the part of The Central Texas Regional Mobility Authority, its officers, or its management.

The Human Resources Manager will be responsible for maintenance and distribution of this Handbook. Each employee will be responsible for signing and returning to management an acknowledgement stating that he/she has read the Agency policies and procedures contained in this Handbook and agrees to abide by them.

Should an employee have a question concerning a policy contained in the Handbook, he/she is encouraged to consult a manager. Specific questions involving the interpretation or application of a policy should be referred to the Human Resources Manager.

The Agency reserves the right to modify, add or rescind policies in the Handbook at any time, at its sole discretion, with or without prior notice.

The Central Texas Regional Mobility Authority Mission, Vision and Values

Our Mission

The mission of the Central Texas Regional Mobility Authority is to expeditiously provide innovative, regional solutions to congestion problems while enhancing the economic vitality and quality of life in the Central Texas region.

To accomplish our mission, the Central Texas Regional Mobility Authority has developed a 5-year plan for the Agency. It includes the following:

▪Provide Expertise in the Development of Solutions to our Region's mobility challenges
▪Deliver Mobility projects expeditiously
▪New Economic development opportunities
▪Identify Financial Alternatives
▪Organizational transparency and efficiency

Our Vision

The Central Texas Regional Mobility Authority is committed to an open and transparent government organization staffed by experts who are purposefully working cooperatively with key stakeholder groups in the community.

Role of Management

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POLICY

The Agency's management considers it a privilege to lead The Central Texas Regional Mobility Authority. We are here to serve our customers and we are here to support our employees, so that they can grow and develop to their full potential.

The primary role of management at The Central Texas Regional Mobility Authority is to sustain a consistently high level of customer satisfaction and to attract, inspire, develop and retain top-flight talent in the organization, in alignment with the Agency's mission, vision and business objectives.

In addition, The Central Texas Regional Mobility Authority management is responsible for ensuring that employees carry out the Agency's mission and business objectives in a manner that is open, honest, effective and efficient, reflecting extraordinary customer service. Management is committed to maintaining high ethical standards among employees and is ultimately responsible for enforcing compliance with legal and ethical standards of conduct.

With respect to employment, management is responsible for creating strategy and structure within which employees can work effectively, while providing guidance and support to each individual at a level appropriate to his/her needs.

These practices, along with the Agency's comprehensive employee benefits program and its progressive, flexible policies, have established The Central Texas Regional Mobility Authority as both a leader in transportation management, and also an Employer of Choice.

EMPLOYMENT PRACTICES

Employment at Will

POLICY

Employment with The Central Texas Regional Mobility Authority is considered "at will," except where employment may be covered by a specific, written employment contract that is executed by both the employee and the Executive Director and/or Board of Directors of The Central Texas Regional Mobility Authority. This means that both the employee and the Agency have a voluntary employment relationship which exists for no certain period of time, and which may be terminated at will by either party. Thus, an employee may resign for any reason and at any time. Similarly, the Agency may choose to terminate employment at any time, for any reason, with or without advance notice and with or without cause.

This Handbook does not create a contract of employment or an implied contract of employment. No one at The Central Texas Regional Mobility Authority is authorized to verbally alter the employment-at-will status for any individual and no statements to the contrary can create an employment contract at The Central Texas Regional Mobility Authority.

Unless a written employment contract exists, signed by the employee, and the Executive Director and/or Board of Directors of The Central Texas Regional Mobility Authority, there is no contractual agreement between The Central Texas Regional Mobility Authority and any employee.

Hiring/Promotion Practices

POLICY

The Central Texas Regional Mobility Authority is an equal opportunity employer. This means that decisions regarding the hiring, promotion and compensation of candidates and employees will be made without regard to race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability or any other status protected by law.

Management will make decisions regarding the hiring, promotion and compensation of a candidate (whether internal or external) and employee solely upon the basis of the individual's work record, performance history and qualifications for the job for which he/she is being considered.

With respect to vacancies and promotional opportunities, the Agency will generally first consider interested and qualified internal candidates.

In no event shall the hiring or promotion of an employee be considered a contractual relationship between the employee and The Central Texas Regional Mobility Authority except where employment may be covered by a specific, written employment contract executed by the employee and the Executive Director and/or Board of Directors of The Central Texas Regional Mobility Authority. Therefore, employment is at will. This means that employees may resign from the Agency at any time for any reason, and the Agency may terminate employment at any time, for any reason, with or without advance notice and with or without cause.

In order to ensure that qualified candidates are selected for all positions, the Agency will utilize any and all available resources, as it deems appropriate.

Vacancies posted internally within The Central Texas Regional Mobility Authority generally will be communicated via the CTRMA website (www.CTRMA.org). Applications/resumes received from employees in response to internally posted jobs will be retained until the position is filled.

Vacancies posted externally of The Central Texas Regional Mobility Authority generally will be communicated via external advertisement and via the CTRMA website (www.CTRMA.org). Applications/resumes received from candidates in response to externally posted vacancies will be retained for one (1) year from the date of posting.

Equal Employment Opportunity

POLICY

The Central Texas Regional Mobility Authority is an Equal Opportunity Employer and is committed to the principles of equal employment opportunity.

All employment decisions, including but not limited to decisions regarding: recruitment, selection, hiring, compensation, benefits, training, advancement, discipline, discharge, reduction in force, and other terms, conditions and privileges of employment, are based on individual qualifications, without regard to race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability or any other status protected by law.

The Central Texas Regional Mobility Authority shall make reasonable accommodations for qualified individuals with disabilities, if it can do so without enduring an undue hardship.

Employment Status and Classification

POLICY

The Central Texas Regional Mobility Authority defines employment status and classification for purposes of benefits administration, pay administration and compliance with the Fair Labor Standards Act (FLSA).

Definitions – Employment Status

Employment status will be communicated at the time of hire or assignment. Status will be determined according to the following definitions:

- **Full-time regular employee**

  A full-time regular employee is an employee who is regularly scheduled to work at least 40 hours per work week for an indefinite period of time. For purposes of benefits eligibility, a full-time employee must be regularly scheduled to work 32 hours per work week.

- **Part-time regular employee**

  A part-time regular employee is an employee who: (1) is hired to work for an indefinite period of time; and (2) is scheduled to work 30 or less hours per work week on a regularly scheduled basis.

  Part-time regular employees are not eligible for Agency benefits, other than Worker's Compensation Insurance and FICA (Social Security and Medicare tax and participation in the TCDRS).

- **Intern**

  An intern is an employee who generally: (1) is hired to work for a defined period of time, usually coinciding with the college semester; and (2) may work from 10-30 hours per work week, depending on business needs, the intern's college schedule, and other factors.

  Interns are not eligible for Agency benefits, other than Worker's Compensation Insurance and FICA (Social Security and Medicare tax).

- **Temporaries and Independent contractors**

  Temporaries are individuals paid on an hourly basis by a temporary services agency, consulting firm, or professional services firm, and are referred to The Central Texas Regional Mobility Authority to complete a specific task within a defined time period.

Employment Status and Classification

Independent contractors/consultants are individuals who possess specialized expertise and are retained by the Agency to complete a specific project within a defined time period.

Neither a temporary nor an independent contractor is considered an employee of The Central Texas Regional Mobility Authority. Because temporaries and independent contractors are not employees of the Central Texas Regional Mobility Authority, they are not eligible for any Agency benefits.

Definitions – Employment Classification

Each employee of the Central Texas Regional Mobility Authority will be classified according to the Wage and Hour provisions of the Fair Labor Standards Act (FLSA), which specifies that certain jobs are exempt from mandatory overtime payments.

Employees are reminded that exemption status is defined by the nature, type and scope of duties involved in the job, not by job title or by the individual.

- **Non-exempt**
  An employee who is eligible for mandatory overtime payments under the law is classified as non-exempt.

- **Exempt**
  An employee who is exempt from mandatory overtime payments under the law is classified as exempt.

The exemption status of each employee will be communicated to him/her at the time of hire, transfer and/or promotion.

Transfer/Change in Position

POLICY

The Agency, at its discretion, may initiate or approve employee job transfers from one job to another if such a transfer is consistent with the business and operating goals of the Agency.

PROCEDURES

Generally, an employee must remain in his/her position for a minimum of six (6) months before requesting or applying for a transfer to another position. Exceptions may be permitted when: (1.) the managers of both the receiving and transferring departments approve the employee's transfer; and (2.) there is no disruption of normal business activities or customer service.

The Central Texas Regional Mobility Authority retains complete discretion in handling employee job transfers. Acceptable reasons for transfer may include, but are not necessarily limited to: increased career opportunities, employee request, changes in the business, fluctuations in workloads, better utilization of personnel, and employee preferences.

Job transfers may or may not include an adjustment in pay, regardless of whether the job requires more effort or additional responsibilities. The Central Texas Regional Mobility Authority will make such a determination after carefully evaluating both jobs and the individual circumstances of the transfer situation.

Temporary transfers may be considered if circumstances necessitate.

TIMEKEEPING AND PAY PRACTICES

Hours of Operation

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POLICY

The Central Texas Regional Mobility Authority has established the time and duration of working hours in order to ensure that the Agency functions at an optimal level of effectiveness, efficiency and responsiveness to customers' needs.

PROCEDURES

Guidelines and provisions for The Central Texas Regional Mobility Authority's work week include the following:

- The Central Texas Regional Mobility Authority's normal business hours are 8:00 am to 5:00 pm. Employees are expected to be physically present in the office during the core hours of 10:00am to 3:00 pm. However, there may be deviations from these hours depending on The Central Texas Regional Mobility Authority's specific business and operating needs

- The work week is Monday through Sunday. The normal work week for full-time non-exempt employees consists of 40 hours.

- Management will approve each employee's schedule and monitor each employee's compliance with the work schedule, in order to ensure effective operations. Deviations from the employee's work schedule or deviations from this policy must be approved in advance by the employee's manager.

- Employees are expected to arrive for work in a timely manner and to leave work when duties are completed, in accordance with their assigned work schedules.

- For each eight (8) hour shift worked, there will normally be a lunch/rest break. However, there may be deviations from this schedule depending on The Central Texas Regional Mobility Authority's specific business and operating needs.

- In scheduling employees' hours of work, primary consideration will be given to customer service needs and the needs of business, as deemed appropriate by management.

- Occasionally, work schedules may be changed to meet the operational and service requirements of The Central Texas Regional Mobility Authority. Work schedules are assigned at the discretion of management.

Timekeeping and Pay Procedures

POLICY

It is the policy of the Central Texas Regional Mobility Authority to pay employees according to a regular schedule, which will be conspicuously posted in work areas. Payment is made either by check or by direct deposit, in accordance with any applicable laws and regulations.

PROCEDURES

Timekeeping

Non-exempt employees are responsible for keeping a written record of the hours worked each day. Non-exempt employees should round their work hours to the nearest quarter hour (0.25).

Exempt employees are responsible for keeping a written weekly record of vacation time or other time off used (Exception Report). Exempt employees should not submit any other time records. All exempt employees must submit a timesheet/exception report to payroll by 5:00 p.m. on the Friday preceding the pay date in order to receive a paycheck in a timely manner on the following Friday.

An employee who makes an error in the recording of time shall immediately bring this error to the attention of his/her manager at the time the error is discovered. All time record corrections must be approved by the manager and recorded by the employee at the time the error is discovered.

Any employee who records another employee's time, has another employee record his/her time, or falsifies and/or tampers with any time keeping records or device will be subject to disciplinary action, up to and including termination of employment.

Pay Periods and Pay Dates

Employees are paid on a bi-weekly basis (every other Friday), one week in arrears. If the pay date falls on a holiday, paychecks will be available on the preceding day.

Rest/Meal Breaks

Generally, employees of The Central Texas Regional Mobility Authority will receive a 30-minute or one-hour unpaid rest/meal break each work day, depending on business and customer service needs.

Timekeeping and Pay Procedures

Non-exempt employees must note on their written time sheets all time worked and any rest/meal break of 30 minutes or more. Rest/meal breaks of 30 minutes or more will be considered unpaid time.

Non-exempt employees are also reminded that unpaid meal/rest breaks must be spent free of work responsibilities such as paperwork, answering telephones, etc. Therefore, non-exempt employees should take unpaid breaks away from their general working areas and customer contact areas.

Overtime/Compensatory Time

In accordance with the Fair Labor Standards Act, overtime is defined as any time worked by a non-exempt employee in excess of 40 hours in a work week. Overtime is based on the total number of hours worked during the work week, not on the number of hours worked per day.

Managers may schedule overtime work from time to time, as it is deemed necessary. In accordance with Texas law, non-exempt employees who work overtime will accrue compensatory time at a rate of 1.5 hours for each 1.00 hour of overtime worked in a work week. Employees are encouraged to work closely with their managers in order to use compensatory time within two weeks of earning it.

Non-exempt employees may accrue up to a total of 40 hours of compensatory time. After this point, further compensatory time accruals will cease, and overtime payment of one and one-half (1.5) times the employee's base rate of pay will be made for any hours worked in excess of 40 in a work week. No further compensatory time will accrue until the employee reduces the amount of accrued compensatory time to below 80 hours.

Compensatory time will not carry over from one calendar year to the next.

Vacation time, personal time and holiday time will be counted as time worked for purposes of determining whether overtime compensation is due. Sick time, civic duty leave and bereavement leave will not be counted as time worked for purposes of determining whether overtime compensation is due.

Non-exempt employees who work overtime must report the amount of overtime on their timesheets so that it can be properly converted to and recorded as compensatory time. **Non-exempt employees are not permitted to work overtime without the prior approval of their manager.** Non-exempt employees who work overtime without authorization, or who fail to report overtime worked, will be subject to corrective action, up to and including termination of employment.

Timekeeping and Pay Procedures

Employees are reminded that overtime must be spent on legitimate, work-related activities that have been pre-approved by the manager.

Exempt employees are generally not eligible for overtime or compensatory time and are paid a salary for all hours worked in a week.

Time Off in Work Week

A non-exempt employee may occasionally need to take excused time off during the work week for personal, family, illness or other reasons, but may wish to avoid using vacation time. In these circumstances, managers may, at their discretion, allow non-exempt employees to use accrued eligible compensatory time (if available) or to "make up" the amount of excused time off.

With respect to "make-up" time, the following restrictions will apply:

- Make up time will be permitted only during the same pay period worked in which the excused time off occurred. It may not be carried over to subsequent weeks.
- Make up time must be spent on legitimate, work-related activities that have been pre-approved by the employee's manager.

Similarly, a non-exempt employee may accumulate 40 hours worked before the end of the work week. In these circumstances, the employee's manager may ask him/her to take time off work or to leave work early, so that the employee's worked hours do not exceed 40 in the week.

Seminars, Conferences and other non-standard Activities

The following activities will be considered hours worked if approved in advance by the employee's manager:

- Employee attendance at approved business/professional seminars and meetings;
- Employee attendance at required or otherwise pre-approved training;
- Required travel from one location to another during the work day; and
- Work-related travel to another town/city, when the period of travel takes place during the non-exempt employee's normal work hours, regardless of the day of the week in which the travel occurs.

Relation of Overtime to Paid Time Off

Holiday time, vacation time and personal time will be counted as time worked for the purpose of calculating overtime.

Sick time, civic duty leave and bereavement leave will not be counted as time worked for purposes of determining whether overtime compensation is due.

Timekeeping and Pay Procedures

Mandatory Deductions From Paycheck

The Agency is required by law to make certain deductions from employee paychecks. Among these are federal income taxes and contribution to Social Security, as required by law. These deductions will be itemized on employee check stubs.

Whenever the Agency is ordered to make any other mandatory deductions, such as court ordered garnishments, from an employee's paycheck, Accounting or Human Resources will generally notify the employee. [For more information on garnishments from paychecks, please reference the Special Pay Practices Policy in this Handbook.]

Other Deductions

The Agency reserves the right to make deductions and/or withhold compensation from an employee's paycheck as long as such action complies with applicable state and federal law. In addition, employees may be permitted to authorize the Agency to make additional deductions from their paychecks for extra income taxes, contributions to the 401(a) and 457 Retirement Savings Programs, or employee Insurance Benefits (if eligible). For more information, contact the Human Resources Manager.

The Agency also reserves the right to suspend an employee without pay for major infractions of Agency policy. Exempt employees will be suspended without pay in full-day increments only.

Special Pay Practices

POLICY

It is the policy of The Central Texas Regional Mobility Authority to adhere to certain procedures with regard to call-in work time and Qualifying Domestic Support Orders ("QDSO's").

Call-In Pay

Non-exempt employees who are called in to work on an unscheduled basis will be paid at the employee's regular rate (calculated on an hourly basis). If the employee has worked more than 40 hours in the work week, the unscheduled hours worked will be paid at 1.5 times the employee's regular hourly rate.

Other Pay Practices

The Central Texas Regional Mobility Authority complies with state and federal laws/regulations regarding orders for mandatory deductions from employee pay, such as for garnishment or Qualifying Domestic Support Orders ("QDSO" or child support).

These orders generally require The Central Texas Regional Mobility Authority to withhold a pre-established amount from each one of the affected employee's paychecks, and to remit such payments directly to the agency that made the order. Consequently, The Central Texas Regional Mobility Authority cannot lawfully refuse to obey the order, nor to modify or defer the amounts of the deductions taken without written notice from the agency that made the order.

If an affected employee has a question about the payment schedule or amount of payment that has been ordered, he/she is advised to contact the agency that made the garnishment order.

Absence/Tardiness

POLICY

It is the position of the Agency that regular attendance is important and that excessive absences or tardiness can have a serious effect on employee work performance. Therefore, employees should be prepared to begin work at the start of their assigned daily work hours, and to carry out their duties and responsibilities during assigned work hours.

Absenteeism and Tardiness

From time to time, it may be necessary for an employee to be absent or late for work. If an employee is unable to report to work, or if he/she will arrive 15 minutes or more late, the employee must directly communicate with his/her manager as soon as practically possible. If an employee is physically unable to notify his/her manager because of an illness or emergency, the employee should have another person directly communicate with and notify the manager on his/her behalf.

If an employee fails to report to work for a scheduled shift without notification to the manager, then the employee may be subject to corrective action, up to and including termination of employment. If an employee is absent from work for three (3) consecutive days without notifying his/her supervisor, the employee will be considered to have abandoned his/her job and to have voluntarily resigned.

Personal business such as doctor appointments, dental appointments, school meetings, and other appointments should be scheduled, where possible, before or after the employee's assigned work hours. If such appointments cannot be scheduled outside of the employee's work hours, the employee should make every attempt to schedule them at the beginning or end of the work day, or adjoining his/her lunch break, in order to minimize disruption to work.

If an employee knows in advance that he/she will need to be absent, the employee is required to notify his/her manager as soon as possible to request this time off. In the case of an absence of more than four (4) consecutive days for medical reasons, the employee is required to provide a note from his/her healthcare provider, indicating that he/she is able to perform the essential functions of the job.

[For further important information on absences and tardiness, please reference the Leaves of Absence Policy in this Handbook.]

TIME OFF AND LEAVE POLICIES

Holiday Policy

POLICY

It is the policy of The Central Texas Regional Mobility Authority to give employees time off work to observe scheduled holidays.

Eligibility

All full-time regular employees shall be paid for the following holidays.

New Year's Day
Rev. Dr. Martin Luther King, Jr. Day
President's Day
Memorial Day
Independence Day
Labor Day:
Veteran's Day
Thanksgiving and the day after
Christmas Day and the day before or the day after

In addition, employees may choose to take one additional paid holiday (floating), for religious celebrations or otherwise.

In order to be eligible for holiday pay, an employee must normally work the scheduled work day immediately preceding the holiday and the scheduled work day immediately following the holiday.

Part-time employees, temporaries, interns and independent contractors are not eligible to receive holiday pay.

Holiday Policy

Holiday Pay Rate

For full-time regular employees, holiday pay shall normally be equivalent to one (1) regular shift at the employee's base rate of pay.

Holiday pay will be counted as time worked for the purpose of calculating overtime.

Holidays Not Scheduled by Agency

Employees may wish to observe days of worship or commemoration other than those observed by the Agency. Employees wishing to take additional days off for this purpose may do so with their manager's approval, provided their absence will not seriously hinder the operation of their department. Employees should request vacation time on such occasions, or they may take an unpaid, excused absence with the approval of their supervisor.

Holiday Pay at Termination

An employee who separates from the Agency for any reason will not be paid for any unused holidays.

Vacation and Personal Time Policy

POLICY

It is the policy of The Central Texas Regional Mobility Authority to provide full-time regular employees time away from work for rest and relaxation, or for family/personal business, as staffing and customer needs permit.

Vacation and Personal Time Eligibility

Full-time regular employees are eligible for vacation and personal time.

Vacation time will be available for use at the beginning of the calendar year, but will accrue each month. Personal time will be granted at the beginning of each calendar year.

Employees must successfully complete 90 days of employment before being eligible to take vacation or personal time off.

Requests for vacation are subject to the approval of the employee's manager, and will be evaluated in light of business conditions, customer service needs and staffing schedules.

Annual Vacation Accrual

Vacation time is accrued on a per-pay-period basis, according to following schedule unless an alternative agreement exists between an employee and the CTRMA. The accrual rate for annual leave, the maximum amount of accrued annual leave that an employee may carry over from one leave year (January 1 – December 31) to the next, and the maximum amount of annual leave payable upon separation from service are determined as shown in the following chart.

Completed Yrs. of Svc.	Accrual Rate/Pay Period	Annual Accrual	Maximum Carryover	Maximum Payment
0 – 2 yr.	3.08 hours	80 hours	180 hours	180 hours
3 – 4 yrs.	3.70 hours	96 hours	240 hours	240 hours
5 – 9 yrs.	4.62 hours	120 hours	264 hours	264 hours
10+ yrs.	6.16 hours	160 hours	384 hours	336 hours

If the employee terminates employment with a negative vacation time balance, any used vacation time in excess of his/her earned accrual will be deducted from the employee's final paycheck.

Annual Personal Time Grant

Full-time employees will receive three (3) personal days each calendar year, which can be used in increments of four (4) hours at a time. Personal days can be used for leisure/vacation time, personal business, children's school activities, parent-teacher conferences, household/domestic emergencies, etc., subject to the approval of the employee's manager. During the first year of employment, the number of personal days granted will be pro-rated, based on the date of hire.

Vacation and Personal Time Policy

All personal days are to be used in the calendar year in which they are granted. Otherwise, any/all remaining personal days will be rolled over to the following calendar year as vacation leave.

Vacation and Personal Time Reporting

- Employees will generally not receive pay for vacation or personal time in lieu of time off.
- Non-exempt employees must record on their time sheets vacation and personal time taken in increments of one hour or more for the appropriate pay period.
- Exempt employees must record vacation and personal time taken in increments of one full day on an exception report for the appropriate pay period.

Vacation and Personal Time Pay Rate

Vacation and personal time will be paid at the employee's base rate, excluding overtime and bonus. Vacation and personal time will be counted as time worked for the purpose of calculating overtime.

Holiday During Vacation and Personal Time

In the event that an Agency-scheduled holiday occurs during the employee's scheduled vacation or personal time, the employee will be paid for the holiday, and vacation or personal time will not be charged for that day.

Termination

An employee who separates from the Agency will be paid for any unused, accrued, eligible vacation time.

An employee who separates from the Agency for any reason will not be paid for any unused, accrued, eligible personal days/time

Sick Time Policy

POLICY

It is the policy of the CTRMA to provide full-time employees time off in the event of illness, and for medically-related appointments and treatments.

This policy will apply to the illness of the employee, spouse, child, domestic partner, or other family member who lives in the employee's home.

Definitions

For purposes of this policy, definitions follow:

- A "child" is defined as a natural child, adopted child, foster child or step-child.

Eligibility

Full-time regular employees are eligible for sick time.

Sick time will be available for use at the beginning of the calendar year, but will accrue each pay period.

Employees must successfully complete 90 days of employment before being eligible to take paid sick time off.

Sick leave may only be used for sickness and medical and dental appointments of the employee, or for the employee's immediate family (family members as defined in the Family and Medical Leave Act policy); or for paid leave under the Family and Medical Leave Act. It is not an alternative form of vacation leave. Sick leave may not be converted to another form of leave to avoid entering unpaid leave status.

Accrual

Sick time will accrue at the rate of 4 hours per pay period. Sick leave hours will be accrued on the payroll system.

Paid sick leave is cumulative up to sixty days (480 hours).

If the employee terminates employment with a sick time balance, any used sick time in excess of his/her earned accrual will be deducted from the employee's final paycheck.

Sick Time Policy

Reporting

- Employees will not receive pay for sick time in lieu of time off.
- Non-exempt hourly employees will report sick time taken in increments of 0.25 hours on a time sheet for the appropriate pay period.
- Exempt employees must report sick time taken in increments of one full day or more on an exception report for the appropriate pay period.

Sick Time Pay Rate

Sick time will be paid at the employee's base rate, excluding overtime and bonus. Sick time will not be counted as time worked for the purpose of calculating overtime compensation.

Leave of Absence

If an employee is on an approved leave of absence without pay, the sick time accrual rate will be prorated based on the leave date and/or number of hours worked.

Termination

An employee who separates from the Agency for any reason will not be paid for unused accrued sick time.

Bereavement Leave

POLICY

It is the policy of The Central Texas Regional Mobility Authority to provide employees paid time away from work in the event of the death of an immediate family member or domestic partner.

Definitions

For purposes of this policy, definitions follow:

- An "immediate family member" is defined as spouse, parent, person who legally served as parent, sibling, grandparent, grandchild (whether natural relative, step-relative, or in-law relative), child (whether natural child, adopted child, foster child or step-child), aunt, uncle, or other relative who lives in the employee's home.

Eligibility

A full-time regular employee experiencing the death of an immediate family member will be eligible to take paid bereavement leave. Leave for the death of a person other than an "immediate family member" (as defined herein) is at the discretion of the Executive Director.

Duration

Paid bereavement leave will be granted for a maximum of three (3) workdays for an immediate family member. If granted by the manager, leave for the death of a person other than an immediate family member is limited to one day per calendar year. Vacation time or unpaid personal leave may also be used to supplement bereavement leave, subject to the prior approval of the Executive Director.

Pay During Bereavement Leave

Pay during bereavement leave will be calculated at the employee's regular base rate of pay.

PROCEDURES

The employee must notify the supervisor as soon as possible when bereavement leave is required. The leave time is to be documented on the applicable time reporting system.

Civic Duty Leave

POLICY

It is the policy of The Central Texas Regional Mobility Authority to provide employees time away from work for certain civic obligations, including voting, jury duty, and appearing in court or before other constituted authorities as a witness.

Definitions

For purposes of this policy, definitions follow:

- "Voting" refers to the time required for employees to participate in elections.
- "Jury duty" refers to any period of time that an employee is summoned to serve as a member of an empanelled jury.
- "Witness service" refers to an appearance in court or before other constituted authorities as a witness.
- "Constituted authorities" refers to the employee's appearance before a lawfully constituted legal authority.

Eligibility

All full-time regular employees are eligible for paid civic duty leave.

An employee's appearance as a defendant in a criminal matter is not covered by this policy and is not eligible for civic duty leave/pay.

Substantiation

An employee requesting paid civic duty leave must provide documentation of having been called for and/or served on a jury, as a witness, or before a lawfully constituted authority.

If an employee's work schedule and the election's polling hours are insufficient to allow the employee to vote, the supervisor may adjust scheduling and/or allow adequate paid time for the purpose of voting.

Pay During Civic Duty Leave

Employees who are eligible for paid jury duty leave will be paid at the regular base rate of pay for all work hours missed due to jury or civic duty for a maximum period of 40 hours. An extension of this time must have approval of the Executive Director.

Policy on Family and Medical Leave (FMLA)

POLICY

The Central Texas Regional Mobility Authority recognizes that it is important for employees to have leave for serious medical conditions, to participate in early child rearing, and to care for family members who have serious health conditions. Accordingly, as required by law, the Agency will permit eligible employees to take family or medical leave ("FMLA leave"), in accordance with the terms of this policy.

Definitions

For purposes of this policy, definitions of "family members" follow:

- A "child" is defined as a natural child, adopted child, foster child or step-child.
- A "parent" is defined as a mother or father (whether natural relative, step-relative, or in-law relative), or person who legally served as mother or father.

Eligibility

In order to be eligible to take family or medical leave, an employee must be employed by the Agency for at least twelve (12) months, and must have worked at least 1,250 hours in the immediate past year before the date of the requested leave.

Entitlement to Leave

Eligible employees shall be entitled to take up to twelve (12) weeks of unpaid FMLA leave in a twelve (12) month period for any of the following reasons:

- To care for a newborn child;
- For the placement of a child with the employee for adoption or foster care;
- To care for a spouse, child, parent, of the employee who has a serious health condition; or
- Because of the employee's own serious health condition.

An employee's annual twelve week entitlement to FMLA leave will be calculated using a rolling calendar method. This means that the CTRMA will measure backward twelve (12) months from the date the employee uses FMLA leave to determine the amount of leave to which the employee may be entitled, up to a maximum of twelve (12) weeks in any twelve (12) month period.

For those employees requesting leave to care for a family member (as outlined above) with a serious health condition, the CTRMA may require the employee to submit substantiation of the relationship.

Policy on Family and Medical Leave (FMLA)

Employee Benefits

Employees will continue to accrue seniority during an FMLA leave. Employees will not continue to accrue vacation time or sick time during an unpaid FMLA leave.

Group Health Benefits

If an employee takes FMLA leave in accordance with this policy, and if the employee participates in the CTRMA's group health insurance plan, he/she shall be entitled to continue benefits during the leave under the Agency's group health insurance plan by paying the regular employee portion of the monthly premium(s), provided that the employee was eligible for the group health insurance plan prior to requesting the FMLA leave.

The employee will also be entitled to continue any other group welfare benefits in which the employee was a participant prior to the commencement of his/her FMLA leave by paying the regular portion of the monthly premium(s) for any covered spouse's and/or child(ren)'s participation in such benefit plans.

Relationship to Sick Leave and Vacation

FMLA leave will fully coordinate with the CTRMA's sick time policies. This means that when an employee takes FMLA leave, the employee must use any accrued, eligible sick time and vacation time, until all such accruals are exhausted. Thereafter, any portion of the FMLA that is not covered by the employee's use of accrued, eligible sick time and/or vacation time will be unpaid.

If an eligible employee takes a leave of absence that would otherwise qualify as FMLA leave, the CTRMA may, in its discretion, classify the leave of absence as an FMLA leave of absence.

Notification

When the need to take FMLA leave is reasonably foreseeable, the employee must provide the CTRMA with at least thirty (30) days advance notice of his/her intention to request FMLA leave.

In circumstances in which the need to take FMLA leave is not reasonably foreseeable, the CTRMA requires that the employee provide as much advance notice as possible under the circumstances.

Certification of Health Condition

If an employee requests FMLA leave based upon his/her own serious health condition, or the serious health condition of a spouse, child, parent, or domestic partner, the CTRMA may require,

in its discretion, that the employee submit a medical certification, in a form approved by the Agency, which must be completed by the employee's or family member's health care provider, as appropriate, regarding the serious health condition. In addition, the CTRMA may require the employee to submit periodic re-certification of the serious health condition. These re-certifications may be required every thirty (30) days or until the minimum duration of the previous certification has elapsed, whichever period is longer.

Any medical certification must be returned by the employee within fifteen (15) days or the CTRMA may delay the commencement or continuation of the FMLA leave until the certification is submitted.

The CTRMA reserves the right to require an employee to obtain the opinion of a second health care provider, at the Agency's expense, with respect to any medical certification. In addition, if there is a conflict between the employee's medical certification and the opinion of a second health care provider, the CTRMA reserves the right to require a third opinion, at the Agency's expense, by a health care provider chosen jointly by the employee and the CTRMA. The opinion of the third, jointly-chosen health care provider shall be binding on the part of both the employee and the Agency.

Status Reports

An employee will be required to contact his/her supervisor every two (2) weeks to report on his/her status and intent to return to work. Additionally, if the employee is able to return to work earlier than anticipated, the employee is required to provide the CTRMA notice within two (2) business days of the revised date of return.

Intermittent Leave

Under certain limited circumstances, an employee may be entitled to take FMLA leave on an intermittent or reduced schedule basis, when such leave is based upon his/her own serious medical condition, or the serious medical condition of a spouse, child, parent, or domestic partner. However, intermittent medical leave will be authorized only if intermittent leave is medically necessary as a result of the serious health condition.

The CTRMA reserves the right to temporarily transfer an employee requesting intermittent or reduced schedule leave to an alternative position which better accommodates the recurring periods of leave, with no decrease in pay or benefits.

Restoration to Employment

An employee who takes FMLA leave in accordance with this policy shall have the right to return to the position he/she held prior to the leave or, in the discretion of the Agency, to an equivalent position with the same pay, benefits and terms and conditions of employment. The CTRMA may require a fitness-for-duty medical certification that the employee is able to return to work.

Policy on Family and Medical Leave (FMLA)

In certain cases, "key employees" of the CTRMA may be denied restoration when the Agency determines that restoration will result in substantial and grievous economic harm to the CTRMA. A "key employee" is a salaried employee who is among the highest paid 10 percent of all the Agency's employees within 75 miles of the employee's worksite.

Restoration to Employment

An employee who takes FMLA leave in accordance with this policy shall have the right to return to the position he/she held prior to the leave or, in the discretion of the Agency, to an equivalent position with the same pay, benefits and terms and conditions of employment. The CTRMA may require a fitness-for-duty medical certification that the employee is able to return to work.

In certain cases, "key employees" of the CTRMA may be denied restoration when the Agency determines that restoration will result in substantial and grievous economic harm to the CTRMA. A "key employee" is a salaried employee who is among the highest paid 10 percent of all the Agency's employees within 75 miles of the employee's worksite.

Failure to Return from FMLA Leave

If an employee fails to return to work after taking FMLA leave, as permitted by law, the CTRMA shall be entitled to recover from the employee all insurance premiums paid on behalf of the employee during the FMLA leave, unless the employee's failure to return is for one of the following reasons:

- Continuation, recurrence or onset of a serious health condition which would qualify under this policy as family and medical leave; or
- Circumstances beyond the employee's control, as approved by the CTRMA.

Non-discrimination/Non-retaliation

The CTRMA will not interfere with, restrain or deny any employee's right to request FMLA leave in accordance with the terms and provisions of this policy. In addition, the CTRMA will not discriminate or retaliate against any employee for requesting FMLA leave, or for taking a FMLA leave, in accordance with this policy.

Employees who have questions regarding this policy or who have the need to apply for FMLA leave should contact Human Resources.

Leaves of Absence – General Information

POLICY

It is the policy of the Central Texas Regional Mobility Authority to comply with all local, state and federal laws regarding employee leaves of absence

Leaves of absence will be coordinated by the Human Resources Manager. Leaves of absence may be managed with the cooperation of internal/external resources, including but not limited to: the employee; his/her healthcare practitioner (if applicable and with the employee's consent); Agency medical advisors; and insurance companies, in conjunction with employer-sponsored health/medical plans.

Military Leave

An employee who is called to military service or who receives orders for a military obligation such as training exercises, encampment, or deployment must notify his/her manager as soon as practically possible. In addition, the employee should complete a Leave Request Form so that arrangements can be made for a military leave of absence.

The Central Texas Regional Mobility Authority complies with all local, state and federal laws regarding military leaves of absence, including the Uniformed Services Employment and Reemployment Rights Act (USERRA). For more information on military leaves of absence, employees should contact the Human Resources Manager.

Administrative Separation

If an employee is on an approved military leave of absence that exceeds twelve (12) months, the employee will be administratively separated from the Agency. In this event, the employee may also be entitled to continue employee benefits or exercise conversion rights in accordance with USERRA, COBRA and/or the terms and provisions of the employee benefit plan documents.

Any employee of the Agency who has been on a non-military leave of absence and who has not performed any services for the Agency for any reason for a period of six (6) consecutive months shall be separated from active employment and considered administratively terminated. In this event, the employee may be entitled to continue employee benefits or exercise conversion rights in accordance with COBRA and/or the terms and provisions of the employee benefit plan documents.

An employee who is separated from employment with the Agency pursuant to this policy shall be eligible for rehire with the Agency, although re-employment cannot be guaranteed. The employee must submit an application for employment at the time he or she seeks to be re-employed, and will be considered along with other applicants, for any available position for which he or she is qualified.

PERFORMANCE APPRAISAL AND SALARY ADMINISTRATION

Performance Management & Appraisal

POLICY

The Central Texas Regional Mobility Authority strives to regularly evaluate the job performance of each employee.

PROCEDURES

Performance management and appraisal is a formal system for aligning employee objectives with the Agency's strategic business plan and goals, managing employee performance on an ongoing basis, and evaluating and developing in individual employees the skills, knowledge, and behaviors that support those objectives.

The Central Texas Regional Mobility Authority's performance management and appraisal system defines specific, measurable performance objectives for each job in the Agency. Employees are then evaluated against the objectives associated with their particular jobs.

The CTRMA's performance management and appraisal system has the following goals:

- To provide employees with a clear understanding of their performance objectives and how the objectives contribute to the Agency's business plans.
- To strive to conduct performance reviews and evaluations on a regular basis.
- To facilitate ongoing and candid feedback among employees and managers.
- To encourage and support employees in their efforts to continually improve and develop.

Employees may respond, in writing, to their written performance appraisal, at the time the performance appraisal is conducted, or within 30 (thirty) days thereafter. If submitted within this time frame, the employee's written response and comments will be added to his/her personnel file.

Salary Administration

November 18, 2009 **Page 1 of 1**

POLICY

It is the policy of the Central Texas Regional Mobility Authority to provide equitable and competitive compensation for each employee, based on the individuals' position, job performance and contributions to the Agency.

PROCEDURES

The Human Resources Manager of the CTRMA is responsible for developing, maintaining and updating a salary administration program which complies with Agency guidelines and which supports the Agency's mission, goals and objectives. The basis of the salary administration program is the evaluation of each position within the Agency.

The Human Resources Manager is also responsible for communicating the compensation plan and salary administration program to employees. Questions about the compensation plan and salary administration program should be directed to a manager or to the Human Resources Manager.

The Agency strives to regularly evaluate individual job performance, which is typically accomplished through the use of performance appraisals conducted by each employee's manager.

In determining a rating on the performance appraisal, the supervisor will take into consideration the following:

- The employee's achievement of individual goals and objectives against Agency standards/expectations for the position; and
- The employee's demonstrated application of the Agency's mission and values in his/her work.

SAFETY, SECURITY AND EMERGENCY MANAGEMENT

Workplace Health, Safety and Security

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POLICY

The Central Texas Regional Mobility Authority is committed to the safety, health and security of all employees in the workplace, and of all customers, including injury/accident prevention and security. The Agency complies with all regulations and rules of the Occupational Health and Safety Administration (OSHA) and other relevant government agencies. Maintaining a safe work environment, however, requires the continuous cooperation and effort of all employees.

Employees must immediately report any suspected unsafe conditions and all injuries that occur on the job. Employees will not be asked to perform any task which may present a health, safety or security risk. However, if an employee feels that a task may be dangerous, or if an employee is unsure of the safe way to perform a task, the employee should consult his/her manager.

As a condition of initial and continuing employment, each employee agrees to abide by the safety regulations and procedures in this policy.

PROCEDURES

Agency Security

The CTRMA's security program was developed to ensure the protection of customers and their information, Agency assets, employees and visitors. Confidentiality and security are the main tenets of this program, and each has a significant impact in the planning of facilities and service operations.

Physical and electronic security measures are in place to control and monitor access to the CTRMA's premises. This includes, but is not limited to electronic access controls and video surveillance.

All Agency premises, with the exception of the lobby during normal business hours, are considered restricted. Employees and contractors are permitted access to specific areas in order to perform their job duties.

For security reasons, persons other than employees and customers are not allowed on the premises without permission of a manager or the Executive Director. All vendors must check in at the front reception desk. Visitors who are properly authorized to enter the premises for business reasons may be required to wear a visitor's identification badge and be accompanied by a Agency representative until their departure.

All employees serve an important role in ensuring effective security. If an employee notices any suspicious person or stranger on Agency premises, he/she should immediately notify the Executive Director or his/her designee. Similarly, violations of this policy or concerns about this policy should be reported immediately to a manager or to the Executive Director.

Workplace Health, Safety and Security

Workplace Safety Responsibilities

All employees have the following workplace safety responsibilities:

- To read and abide by all Agency safety policies and procedures.
- To perform job duties in a safe manner, using safe practices.
- To report any accidents to a manager, and to seek first aid, if necessary.
- To immediately report unsafe conditions, equipment or practices to a manager.
- To use all OSHA- or state-required Personal Protective Equipment (PPE) as indicated.
- To attend and participate in Agency safety meetings.
- To observe all hazard, warning and other posted signs.
- To keep aisles, walkways, hallways and working areas clear of slip and fall hazards.
- To operate only the equipment which the employee has been properly trained to use; and to observe safe operating procedures in the use of all equipment.
- To use proper lifting procedures at all times.

Right to Know/Hazard Communication

Employees have the right to know about any hazardous chemicals that may be used in the workplace. A hazardous chemical is any chemical or mixture of chemicals that can cause injury and/or illness to employees. To learn more about a chemical, employees may consult two main sources of information: the label on the chemical; and the Material Safety Data Sheet (MSDS).

Reading the Label: All Agency employees are required to read and exactly follow the written instructions on the label of any chemical prior to using the chemical in the workplace. Labels explain how to handle and use the chemical safely, and the chemical's possible physical effects on people.

Consulting the Material Safety Data Sheets: MSDS sheets are technical bulletins that contain important information about chemicals used at the Central Texas Regional Mobility Authority. The MSDS sheets also provide emergency information. The sheets are retained on-site and are readily accessible to all employees in the Human Resources Department.

Employee Workplace Injury or Illness

If an employee is injured and needs medical attention beyond basic first aid, then either the injured employee or a co-worker should contact an emergency response unit by dialing 911 from any Agency telephone.

Workplace Health, Safety and Security

Regardless of whether an injured employee requires only basic first aid or more extensive medical attention, the employee should notify his/her manager as soon as possible following any injury. The Texas State Workers' Compensation Act requires the employee to report any workplace injury requiring medical attention beyond basic first aid. In this case, the employee and manager must complete the Employee Report of Accident Form.

If an employee recognizes a potential safety hazard, has a workplace-related health and safety issue, or would like to make a safety suggestion, then this information should be shared immediately with a manager. OSHA also provides employees the right to know about any health hazards which might be present on the job.

Customer Injury or Illness

If a customer experiences a minor illness or an injury, then the employee should offer assistance or support, such as a chair, towel, bandage or glass of water. After first acknowledging the customer, the employee should contact a manager for assistance and for any decisions regarding contacting emergency services.

If a customer experiences a serious or life-threatening illness or injury, then the employee should first dial 911 from any Agency telephone, and then contact a manager for assistance.

The employee should **not** treat or clean a customer's wounds or apply bandages to a customer's wounds, as this may expose the employee to blood-borne pathogens. Instead, the customer should assist him/herself with the treatment of any minor wounds until trained medical professionals arrive.

In either case, the employee and the manager shall make the injured customer's comfort their primary concern.

Fire Prevention, Control and Safety

- **Fire Extinguishers**
  Employees should be familiar with the location of the fire extinguisher(s) on Agency premises and make sure they are kept clear at all times. ABC-rated fire extinguishers can be used for paper, wood, or electrical fires. Employees should immediately notify a manager if an extinguisher is used or if the seal is broken.

Workplace Health, Safety and Security

- **Fires**
  If an employee is aware of a fire, he/she should:
  - If the fire is small and contained, locate the nearest fire extinguisher. (This should only be attempted by employees who are knowledgeable in the correct use of fire extinguishers.)
    - Evacuate all employees and customers from the area.
    - If possible, immediately contact a member of management.
  - If the fire is out of control, the employee should:
    - Dial 911 from any Agency telephone.
    - Evacuate all employees and customers from the area.
    - If possible, contact a member of management.
    - Make no attempt to fight the fire.
    - When the fire department arrives, direct the crew to the fire.
    - Do not re-enter the building until directed to do so by the fire department.

- **Emergency Evacuation**
  If employees are advised to evacuate the building or buildings, they should:
  - Stop all work immediately.
  - Contact 911 or other emergency response agencies, if needed.
  - Shut off all electrical equipment and machines, if possible.
  - Walk to the nearest exit, including emergency exit doors; exit quickly and orderly, but do not run.
  - Do not stop for personal belongings.
  - Proceed to the parking lot designated by management or emergency officials.
  - Do not re-enter the building(s) until instructed to do so.

Security - General Precautions

All employees should take responsibility for their personal security. Additionally, employees should take responsibility for the security of property (including personal, customer-owned, and Agency-owned property). The following are some helpful tips to ensure the security of persons and property.

- All employees are required to park in the area designated for employees. For safety reasons, employees should lock their cars every day and park within specified areas.
- If an employee should damage another car while parking or leaving, he/she should immediately report the incident to a manager, along with the license numbers of both vehicles and any other pertinent information.
- Please be advised that neither the CTRMA nor its management is responsible for any loss, theft or damage to employees' vehicles or vehicle contents.

- Employees should not bring to work large amounts of cash or other valuables, or leave them on the CTRMA premises. The Agency is not responsible for lost items.
- Items found on Agency premises or parking lots should be immediately presented to the building management, for placement into the "Lost and Found" area.
- Any cash and other property should be properly secured. If an employee is aware of cash or other property that is not securely stored, he/she should immediately inform the individual or a manager.
- Employees should ensure that all appropriate doors and equipment are locked and secured.
- Employees who leave the work premises after dark are advised to take another employee as an escort.
- When employees leave the CTRMA's premises, they are advised to be aware of their surroundings and have their vehicle keys in hand.
- Employees should immediately report any unusual or suspicious activities or persons in parking lots, in the buildings, or on Agency premises.
- Employees should never confront or attempt to restrain an individual who appears to be engaging in illegal activity in parking lots, parking garages, or in other areas owned, leased or under the management of the Central Texas Regional Mobility Authority. Instead, employees are advised to return to the building or leave the premises immediately, and then report the activity to management and/or law enforcement.
- Security Checks
    - Because we are concerned about all employees' and customers' safety and security, CTRMA's management reserves the right to inspect all unusual packages and parcels entering and leaving our premises.
    - Management will not inspect an employee's person, lunch pail, purse, backpack, briefcase, attaché or vehicle without the employee's consent. However, an employee's refusal to permit a search of his/her personal container(s) upon the request of management may result in corrective action, up to and including termination of employment.

Violence or Threat of Violence

The CTRMA intends to create and sustain for its employees, customers and visitors a working environment which is free of workplace violence or the threat of violence.

Therefore, the Agency will assume and vigorously enforce a "zero tolerance" policy with respect to violence or threats of violence directed at any person. Prohibited behavior includes but is not limited to threatening language, whether verbal or written; threatening gestures, depictions or pictures; and/or actual violence of any kind directed at any individual.

A violation of this policy will be dealt with aggressively and, subject to investigation, may lead to corrective action up to and including termination of employment for a first offense.

Workplace Health, Safety and Security

Weapons

The Central Texas Regional Mobility Authority strictly prohibits any person—whether employee, customer or visitor—from possessing, selling, distributing, concealing or transporting any weapon on Agency premises. This prohibition includes but is not limited to: handguns, firearms, knives, ammunition (whether live or spent), explosives, pepper spray or other incapacitating spray, or any other prohibited weapon of any kind, regardless of whether the person is licensed to carry the weapon or not. This prohibition also includes toy weapons and reproductions or replicas of weapons.

The only exception to this policy will be security guards, licensed law enforcement officials (e.g., police officers, peace officers, constables), or other persons who have been given written consent by the CTRMA to carry a weapon on the property.

Because of the potential for harm and serious injury, any employee violating this policy will be subject to disciplinary action up to and including termination of employment.

[For further information, please reference the Performance, Conduct and Corrective Action Policy in this Handbook]

General Statement on Health, Safety and Security

The Central Texas Regional Mobility Authority strongly encourages employee participation and input on health, safety and security matters.

Inclement Weather/Emergency Conditions

POLICY

On rare occasions, it may be necessary for the Central Texas Regional Mobility Authority to temporarily suspend operations out of concern for employee safety in inclement weather, power outage, or similar emergency situations.

PROCEDURES

Temporary Suspension of Operations

Management will make the decision whether to temporarily suspend some or all Agency operations due to emergency conditions. The decision will be made based on consulting with: appropriate news agencies; weather forecasts; and local school districts, whose lead in inclement weather closures is normally followed by the Agency; and/or any other authorities that may be appropriate in the circumstances.

In the event that some or all of Agency operations are temporarily suspended due to emergency conditions, management will record a message for employees on the main telephone line.

In the event that some/all operations are suspended during the course of a work day that has already begun, management will inform affected employees and may dismiss them for the remainder of the day.

Unable to Report due to Inclement Weather

In the event that the Agency is open and operating normally, but an employee is unable to report to work due to inclement weather such as ice storm or snow storm, then the employee must notify his/her manager as soon as possible. In this case, the employee may use any accrued, eligible vacation or personal time for the missed day of work. Otherwise, the time off will be unpaid.

Employees are encouraged to consult with local weather forecasts and use common sense in determining whether they are able to report for work. The Agency does not encourage any employee to take unnecessary risks to his/her safety in order to report to work during severe weather situations.

Inclement Weather/Emergency Conditions

Absence During Temporary Suspension of Operations

If an employee is absent from work due to illness on a day when operations are temporarily suspended, then the employee must use any eligible sick, vacation, or personal time for the entire day. Otherwise, the entire day off will be unpaid.

EMPLOYEE PERFORMANCE AND CONDUCT

External Employment/Association

POLICY

The Central Texas Regional Mobility Authority requires that employee activities away from the job, including but not limited to other employment or association, must not conflict with or compromise the Agency's interests or reputation, or adversely affect employees' job performance or ability to fulfill all responsibilities to the Agency.

Employees are cautioned to consider carefully the demands that any additional employment will create. External employment will not be considered as a valid reason for declining job performance, absenteeism, tardiness, leaving early, refusal to travel, refusal to work overtime, or refusal to work a certain schedule. If external employment does cause or contribute to any of these situations, such employment must be discontinued. If necessary, corrective action may be taken to address such situations, up to and including termination.

Employees should not seek or undertake outside employment/association if such employment/association may:

- reduce the employee's efficiency or effectiveness in working for the Central Texas Regional Mobility Authority;
- involve working for an organization which is a competitor of the CTRMA or which does a significant amount of business with the Agency, such as contractors, suppliers or customers;
- adversely affect the employee's professional reputation or credibility in his/her work with the CTRMA; and/or
- adversely affect the CTRMA's image, reputation or ability to do business.

All employees are expressly prohibited from engaging in any activity or association that competes with the Central Texas Regional Mobility Authority or compromises its interests. This prohibition includes but is not limited to the performance on non-working time of any services that are normally performed by The Central Texas Regional Mobility Authority personnel, the unauthorized use of any Agency technology tools (including software), equipment, and systems and the unauthorized use or application of any confidential trade information or techniques.

In addition, employees are not to conduct during paid working time any outside employment or other activities unrelated to The Central Texas Regional Mobility Authority business.

The Central Texas Regional Mobility Authority's Customer Service Commitment

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POLICY

The Central Texas Regional Mobility Authority is committed to ensuring that all customers are satisfied with our facilities, our service, and our Agency. Consequently, we have adopted a set of standards with that we refer to as the Central Texas Regional Mobility Authority Service Commitment. All employees are expected to adhere to these standards in all their dealings with customers, the public and with one another.

PROCEDURES

The Agency's Customer Service Excellence Commitment does not mean merely making customers satisfied. Instead, we believe that what differentiates excellent customer service is the focus on providing a uniquely positive, better-than-expected experience. It is providing customers with a sense that *they received better service than what they expected.*

The excellent quality experience of The Central Texas Regional Mobility Authority's customers not only encourages their continued business but also sustains the Agency's reputation in the marketplace and influences the community in which we work. This, in turn, allows the Agency to continue to prosper.

Communication and Problem-Solving

POLICY

The Central Texas Regional Mobility Authority believes that open, candid and direct two-way communication is a necessity in our workplace. It not only sets the foundation for a pleasant work environment, but also enhances customer service, productivity, teamwork and employee development.

It is the policy of the Central Texas Regional Mobility Authority to retain an "open door" approach that welcomes and encourages one-on-one communication and problem solving in the workplace. This means that a manager and/or the Human Resources Manager will be available to any employee who wishes to discuss a workplace problem or concern. [For issues related to harassment, please follow the reporting procedures outline in the Agency's Workplace Harassment Policy.]

The open-door approach also means that we encourage employees to work directly with one another to resolve workplace problems, settle interpersonal conflicts, and offer constructive feedback. In addition, we encourage employees to be receptive to communication and feedback from one another.

Open Door to Management

If an employee has a concern or question relating to a workplace issue; a management decision; or a Agency policy, procedure, method or process; then the employee should use the following procedures:

1. Discuss it openly—along with any suggestions he/she may have—with his/her direct manager.

2. If the employee has brought an issue to the attention of his/her direct manager but does not feel that an appropriate resolution has been reached, ***OR***
   If the employee is uncomfortable discussing the matter with his/her manager, ***THEN***
   The employee is encouraged to discuss it openly with another manager or with the Human Resources Manager.

3. If the employee has brought an issue to the attention of his/her manager, another manager, and/or the Human Resources Manager, but still does not feel that an appropriate resolution has been reached, then the employee is encouraged to discuss it openly with the Executive Director.

Problem-Solving

If an employee experiences a problem, disagreement, or conflict with a co-worker, both parties are encouraged to work out the matter directly with one another, using the following guidelines.

- Ensure that both parties have "cooled off" before approaching one another. Taking up a conflict when angry usually doesn't produce good results.
- Treat one another with respect and courtesy.
- Allow each person to state his/her position and perspective and ideas, without interruption.
- Listen respectfully to and consider carefully the other person's position and perspective.
- Explore possible solutions, taking into account the perspective of each person. Include the possibility of compromise. Consider asking a third-party employee to confidentially assist by offering his/her perspective or ideas.
- Make an agreement with one another on how to proceed.
- Follow up to see how the solution is working.

If, after using these guidelines, the employees are unable to resolve a conflict, then one or both of the employee(s) should bring the matter to the attention of the manager. At this point, both employees should be prepared for the manager to:

- Ask each employee to explain what steps or action he/she has taken in an attempt to resolve the conflict; and
- Facilitate the same process as outlined above, in order to guide the parties as they resolve the conflict and/or decide on a solution.

Because positive work relations and teamwork are critical to the success of the Agency, any employee who consistently fails to use the problem-solving guidelines (as outlined in this policy) in a good-faith effort to resolve workplace problems or interpersonal conflicts between may be subject to corrective action, up to and including termination of employment.

Feedback

The Central Texas Regional Mobility Authority believes that feedback—both positive and constructive—can be a powerful development tool for employees and managers. Therefore, we encourage employees at all levels in the Agency to offer sincere and appropriate feedback.

Employees are reminded that constructive feedback should be shared with another employee only in a confidential, respectful manner.

Communication and Problem-Solving

Additional Information

Please note that while the Communication and Problem-Solving Policy should be used to address most workplace problems between employees, it is not intended to address situations in which illegal or unethical activity or a breach of fiduciary duty is suspected, or where there may be imminent harm to persons or property. If an employee suspects any of these activities, he/she should immediately report the matter to the General Counsel or the Executive Director. If the General Counsel becomes aware of a suspected legal or ethical violation or breach of fiduciary duty, he/she shall report evidence of the breach or violation to the Executive Director.

The Executive Director shall respond to evidence of any suspected violation or breach by taking appropriate action, including adopting or enforcing appropriate remedial measures or sanctions. If, in the judgment of the General Counsel or the employee reporting the suspected violation or breach, the Executive Director fails to respond appropriately to a suspected violation or breach, or if the suspected violation or breach involves the Executive Director, the General Counsel or employee shall report the matter to the Chairman of the Board of Directors.

Retaliation against an employee who reports a suspected legal or ethical violation or breach of fiduciary duty will not be tolerated.

Likewise, this policy is not intended to address illegal workplace discrimination and harassment. If an employee feels that he/she has been or is being subjected to unlawful discrimination or harassment of any kind, he/she should immediately report the matter to any manager, the Human Resources Manager or the Executive Director.

[For more information and for specific procedures, please reference the Workplace Harassment Policy and Equal Employment Opportunity Policy in this Handbook.]

Solicitation

POLICY

The orderly and efficient operation of the Central Texas Regional Mobility Authority's business requires certain restrictions on the solicitation of employees during work hours and in work areas. It also requires certain restrictions on the distribution of materials and information on the property or premises of the CTRMA.

Definitions

For purposes of this policy, the term "soliciting" refers to activities which take place during work hours or in work areas, and are related to a third party Agency, group, or cause, whether the third party is for-profit or not-for-profit. Such activities include but are not limited to:

- Requesting donations.
- Requesting signatures, membership or other formal support or endorsement of a group or cause.
- Promoting products/services, circulating catalogs or brochures, or otherwise selling goods or services.
- Posting personal goods/services "for sale".
- Posting or circulating literature (in written or e-mail form) about a group, issue, cause.
- Leafleting or giving away literature (in written or e-mail form) about a group, issue or cause.

The terms "soliciting" and "distribution" do not refer to selected civic activities that may be selected and sponsored by the Agency.

PROCEDURES

Solicitation and Distribution by Others

Third parties of any kind are prohibited from entering the Agency's premises, including parking lots, for the purpose of solicitation or distribution of literature at any time for any purpose.

Solicitation and Distribution by Employees

Employees of the CTRMA are prohibited from distributing or posting literature in work areas at all times for any purpose. If an employee wishes to post any material that is work-related or Agency-sponsored, then the material should be submitted to the Human Resources Manager for pre-approval.

Solicitation

In addition, employees of the CTRMA are prohibited from soliciting during work time or in work areas for any purpose other than Agency business or Agency-sponsored activities. Work time includes the time spent working by the soliciting employee and the employee who is being solicited.

This prohibition on employee solicitation does not include employees' lunch periods, breaks or personal time spent before or after work. Work areas do not include parking lots, restrooms, and refreshment/break areas.

Use of Electronic Communications Systems

The CTRMA's electronic communications systems, including e-mail, are to be used for business purposes only. Employees are prohibited from using these systems for solicitation or distribution of literature at any time for any purpose.

Employee Access to Agency Premises While Off-Duty

All employees who are off duty are prohibited from entering Agency work areas for any reason other than legitimate business purposes.

[For more information, please reference the Code of Conduct Policy in this Handbook.]

Smoking

POLICY

In adherence to Travis County public ordinance, the Central Texas Regional Mobility Authority prohibits smoking in any enclosed space occupied by the Agency. This policy applies to all buildings, including but not limited to offices, whether owned or leased. This policy applies to anyone who is on Agency premises, including employees, customers, visitors and vendors. This policy is applicable at all times.

Smoking is permitted only in designated smoking area(s) on Agency property, and in closed motor vehicles when occupied by only one (1) employee or with the consent of all occupants.

Employees who use designated public smoking areas during working hours should adhere to the following guidelines:

- Consider the designated smoking area as public space, where conversations may be overheard by unauthorized individuals. Employees should refrain from discussion of other employees, work-related issues and customers.
- Smoking should never take place in front of customers, or in areas visible to customers.
- Smoking breaks should be reasonable in number and duration. Excessive or inappropriate use of smoking breaks may lead to corrective action.

Personal Appearance

POLICY

It is the policy of the Central Texas Regional Mobility Authority that an employee's attire and grooming should be appropriate to the work environment, to the level of direct customer and public interaction, and to the individual's job duties.

Employees of the CTRMA are expected at all times to exercise good judgment in their dress and grooming, and to project an appropriate professional image at all times while on Agency premises. All employees will be required to adhere to guidelines established for their individual work location and type of job.

PROCEDURES

Professional dress at the CTRMA may be defined differently depending on many work-related factors. In addition, many positions at the Agency require the wearing of Agency-issued uniforms. For this reason, employees should consult with their manager to learn the dress guidelines specific to their job.

Grooming

Visible tattoos, and facial or visible body piercing of any kind (other than piercing for earrings in the ear lobe) are prohibited in jobs that interact with members of the public, including customers.

Prohibited Items

Some items are not appropriate for The Central Texas Regional Mobility Authority work environment, in any circumstances. These include but are not limited to:

- Excessively soiled, worn, frayed, wrinkled or faded clothing; clothing with obvious rips or holes;
- Excessively tight-fitting clothing; excessively short, sheer, low-cut, or other revealing clothing;
- Any clothing or accessories with slogans, photos or drawings which are obscene, defamatory, offensive, or inappropriate in a professional setting;
- Sweatpants, sweatshirts, muscle shirts, mesh shirts, and track/athletic/jogging suits, cargo/carpenter pants;
- Shirts with cut-off sleeves, visible midriff or open back, such as tank tops, halter tops, tube tops, etc.;
- Hats (except head coverings worn in observance of religious beliefs, or clean hats with The Central Texas Regional Mobility Authority logo);
- Visible undergarments;
- House slippers; flip-flops;
- Denim/blue jeans (except clean jeans without rips, holes or tears on approved days); and

- Any hairstyle, footwear, clothing, jewelry, or matter of personal grooming that is deemed to present a safety risk.

Personal Appearance

There may be times when more formal business attire will be appropriate, as when meeting with customers, applicants or vendors, or attending formal business meetings. Anyone traveling on Agency business should dress appropriately for that occasion.

An employee who does not comply with this policy may be asked to leave the workplace (with or without pay, depending on the circumstances) and return when he/she is appropriately attired/groomed. Non-compliance may also lead to corrective action, up to and including termination of employment.

If an employee is unsure about what is considered appropriate professional attire at the CTRMA, he/she is advised to ask for guidance from his/her manager.

Code of Employee Conduct

POLICY

It is the policy of the Central Texas Regional Mobility Authority that all employees adhere to a Code of Conduct with respect to behavior and activities.

As a condition of initial and continued employment, all employees agree to abide by all the terms of this policy. If an employee fails to adhere to any part of the Code of Conduct, he/she may be subject to corrective action, up to and including termination of employment.

Conflict of Interest

A conflict of interest can take many forms. It exists when the employee's objectivity or judgment is compromised—or even *appears* to be compromised—by the potential for personal gain for self, family or friends.

It can occur when an employee places personal interests ahead of his/her responsibilities to make work-related decisions impartially and objectively, based on facts. It can also occur when the employee's desire to influence a third party or to influence a particular outcome takes precedence over his/her duty of loyalty to the Agency.

Employees are strictly prohibited from entering into any agreement or contract, or from making any work-related decisions, *where the employee's objectivity or judgment is impaired, could be impaired, or could be perceived to be impaired* because of a conflict of interest or potential for conflict of interest.

While the following examples cannot anticipate or address every possible situation, they illustrate situations of conflict of interest or potential conflict of interest, and are helpful for guiding appropriate conduct.

1. Sue is asked by her manager to find some temporary employees to assist the Agency in staffing a new location. Sue's boyfriend, Jim, owns a temporary help firm, so she asks Jim to take the work requisitions and to refer qualified candidates to the Agency.
2. Ben asks his supervisor if he can shop around for less expensive office supply vendors. After he gets approval, he realizes that ABC, a separate Agency that he co-owns with his brother, can provide the supplies at a substantial savings. He begins using ABC as a vendor for all Agency office supplies.
3. Tammy, a manager, is asked to be part of a management team evaluating Sally's job performance for the year. Without revealing to the other employees that Sally is her best friend, Tammy agrees.

4. Ken's supervisor asks him to develop a new process for collecting fees from customers. Ken feels his workload is demanding enough already. He decides to implement a process that will save him a great deal of time, but which will result in much lower customer service quality.

If an employee has any doubt about a conflict of interest situation or potential for conflict of interest, he/she should immediately discuss the matter with his/her manager, before taking any action or making any decisions. Similarly, if an employee suspects a conflict of interest situation exists in the workplace, he/should should immediately discuss the matter with a manager or with the Human Resources Manager.

Proprietary and Confidential Information

Much of the information collected by the Central Texas Regional Mobility Authority or received from customers is considered proprietary and confidential information, or information owned exclusively by the Agency.

Proprietary and confidential information includes but is not limited to: various kinds of private business information; documents; records; letters; plans; and manuals. Proprietary information also includes but is not limited to: Agency trade secrets; computer programs, including proprietary software and all related materials; Agency practices; training or instructional products and tools; Agency products and tools; new development projects; marketing plans; customer lists; fees and cost data; employees' daily agendas; personnel data, etc.

Proprietary and confidential information is to be disclosed and used solely for the purposes for which it was collected or received. Disclosure of such information to unauthorized persons (externally as well as internally) is prohibited, not only because such information is a valuable business asset that must be protected, but also because unauthorized disclosure could compromise or cause harm to our customers, and materially damage the reputation and image of the Agency.

The Central Texas Regional Mobility Authority's management will impose specific restrictions on the use and dissemination of information, both internally and externally. Specifically, access will be granted on a "need to know" basis. When in doubt about the appropriateness of disclosing or releasing information (internally or externally), an employee should not disclose the information, but rather, ask his/her manager for guidance.

The Central Texas Regional Mobility Authority is subject to and complies with Texas laws and regulations regarding Open Records. Requests pursuant to Open Records should be forwarded to the General Counsel.

Code of Employee Conduct

At the conclusion of employment with the CTRMA, employees must return to the Agency all documents and records containing proprietary and confidential information. Even after employees leave employment at the CTRMA, they have a continuing obligation to safeguard such information.

Criminal Charges/Convictions

The Central Texas Regional Mobility Authority must protect its reputation, credibility and image. Therefore, it is important that each employee also protect his/her professional reputation and credibility in the community.

The CTRMA will perform criminal background checks on all final applicants for the positions of Executive Director, Chief Financial Officer, General Counsel, and any position involving the disbursement of Agency funds or the handling of cash, checks or credit cards; negotiable documents and materials; or highly confidential or sensitive information. All applicants admitting a felony conviction on their application materials shall also be subject to a criminal background check. Additionally, the CTRMA may at its discretion perform criminal background checks on applicants for any other position. Negative criminal background checks will be reviewed by the HR Manager in consultation with the General Counsel, and an applicant may be disqualified from employment if the HR Manager and General Counsel determine that justification for such disqualification exists.

If an employee has been charged with a felony or serious misdemeanor, or if an employee is convicted of a felony or serious misdemeanor (defined to include all misdemeanors other than traffic violations), the employee is required to immediately inform his/her manager. Failure to do so will lead to corrective action, up to and including termination of employment.

Employees who hold licenses or certifications that are required for their jobs must maintain active, current certification and/or licensure. If an employee's certification and/or license is suspended or revoked because of a pending legal charge(s) or conviction(s), or if an employee is being investigated for possible suspension or revocation of a required certification and/or license for any reason, then the employee is required to inform his/her manager immediately. Failure to do so will lead to corrective action, up to and including termination of employment.

Regardless of whether the employee holds any certification or license, if a situation arises in which an employee is charged with or convicted of a felony or serious misdemeanor, then the CTRMA's management will carefully consider the circumstances and facts of the situation, and will, in its sole discretion and judgment, decide on an appropriate course of action. Such courses of action may include but are not limited to:

- Administrative suspension (with or without pay, depending on the circumstances);
- Termination of employment; or
- Other appropriate action.

Employee Acts

The Central Texas Regional Mobility Authority's insurance policies do not relieve an employee from personal and civil liability, criminal prosecution, and/or termination of employment if he/she commits a dishonest act.

Discovery of a fraudulent act related to a person's employment or job responsibilities—whether such an act was committed on or off the job—may result in corrective action, up to and including termination of employment.

If an employee has a concern about the legitimacy or appropriateness of any employee act, he/she should promptly discuss the matter with his/her manager or with the Human Resources Manager.

Agency Funds

Each employee is personally accountable for any Agency funds over which he or she has control, including travel expenses. Employees who manage Agency money or who spend personal money that will be reimbursed by the CTRMA should always be sure the Agency receives good value in return.

Employees must obtain pre-authorization from their manager before incurring any expense on behalf of the CTRMA. In order to receive reimbursement of authorized expenses, the employee must submit all information on an expense report within 60 days of incurring the expense. The expense report must clearly indicate the nature and type of all expenses, and must demonstrate that the purchases and amounts are proper. Documentation (receipts, invoices, etc.) must be attached to support each expenditure.

Anyone responsible for the handling of CTRMA's funds and/or customer property, as well as associated records and materials, is accountable for their safekeeping. This may include but is not limited to: customer personal data such as addresses, contact information and social security numbers; checks and money orders; credit cards and credit card numbers; legal documents; financial statements and documents; account user identification data; account passwords; personnel data; and data stored on any medium (paper, electronic, magnetic, or photographic).

If an employee has a question or concern about the appropriate or prudent use of Agency funds and property or customer property, he/she should promptly discuss the matter with his/her manager. [For more information about managing Agency funds and expenses, please reference the Business Travel and Expenses Policy in this Handbook.]

Agency Records, Fraud, and Record Retention

Successful management of the CTRMA requires the use of Agency business records, reports and related documents. These records are of critical importance in meeting financial, customer and other business obligations. Therefore, Agency records must always be prepared accurately, reliably and honestly**.**

Given the need for accurate and honest records, any false or misleading report or record, (including but not limited to: financial documents; resumes; employment applications; contracts; membership reports and other customer-related reports; and timekeeping reports) will be taken very seriously and may lead to corrective action, up to and including termination of employment. Employees who become aware of any suspected falsification of Agency records must immediately report the concern to a manager, the General Counsel or the Executive Director, who shall respond to the evidence by taking appropriate remedial action.

Employees must maintain all Agency records for at least the minimum amount of time prescribed by the records retention schedules applicable to local governmental entities adopted by the Texas State Library and Archives Commission. In the event that litigation is filed against the CTRMA or is reasonably anticipated to be filed, the CTRMA's General Counsel may determine that it is necessary to implement a litigation hold in order to ensure the preservation of all records related to the lawsuit. Employees must refrain from destroying any records that are the subject of a litigation hold. Additionally, Employees must comply with all records retention policies adopted by the CTRMA.

Members of the public may make written requests for records maintained by the CTRMA. In the event that an Employee receives a written request for information, the Employee must notify the General Counsel immediately so that the CTRMA may respond to the request within the time frame prescribed by the Texas Public Information Act. Employees must refrain from destroying any records that are the subject of a pending public information request.

Gifts and Honoraria

Employees must not solicit or accept gifts, loans, other compensation, unusual favor or hospitality (other than reasonable tips earned by employees in direct customer service positions) which could influence or even have the *appearance* of influencing them in the performance of their duties.

Employees are permitted to accept a business meal, as well as nominal items which are customary in business relationships, provided that such items do not exceed $100 in value. Gifts received over $100 should be reported to the employee's manager or supervisor and the employee may be required to return the item if it is deemed a potential conflict.

Similarly, employees must not give gifts, loans, other compensation, unusual favor or hospitality to customers, prospective customers, vendors, or suppliers, with the exception of certain

approved promotional items (such as coffee mugs or t-shirts with The Central Texas Regional Mobility Authority logo) that may be authorized by Agency management from time to time.

Employees may not accept an honorarium for appearing at a conference, workshop, seminar, or symposium as a representative of the CTRMA other than reimbursement for food, transportation, or lodging.

If in doubt about the appropriateness of any gift, hospitality or honorarium, a full disclosure of the facts should be made to The Central Texas Regional Mobility Authority's General Counsel before accepting/making such an offer.

Sabotage/Espionage

Sabotage is defined for purposes of this policy as any employee act or failure to act which is willful and/or negligent and which has the affect of materially destroying, damaging, disrupting or interfering with Agency operations, equipment, tools or systems.

Espionage is defined for purposes of this policy as any employee act which is willful and/or negligent and which has the affect of providing to an unauthorized third party (usually but not always a competitor) any of the Agency's confidential and proprietary information, trade secrets, or its customers' or employees' financial or personal information and/or records.

Employees have a duty to protect the CTRMA's confidential and proprietary information from unauthorized disclosure and release to third parties. Because of the potential for great harm to the CTRMA and its customers, it will not tolerate sabotage or espionage of any kind.

Allegations of sabotage and/or espionage will be taken very seriously and investigated promptly. If investigation reveals employee sabotage or espionage, the CTRMA will take swift and aggressive action, including but not limited to corrective action and possible termination of employment, criminal prosecution and civil claims.

[For more information, please reference the Performance, Conduct and Corrective Action Policy in this Handbook.]

Training on Ethics and Compliance Issues

Upon beginning employment with the CTRMA, all employees shall receive orientation on ethics laws and policies and the Agency's ethics and internal compliance program. Additionally, employees of the CTRMA shall participate in periodic training on ethics and internal compliance issues.

Business Travel and Expenses

POLICY

It is the policy of the Central Texas Regional Mobility Authority to reimburse employees and members of the Board of Directors for reasonable business travel expenses.

All employee business travel must be approved in advance by the employee's manager.

When approved, the actual costs of travel, meals, lodging and other expenses directly related to accomplishing business travel objectives will be reimbursed by the CTRMA. Employees and Board Members spending personal money that will be reimbursed by the CTRMA should always ensure that expenses are limited to reasonable amounts, and that the CTRMA receives good value in return.

When business travel has concluded, employees and Board Members should complete a travel expense report, which is available from the Accounting Department. The completed report must be accompanied by receipts for each expense, and should be submitted to Accounting within 60 days of the completion of the business travel. Any items over the 60 days will be denied reimbursement.

The CTRMA will not reimburse travel expenses incurred by a spouse or other individual accompanying an employee on business.

Sales tax on goods purchased will not be reimbursed. Sales tax for meals and hotel stays are the only sales taxes that will be reimbursed. Please request a sales tax exemption form from the CFO before purchasing goods.

Employees shall be responsible for repayment of inappropriately reimbursed expenses whenever an audit or subsequent review of the travel expense reimbursement documentation finds that such expenses were reimbursed contrary to these guidelines.

The following are reimbursement guidelines for business travel:

- **Transportation Services**
  - Air travel arrangements should be made as far in advance as possible and should represent the lowest available fare in coach or economy class.
  - Reasonable fares for shuttle service, bus service, van pool, taxi service or other public transportation will be reimbursed.
  - Car rental fees (a compact or mid-size vehicle for one person; a full size vehicle for two or more persons) will only be reimbursed if approved in advance by the Executive Director or Chief Financial Officer.
  - When renting vehicles, employees and Board Members should elect loss damage waiver insurance coverage.
  - Gasoline should be refilled in any rental vehicle prior to returning it at the conclusion of business travel.

- **Lodging**
  - Accommodations in approved hotels or motels will be reimbursed, using the GSA rate as a guideline. Exceptions to the GSA rate will require an explanation such as: (1.) when the cost of the hotel would reduce total travel costs, such as eliminating the need for a rental car; (2.) when the cost of the hotel is a conference rate; (3.) when time constraints associated with business meetings require lodging at a closer hotel.
  - Lodging expenses will be reimbursed only if traveling **beyond** a 50-mile radius of Williamson/ Travis County. (This means 50 miles beyond the county line.)

Business Travel and Expenses

- **Meals**
  - Meals will be reimbursed at the GSA rate.
  - Meals above the GSA per diem day rate will require specific justification and receipts.
  - If an overnight stay is **required**, but the stay does not exceed a 50-mile radius outside the county, you may claim an amount up to the $28.00 overnight allowance for your meals, but lodging will not be reimbursed.
  - No reimbursement will be made for alcoholic beverages.
  - No reimbursement will be made for meals if the Conference included it as part of the package.

- **Food Service at Local Meetings**
  - Food service at business meetings required for the active performance of CTRMA business (such as CTRMA Board meetings, workshops, CTRMA Board Committee meetings, meetings with other governmental entities, and other official business as determined by the Executive Director) will be reimbursed.
  - The employee's/Board Member's expense report should include: purpose of the meeting; time and location of the meeting; names of principal attendees; and approval of the reimbursement request by the Executive Director or Chair of the Board.

- **Mileage Reimbursement**
  - Use of a personal vehicle on CTRMA business will be reimbursed using the current Internal Revenue Service rate. The employee's/Board Member's expense report should include: purpose of the travel; points of travel; dates of travel; and miles eligible for reimbursement.
  - If a personal vehicle is used, the maximum reimbursement will be at the lower of the IRS rate times the number of miles driven, or the lowest quoted airfare at the time of travel for overnight stay.
  - Mileage reimbursement is meant to cover only those miles incurred above and beyond the employee's normal commute to the CTRMA office. For example, if the normal commuting round trip is 20 miles, and the employee goes on a trip that covers 75 miles, only the incremental 55 miles are reimbursable.

- **Other Business/Travel Expenses**
  - Charges for telephone calls, internet connection, faxes, and similar services, will be reimbursed, provided that they are for legitimate business purposes.
  - Reasonable, customary tips and gratuities will be reimbursed and do not require a receipt.
  - Parking and toll fees will be reimbursed, with receipts.
  - Other minor expenditures should have a receipt and justification.

- There will be no reimbursement for any of the following: parking or traffic violations; entertainment, including in-hotel movies; and alcoholic beverages of any kind. In addition, there will be no reimbursement of sales tax incurred on the purchase of goods. Instead, employees who are authorized to purchase approved goods on behalf of the CTRMA should use a tax exempt form, available from Accounting.
- Cancellation fees associated with business travel will be reimbursed only if it is in the best interest of the CTRMA, or in the event of an approved family emergency.
- Incremental expenses for any non-CTRMA companion traveling with the employee or Board Member will not be reimbursed by the Agency.

Business Travel and Expenses

If an employee is involved in a motor vehicle or other accident, or if an employee sustains any injury while traveling on business, he/she must promptly report the incident to his/her manger. If a vehicle owned, leased or rented by the CTRMA is involved in an accident, causes any injury or damage, or incurs any damage, the employee must promptly report the incident to his/her manager. Vehicles owned, leased or rented by the CTRMA may not be used for personal business without prior approval of the Executive Director.

If an employee needs guidance or assistance with any procedures related to business travel, travel arrangements, expense reports, or reimbursement for any specific expense, then the employee should consult with his/her manager.

Employees are reminded to ensure that travel records, expense reports and receipts are accurate and complete. Falsification of any Agency record, including but not limited to expense reports; or falsification or alteration of any Agency documentation, such as receipts, may lead to corrective action, up to and including termination of employment.

[For more information about managing Agency funds and expenses, please reference the Employee Code of Conduct Policy in this Handbook.]

Use of Agency Equipment and Electronic Communications

POLICY

The Central Texas Regional Mobility Authority provides employees with certain equipment and electronic communications resources to assist them in conducting Agency business.

It is the policy of the CTRMA that all employees must adhere to practices regarding the acceptable use of Agency-provided equipment and electronic communications systems, including but not limited to computers and related equipment, software, telephones, fax machines, email, voicemail, instant messaging systems, and the internet/world wide web.

PROCEDURES/PRACTICES

Electronic Communications, Computers and Software

The CTRMA owns the computers and other hardware, software, databases, servers, modems, internet access, telephones, faxes, copiers, printers, e-mail systems, instant messaging systems, and voicemail systems (hereinafter "technology/communications equipment, tools and systems") which are used by employees. The CTRMA's technology/communications equipment, tools and systems are intended for the purpose of aiding employees in work-related communication and in the efficient performance of their work duties.

Since the CTRMA owns the technology/communications equipment, tools and systems, any electronic communication composed, sent or received by the employee is and remains the sole property of the CTRMA.

Employees are prohibited from any of the following without the prior approval of the Agency's Executive Director:

- Borrowing or removing the CTRMA's technology/communications equipment, tools and systems from its premises.
- Copying or downloading software applications, databases, or other electronic materials or information stored by the Agency, on Agency premises, or on other premises owned or leased by the CTRMA.
- Disabling anti-virus software running on Agency-provided computer equipment. (Exceptions to the rule are allowed when an employee is doing so as a requirement of his/her job).
- Using instant messaging programs or applications; sending instant messages (either internally or externally) via any electronic instant messaging application.

- Uploading or downloading copyrighted materials, trade secrets, proprietary financial or customer information, or similar materials without prior authorization from the owner of the materials.
- Using technology/communications equipment, tools and systems in violation of copyright and trademark laws.

Employees are also prohibited from using the CTRMA's technology/communications equipment, tools and systems for any of the following purposes:

- To distribute or disseminate (internally or externally) messages, images, or any other material or content containing obscene, abusive, pornographic, profane, sexually explicit or inflammatory remarks, inappropriate humor; or threatening or harassing language.
- To distribute or disseminate (internally or externally) messages, images, material or otherwise objectionable content that is disruptive, derogatory or offensive to another individual (whether the intended recipient or not), including but not limited to: sexual comments or images; gender or ethnic specific comments or slurs; or any statements or contents offensive to another on the basis of his/her race, national origin, religion, color, gender (including pregnancy), age, sexual orientation, disability, or any other status protected by law.
- To access websites or materials that are inappropriate in the workplace, including but not limited to: pornography; sexually-oriented materials; gambling sites; sites depicting violent acts, abusive acts or advocating violent or abusive acts; etc.
- To proselytize to, or solicit employees or others.
- For external employment or profit.
- To engage in illegal activity.
- To engage in activity that is in competition with the work of the CTRMA.
- To access, view or re-direct any files, documents, materials, records, or any other information which the sender or recipient has no legitimate business "need to know".
- To discriminate against, harass, threaten or intimidate another individual.
- For any other purpose that could damage the image or reputation of the Agency or impair its ability to conduct business.

Some employees will be assigned unique email addresses. These unique addresses and identifiers remain the property of the CTRMA and employees may use them only while employed by the Agency. With respect to user identification information, passwords, and other related information, employees are prohibited from the following activities without obtaining the prior approval of an authorized the CTRMA manager:

- Using the logon/user identification or password information of another employee.
- Accessing, listening to, viewing, or re-directing—with no legitimate business reason—the electronic files, documents, materials, records, e-mail or voicemail of another employee.

The CTRMA reserves the right to alter, modify, re-route or block the delivery of messages as appropriate. This includes but is not limited to:

- Rejecting, quarantining or removing the attachments and/or malicious code from messages that may pose a threat to Agency resources.
- Discarding attachments, such as music, considered to be of little business value and of significant resource cost.
- Rejecting or quarantining messages with suspicious content.
- Rejecting or quarantining messages containing offensive language.
- Re-routing messages with suspicious content to designated Agency employees for review.
- Rejecting or quarantining messages determined to be unsolicited commercial email (spam).
- Appending legal disclaimers to messages.

While the Agency's technology/communications equipment, tools and systems are intended primarily for business and work-related purposes, limited personal use of computers, software, e-mail, internet and voicemail systems is generally acceptable while on the CTRMA, provided that:

- Their use complies with all other terms of this policy.
- Their use is not excessive and remains within reasonable, acceptable time limits.

Employees are reminded that e-mail and other electronic records are considered shared Agency files, discoverable under court-ordered subpoena or other legal process. As such, employees must ensure that the content of e-mail and other electronic records is legal, truthful, and complies with Agency policies, rules and procedures.

The Central Texas Regional Mobility Authority routinely monitors and records activity and use of its technology/communications equipment, tools and systems, including internet, e-mail systems and voicemail systems. Because employees have no right or expectation of privacy in their use of Agency-owned technology/communications equipment, tools and systems, employees are strongly encouraged to refrain from storing or accessing on computers, e-mail systems and voicemail systems any personal materials or other materials which they do not wish to be monitored and inspected by Agency management. Such inspections will be conducted by Agency management from time to time, with or without prior notification and with or without the consent or presence of the employee.

The CTRMA treats electronic messages as a business record. As with any business record, established practices and procedures for the safekeeping, retention and ultimate destruction of the business record must be followed. The CTRMA may serialize, archive, or retain copies of all internal and external electronic messages.

Use of Agency Equipment and Electronic Communications

As a condition of employment, all employees must sign an acknowledgement indicating that they have read and understand the policies, practices, procedures, risks and cautionary advice that apply to the CTRMA's email, instant messaging, and internet resources.

Any employee who discovers a violation of these policies should immediately notify a manager or the Human Resources Manager. Any employee in violation of these policies is subject to disciplinary action, up to and including termination of employment.

Use of Agency Vehicle

SECTION 1. SCOPE OF POLICY.

Central Texas Regional Mobility Authority's ("CTRMA's") Motor Vehicle Use Policy governs the use and maintenance of all CTRMA vehicles by all salaried and non-salaried employees of CTRMA. This policy is intended to promote safe and responsible driving practices and to help prevent accidents, injuries and property damage. It is the responsibility of all members of the CTRMA staff to comply with this policy.

The use of CTRMA equipment or vehicles for personal use is prohibited by law, but because of the need for specific employees to respond to emergencies at night or on weekends, the following employees (with the concurrence of their department head) are authorized to take a CTRMA vehicle to their home at night within a 25 mile radius, even though this involves the use of a CTRMA vehicle for travel to and from their home each day:

a.) Operations Director
b.) Director of Engineering
b.) Maintenance Manager

SECTION 2. DEFINITIONS.

As used in this policy, the following definitions apply:

A. A. "authorized driver" means a CTRMA employee who holds a current, valid license to operate a motor vehicle in Texas and who has complied with all provisions of Section 3 of this policy.

B. B. "authorized passenger" means an employee of CTRMA or any other person accompanying an employee of CTRMA in a CTRMA vehicle in furtherance of official CTRMA business, not to include children.

C. D. "employee" means any person who is in the employ of CTRMA and whose salary is paid either completely or partially by CTRMA.

D. G. "CTRMA vehicle" means a motor vehicle designed primarily for passenger use which is the property of CTRMA.

SECTION 3. VEHICLE OPERATOR PRIVILEGES.

A. CTRMA vehicle operator privileges for its vehicles, will be available to employees of CTRMA at least 21 years of age and who possess a valid United States driver's license in effect for at least two years.

B. CTRMA vehicle operator privileges are invalid upon revocation, suspension or expiration of a CTRMA employee's license to operate a motor vehicle in Texas. An authorized driver must report the suspension or revocation of his or her license by the State of Texas to their Manager within 48 hours of its occurrence.

C. The Executive Director may suspend or revoke an authorized driver's CTRMA vehicle operator privileges for failure to comply with any provision of this policy. The Executive Director will notify an authorized driver when his or her CTRMA vehicle operator privileges have been revoked.
   a. All CTRMA drivers are responsible for complying with this policy.
   b. Violation of this policy may be grounds for corrective action and/or loss of driving privileges.

SECTION 4. VEHICLE EXPENSES

A. Fuel Expenses.

Refueling of CTRMA should be done with the CTRMA procurement mastercard. Cards may be obtained through the CFO. The Engineering department will be responsible for keeping the gas tank filled.

B. Maintenance and Repair.

Necessary repair and maintenance expenses for all CTRMA vehicles may be done by auto repair shops listed on the State Contract otherwise three quotes must be received before engaging the services of an Auto shop. The exception will only be considered in case of an emergency where immediate towing or repairs are necessary.

SECTION 5. VEHICLE USE.

A. Responsibilities. At this time all CTRMA vehicles are assigned to the Operations Department, however, all departments must comply with the following items:

1. The head of the department will be responsible for ensuring the driver(s) comply with Section 3.

2. Vehicles are to be used only in the furtherance of CTRMA business. Vehicles are not to be used for personal errands, nor should they ever be taken home unless written authorization from the Executive Director is on file at the CTRMA Office.
3. Cleaning of the vehicle should be done on a weekly basis. The Operations Department will be responsible for delivering the vehicle to and from the car wash for cleaning
4. The Operations Department will be responsible for delivering the vehicle to and from an auto shop for routine maintenance.
5. CTRMA employees are required to keep a log to track business and personal miles of a CTRMA vehicle. Personal use, such as commuting and driving on vacation, will be treated as a "taxable fringe benefit" to the employee. IRS regulation require the value of the use to be reported as taxable income on the employee's W-2 form

SECTION 6. OCCUPANCY OF VEHICLES.

A. Authorized Use. Except as provided in subsections C through E, CTRMA vehicles may be occupied only by authorized drivers and authorized passengers. Employees of CTRMA are authorized to use CTRMA vehicles only in the furtherance of official CTRMA business.

B. Unauthorized Use. Except as provided in subsection C through D, an employee of CTRMA who permits a CTRMA vehicle to be driven by an unauthorized driver or who transports or permits the transportation of an unauthorized passenger shall have his or her CTRMA vehicle operator privileges suspended or revoked and shall be held personally liable to the extent permitted by law for any liability for any personal injury, death or property damage arising out of the unauthorized use or occupancy of the CTRMA vehicle.

C. Emergency Aid. Nothing in this section shall be construed to prohibit the use or occupancy of a CTRMA vehicle to render emergency aid or assistance to any person.

D. Use by Mechanics. Nothing in this section shall be construed to prohibit the use or occupancy of CTRMA vehicles by private sector automobile mechanics or other maintenance or repair personnel during the course of performing required maintenance or repairs.

SECTION 7. INTOXICATING LIQUOR, DRUGS AND TOBACCO PRODUCTS.

A. Use of Liquor, Drugs and Tobacco Products Prohibited. An employee of CTRMA may not drive a CTRMA vehicle while under the influence of intoxicating liquor or illegal drugs nor may he/she smoke any tobacco products while in the vehicle. Also, they may not possess open or closed containers of alcohol while operating any CTRMA vehicle.

B. Penalty for Traffic Citation. An employee of CTRMA who receives a traffic citation for driving a CTRMA vehicle while under the influence of intoxicating liquor or drugs will have his or her CTRMA vehicle operator privileges suspended or revoked by the Executive Director. Any passengers who are authorized drivers may also have their CTRMA vehicle operator privileges suspended or revoked.

C. Penalty for DWI Conviction. An employee of CTRMA who is convicted of driving a CTRMA vehicle while under the influence of intoxicating liquor or drugs shall be terminated from employment at CTRMA. Any employees of CTRMA who were passengers in the vehicle also may be terminated from CTRMA employment where it is shown that such officers or employees knew or should have known that the driver was under the influence of intoxicating liquor or drugs and did not take reasonable action to prevent the driver from driving the vehicle.

SECTION 9. TRAFFIC LAWS AND SEAT BELTS.

A. Traffic Laws. The failure to obey any applicable traffic law while driving or occupying a CTRMA vehicle may result in suspension or revocation of the CTRMA vehicle operator privileges of all authorized drivers, as described in Section 3.D. Operate the vehicle in accordance with all applicable rules, regulations, law. Drive at legal speeds appropriate for road conditions.

B. Seats Belts Required. All occupants of CTRMA vehicles must wear seat belts and require all other occupants to do likewise. The failure of any person to wear a seat belt while driving or occupying a CTRMA vehicle may result in the suspension or revocation of the CTRMA vehicle operator privileges of all authorized drivers, as described in Section 3.D. The number of passengers should not exceed the number of seat belts. Also, check that front seat passengers are seated appropriately to decrease likelihood of severe air bag injuries.

C. Responsibility for Traffic Citations. An employee of CTRMA who receives a traffic citation or parking ticket while using a CTRMA vehicle will be personally responsible for the citation or ticket.

SECTION 10. CARE OF VEHICLES - ACCIDENTS - LIABILITY.

A. Care of Vehicle. Prior to using a CTRMA vehicle, an employee of CTRMA shall inspect the vehicle for safety concerns before leaving the parking area or garage. Determine that all tires are inflated properly and are not excessively worn and that the brakes, lights, windshields wipers, seat belts and steering are functioning properly. Check other safety equipment for observable defects. If unsafe conditions are noted, the maintenance Manager is to be notified immediately and the vehicle must not be driven.
B. Fueling of Vehicle. Prior to returning the vehicle, the employee must refuel the vehicle.
C. Leaving the Vehicle. An employee of CTRMA will turn off the ignition, close all windows, and lock the doors and trunk of a CTRMA vehicle whenever the vehicle is left unattended. Vehicles should be cleaned of items not belonging in the vehicle (trash, personal items, etc).
D. Liability for Loss or Damage. An employee of CTRMA will not abuse or misuse a CTRMA vehicle. An employee of CTRMA may be assessed for the loss or damage of a CTRMA vehicle if the loss or damage was caused by:

    1. driving while under the influence of intoxicating liquor or drugs; or
    2. reckless driving.

E. Penalty for Negligence. The CTRMA vehicle operator privileges of an employee of CTRMA may be suspended or revoked by the Executive Director if a CTRMA vehicle is damaged or destroyed due to the negligence of the CTRMA or employee. An employee must report accidents, thefts, damage, vandalism or other acts of criminal mischief to the appropriate local law enforcement agency and to their Manager within 24 hours. Failure to report may result in disciplinary action at the discretion of the Executive Director.
F. Accidents. If involved in an accident resulting in bodily injury or property damage, an employee of CTRMA shall notify their Manager by telephone and submit a complete accident report by the next working day. Failure to comply with this subsection may result in suspension or revocation of the CTRMA vehicle operator privileges of all authorized drivers, as described in Section 2.A., who were in the vehicle at the time of the accident. See Appendix C for a copy of an accident report.
G. Other. Not drive the vehicle “off road” unless it is made for that use

SECTION 11. MECHANICAL OR OPERATIONAL FAILURE.

A. Mechanical or Operational Deficiencies. Mechanical or operational deficiencies that occur while a CTRMA vehicle is being used for official CTRMA business will be corrected in accordance with this section. In no case will an employee of CTRMA continue to operate a CTRMA vehicle if continued operation could endanger any person or property.

1. Minor Repairs. Minor necessary repairs, including towing, that do not exceed $100 dollars shall be ordered and paid for by CTRMA as described in Section 4-B.

2. Major Repairs. Whenever the estimated cost of repairs or adjustments exceeds $100, the CTRMA employee shall notify the CFO during working hours or after hours.

SECTION 12. VEHICLE RETURN.

A. Immediate Return Required. Immediately upon completion of a trip, the authorized driver must return the CTRMA vehicle. CTRMA vehicles may not be kept overnight following a trip. The vehicle must be returned clean and refueled.

B. Return During Business Hours. Whenever a CTRMA vehicle is returned during regular business hours, the CTRMA employee shall report vehicle defects to the Director of Engineering

C. Return After Business Hours. When it is necessary for an employee of CTRMA to return a CTRMA vehicle before or after normal working hours, the employee will:

1. park the CTRMA vehicle in the area designated for non-duty hour turn in;

2. record the odometer reading and the time of the turn in on the slip in the packet;

3. note any mechanical or operational deficiencies or needed adjustments;

4. close all windows and lock the CTRMA vehicle;

Performance, Conduct and Corrective Action

POLICY

It is the policy of The Central Texas Regional Mobility Authority to maintain a professional work environment that fosters respect, teamwork, productivity and safety for employees and customers. Consequently, employees are expected to perform their assigned job duties, to maintain professional, respectful conduct while on Agency premises or representing the Agency, and to abide by Agency policies and rules.

An employee who commits any infraction of the CTRMA policy or procedure, or who fails to meet job performance or conduct expectations, may be subject to corrective action, up to and including termination of employment.

Management reserves the right to take whatever corrective action it deems appropriate to each situation. When evaluating performance issues, conduct issues, or other work-related problems for possible corrective/disciplinary action, management will carefully consider the following:

- The nature and seriousness of the problem;
- The employee's work history; and
- The type of corrective action which would best impress upon the employee the need for improvement (if corrective action other than termination is taken).

While it is not possible to specify all types of conduct or activities that are considered unacceptable, some unacceptable activities are noted in the non-inclusive list below. If you have any questions concerning these or other unacceptable activities, please see your manager or the Human Resources Manager.

- Criminal acts, whether on or off duty, at any time.
- Violence or threats of violence (whether verbal, written, or by images or gesture); or threatening, intimidating, or coercing any person; whether on or off duty, at any time, for any purpose.
- Possessing, selling, distributing or transporting handguns, firearms, knives, ammunition (whether live or spent), explosives, pepper spray or other incapacitating spray, or any other prohibited weapon of any kind, even if properly licensed or permitted, on Agency premises or while representing the Agency.
- Being under the influence of alcohol or prohibited substances on duty, on Agency premises, or while representing the Agency.
- Possessing, selling, manufacturing, distributing, concealing, transporting or consuming alcoholic beverages, illegal drugs, or other prohibited substances on duty, on Agency premises, or while representing the Agency.
- Any act of harassment directed at an employee, customer, prospective customer, or other individual while on Agency premises, or while representing the Agency; or violating the Agency's Workplace Harassment Policy.
- Sabotage and/or espionage; or causing in any manner the defacing, destruction or damage of Agency property or the property of employees, customers, vendors, or visitors.

- Failure to immediately report damage to, or an accident involving Agency equipment or property.
- Unauthorized use or removal of property, equipment or tools, including documents, keys, or other items belonging to/leased by the Agency, an employee, customer, vendor or prospective customer without prior permission from management.
- Violation of Agency safety/health rules; any action which could endanger the life or safety of another person.
- Violating confidentiality rules or providing confidential or proprietary information to competitors, other organizations or to unauthorized employees; breaching confidentiality with respect to personnel or customer information; unauthorized release of, or negligence in the use, care or protection of confidential and/or proprietary information.
- Financial misrepresentation or other material misrepresentation on any Agency record or document; omission or falsification of any Agency record, including time records and employment applications and documents; unauthorized alteration of Agency records or other Agency documents.
- Immoral conduct or indecency on Agency property.
- Obscene or abusive language directed at any employee or customer; any disorderly conduct on Agency property or while representing the Agency.
- Insubordination or refusing to obey work instructions properly issued by a manager or supervisor.
- Unsatisfactory performance or careless execution of work; failure to meet deadlines or quality standards as explained by a manager.
- Excessive tardiness or excessive amounts of unexcused absences; failure to notify manager of absence or tardiness.
- Leaving the work area before the end of the scheduled shift without prior approval of the manager; sleeping or appearing to sleep during working hours.
- Being on Agency property without authorization; or being on Agency property outside of normal business hours without a legitimate business reason.
- Violation of any Agency rule or any action that is obviously harmful to the Agency's efforts to operate reputably and profitably.

The disciplinary and corrective action guidelines herein do not alter the at-will relationship which exists between the CTRMA and each employee. This means that employment may be terminated either by the employee or by the CTRMA at any time and for any reason, with or without notice. Failure to enforce any policy, expectation or standard does not affect management's ability to do so in the future.

The Central Texas Regional Mobility Authority reserves the right to modify, defer or rescind this policy at any time, with or without prior notice.

Workplace Harassment

POLICY

All Agency employees have the right to work in an environment free from any type of unlawful discrimination or harassment based on race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability or any other status protected by law. This includes freedom from sexual harassment in the workplace.

Harassment based on any of the above is considered a form of illegal discrimination. The Central Texas Regional Mobility Authority will not tolerate any form of harassment in the workplace.

Prohibited Harassment

For purposes of this policy, prohibited sexual harassment is defined as any unwelcome sexual advances, requests for sexual favors or other unwelcome verbal or physical conduct of a sexual nature when:

- submission to such conduct is made either explicitly or implicitly a term or condition of the individual's employment;
- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting that individual;
- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment; or
- such conduct otherwise adversely affects an individual’s employment opportunities.

Other forms of prohibited harassment include any unwelcome verbal or physical conduct that belittles, shows hostility, or ridicules an individual because of gender, race, color, religion, national origin, age, sexual orientation, disability, or any other characteristic protected by law, when such conduct:

- has the purpose or effect of creating an intimidating, hostile or offensive working environment;
- has the purpose or effect of unreasonably interfering with an individual’s work performance; or
- otherwise adversely affects an individual’s employment opportunities.

Harassment By Customers, Vendors and Third Parties

The Agency recognizes that unwelcome harassment can also be perpetrated by a vendor, employee of a vendor, customer, or other third party. If an employee believes that he/she has been or is being harassed, or if an employee witnesses what he/she believes to be harassment by

a vendor, employee of a vendor, a customer, or other third party associated with his/work at the CTRMA, he/she should use the reporting and investigation procedures discussed herein. Where an investigation reveals that unwelcome harassment has occurred, the Agency will undertake appropriate measures to ensure that the harassment ceases.

Reporting Procedures

If an employee believes that he/she is or has been subjected to harassment based on any protected status, including but not limited to any of the conduct listed herein, by any manager, other employee, customer, vendor or any other person in connection with employment at the CTRMA, the employee should report the incident to his/her manager; or bring the matter to the immediate attention of any Agency manager or to the Human Resources Manager.

Similarly, an employee who witnesses harassment directed at an employee should immediately report the matter to any manager or to the Human Resources Manager, with or without the permission of the employee involved.

An employee who believes that he/she has been subjected to prohibited harassment or who witnesses harassment directed at another employee should not assume that the Agency is already aware of the situation. Even if others observe the conduct, those individuals may not know that the particular conduct or comments are unwelcome. In order for the Agency to resolve an employee's concerns, each employee must bring such issues to the Agency's attention by following the reporting procedures outlined herein.

Investigation

The Agency will take complaints or reports of harassment very seriously and will promptly initiate an investigation. Both the investigation and the resolution of the investigation shall be conducted and implemented in as confidential a manner as possible.

Remedial/Corrective Action

The Agency will take appropriate remedial action, including disciplinary action when warranted, if an investigation reveals that prohibited harassment, discrimination or retaliation in violation of this policy has occurred.

Employees who violate this policy shall be subject to corrective action, up to and including termination of employment for a first offense.

Workplace Harassment

Non-discrimination/Non-retaliation

No employee who, in good faith, reports an alleged incident of harassment or who participates in an investigation of an alleged incident of harassment shall be subjected to discrimination, reprisal or retaliation in any form because of having made such a report or participating in such an investigation. Any employee who feels that he/she has been subjected to any form of discrimination, reprisal or retaliation because of having reported an alleged incident of harassment or because of having participated in an investigation of a harassment complaint should immediately report such reprisal or retaliation to any Agency manager, to the Human Resources Manager, or to the Executive Director.

[For more information, please reference the Equal Employment Opportunity Policy and the Performance, Conduct and Corrective Action Policy in this Handbook.]

Alcohol and Prohibited Substances

POLICY

The Central Texas Regional Mobility Authority recognizes a responsibility to help provide a safe and productive workplace for its employees. To this end, and to safeguard the Agency's property, protect the health and safety of the general public, and to set a positive example for the community in which the CTRMA does business, the Agency has adopted this substance abuse policy. Compliance with this policy is a condition of initial and continued employment with the CTRMA.

This policy is adopted in furtherance of the requirements of the Texas Workers' Compensation Act, and rules adopted thereunder, relating to the elimination of drug abuse in the workplace and of the Texas Transportation Code, §370.033(h).

Definitions

As used in this policy, "controlled substances", "prohibited substances", and "illegal drugs" broadly refers to all forms of narcotics, depressants, stimulants, hallucinogens, and the illegal use of inhalants and other drugs, including marijuana, whose use, possession, or transfer is restricted or prohibited by law (substances listed in Schedules I-V of Section 202 of the Controlled Substances Act [21 U.S.C. §812], as amended, or as revised and set forth in federal regulations [21 C.F.R. §§1308.11-1308.15]. Copies of such schedules are maintained by the CTRMA for review by employees).

As used in this policy, "under the influence" is defined as:

- Drugs, Inhalants or Controlled Substances: having any detectable level in the person's body, regardless of when or where the drug, inhalant, or controlled substance may have been consumed.
- Alcohol: having a blood alcohol content of 0.04 or higher or having any odor of alcohol on the breath or body, regardless of when or where the alcohol may have been consumed.

POLICY

It is the policy of The Central Texas Regional Mobility Authority to maintain a drug-free workplace.

To that end, the Agency prohibits the manufacture, distribution, dispensation, possession, concealment, use, sale, purchase or transfer of alcohol, inhalants, drugs, or controlled substances ("prohibited substances") and the possession of drug-related paraphernalia or literature promoting the use of illegal drugs while at work or while representing the Agency, on Agency premises (including parking lots), in Agency vehicles, or on Agency business.

Alcohol and Prohibited Substances

The CTRMA also prohibits any person, including employees of the CTRMA, to be on Agency premises (including parking lots), in Agency vehicles, or on Agency business while under the influence of any prohibited substance.

Over-the-counter medications and prescription drugs prescribed by a licensed medical practitioner for the person using or possessing them are generally not prohibited by this policy, provided they were lawfully obtained and are not consumed at a frequency or quantity greater than the dosage prescribed or otherwise recommended on the medication's label. However, any employee taking any prescription or over-the-counter drug or medication, regardless of whether it was lawfully obtained and properly consumed, which may adversely affect his/her ability to perform work in a safe and productive manner, must notify his/her supervisor or, if not available, another management representative immediately after entering onto Agency's premises and prior to starting work.

The employee's supervisor, in consultation with appropriate medical personnel when necessary, will decide if the employee may remain at work or on the CTRMA's premises and what work restrictions or accommodations, if any, are deemed necessary. Information regarding the employee's use of medication and any other information provided by appropriate medical personnel will be kept strictly confidential and will be disclosed only to Agency management personnel on a need-to-know basis and in accordance with the law.

The CTRMA currently does not have a pre-employment drug testing program. However, the Agency reserves the right to initiate, at any time, with or without notice, a program that requires candidates who have accepted a position with the Agency to take and pass a drug test as a condition of initial employment.

In addition, the Agency reserves the right to require employees, as a condition of initial and continued employment, to submit to drug, alcohol and prohibited substances testing in the event of any of the following circumstances:

- a work-related incident/accident requiring any employee, customer or visitor to seek medical attention;
- upon reasonable suspicion on the part of management; and

Compliance with the Agency's drug, alcohol and prohibited substances policy is a condition of initial and continued employment.

Alcohol and Prohibited Substances

Violations of Policy

An employee who violates this policy will be subject to disciplinary action, up to and including termination of employment.

An employee who violates this policy, or who is reasonably suspected of violating this policy, may be requested to undergo alcohol and drug testing. An employee who refuses to comply with a management request to submit to testing or who fails to cooperate with the testing process will be subject to disciplinary action, up to and including termination of employment.

In addition, an employee who violates this policy, or who is reasonably suspected of violating the policy of the Agency is subject to investigation that may involve searches of his/her person and property. Searches of employees' persons, clothing or personal effects, such as lunch bags/pails, purses, briefcases, attaches and vehicles will not be conducted without the employee's consent. However, an employee's refusal to permit a search of personal container(s) upon the request of management may result in disciplinary action, up to and including termination of employment.

Any employee who refuses to comply with a management request to cooperate with an investigation of alleged violation(s) of this policy may also be subject to disciplinary action, up to and including termination of employment.

The sale, use, purchase, transfer, or possession of an illegal drug or drug paraphernalia is illegal. Therefore, the CTRMA will report possession, distribution or use of illegal drugs to law enforcement authorities and will submit to the custody of law enforcement authorities any such substances found on CTRMA premises or property. The Agency will fully cooperate in any investigation and/or prosecution of a violation of drug law(s).

Neither this policy nor any of its terms are intended to create a contract of employment, or to alter existing employment relationships in any way. The CTRMA retains the sole right to change, amend modify or defer any term or provision of this policy without notice.

All CTRMA officers, including Board officers (Chair, Vice-Chair, Secretary and Treasurer) are encouraged to adhere to this policy. Officers are reminded that use of illegal drugs, or abuse of controlled substances or alcohol, may be grounds for removal from office in accordance with the Texas Transportation Code §370.254.

[For further information, please reference the Performance, Conduct and Corrective Action Policy in this Handbook].

Weapons & Violence

POLICY

The Central Texas Regional Mobility Authority intends to create and sustain for its employees, customers and visitors a working environment which is free of workplace violence or the threat of violence.

Therefore, the Agency will assume and vigorously enforce a "zero tolerance" policy with respect to weapons and to violence or threats of violence directed at any person. Prohibited behavior includes but is not limited to threatening language, whether verbal or written; threatening gestures or pictures; and/or actual violence of any kind directed at any individual.

The CTRMA also prohibits possessing, selling, distributing, concealing or transporting—whether by employee, customer, or visitor—of firearms or any other weapon while on Agency premises, or while conducting Agency business of any kind. This prohibition includes but is not limited to: handguns, firearms, knives, ammunition (whether live or spent), explosives, pepper spray or other incapacitating spray, or any other prohibited weapon of any kind, regardless of whether the person is licensed to carry the weapon or not. This prohibition also includes toy weapons and reproductions or replicas of weapons.

Violations of Policy

A violation of this policy will be dealt with aggressively and, subject to investigation, may lead to corrective up to and including termination of employment for a first offense.

An employee who violates this policy or who is reasonably suspected of violating this policy is subject to investigation that may involve searches of his/her person and property. Employees are expected to comply with searches of their persons, clothing or personal effects, lunch bags/pails, purses, briefcases, attaches and vehicles. Such searches will not be conducted without the employee's consent; however, an employee's refusal to permit a search of his/her person, personal effects, or personal container(s) upon the request of management may result in disciplinary action, up to and including termination of employment.

He/she may also be subject to criminal prosecution and corrective action, up to and including termination of employment (and, in appropriate circumstances, termination for a first offense). Any employee who refuses to comply with a management request to cooperate with an investigation of alleged violation(s) of this policy may be subject to corrective action, up to and including termination of employment.

[For further information, please reference the Safety, Health and Security Policy, and the Performance, Conduct and Corrective Action Policy in this Handbook.]

Investigation, Privacy and Searches

POLICY

It is the policy of The Central Texas Regional Mobility Authority to ensure a safe environment for employees and customers, and to ensure the efficient and proper operation of the business at all times.

To accomplish this objective, the CTRMA routinely monitors and records the use of its technology equipment, tools and systems, including internet, e-mail systems and voicemail systems.

From time to time, the Agency will need to search and inspect work areas for work-related reasons. Accordingly, the Agency reserves the right to inspect, search, and in appropriate circumstances, make electronic recordings in and around Agency-owned/leased structures and furniture, whether locked or unlocked, including offices, lockers, work cubicles, desks, file cabinets, computer databases, on-line services (e.g., the Internet), the electronic mail ("e-mail") and voicemail systems, work areas and storage areas on the premises or facilities of the CTRMA.

PROCEDURES

Searches of Agency-owned structures and furniture (as outlined above) will be conducted by Agency management or its designee, from time to time, with or without prior notification and with or without the consent or presence of the employee.

Agency policy does not permit any employee to use a personal lock to secure any Agency-owned structures or furniture on the premises or facilities of the CTRMA.

Because employees have no right or expectation of privacy in Agency-owned structures, furniture, internet, e-mail and voicemail systems, employees are strongly encouraged to refrain from storing in or on Agency-owned property any personal item (including personal written material) which they do not wish to be inspected by Agency management.

Searches of employees' persons, clothing or personal effects, such as lunch bags/pails, purses, briefcases, attaches and vehicles will not be conducted without the employee's consent. However, an employee's refusal to permit a search of his/her person, personal effects, and personal container(s) upon the request of management may result in corrective action, up to and including termination of employment.

Investigation, Privacy and Searches

Similarly, an employee's refusal to fully cooperate in an investigation conducted by management or a representative of management will be taken into consideration when making final decisions at the conclusion of such an investigation, and may result in corrective action, up to and including termination of employment.

EMPLOYEE RECORDS
AND TERMINATION OF EMPLOYMENT

Employee Records

POLICY

The CTRMA's Human Resources Manager shall retain certain personnel records in order to comply with various federal, state and local laws, and to maintain other relevant information for each employee. The Agency makes every effort to balance each individual's right to privacy with the Agency's need to obtain, use and retain certain employment information.

Personnel records shall be treated privately and confidentially, to the degree permitted by law and their use for conducting normal business operations. Medical and benefits records/information shall be retained separately from the personnel records and shall not be made accessible to any person other than authorized human resources personnel and the employee.

PROCEDURES

Personnel records are to contain information which is needed by the Agency to conduct its business or which is required by federal, state or local law. This information normally will include, but will not necessarily be limited to, the following:

- Application forms;
- Payroll information;
- Performance appraisals;
- Disciplinary records; and
- Work-related personal information.

Employees have a responsibility to keep their personnel information up-to-date and are to notify the Human Resources Manager in writing of any changes. Employees are generally allowed to inspect their own personnel records, with the exception of employment references. A request to do so should be directed to the Human Resources Manager, which will schedule a time for inspection that is convenient for both parties.

Third parties (banks, mortgage companies, etc.) who are seeking information concerning employees and former employees should be referred to the Human Resources Manager. The Human Resources Manager will comply with state laws (Texas Government Code §552.102) regarding confidentiality of employee information and will release to third parties only the dates of employment and position(s) held, unless the individual who is the subject of the inquiry provides written consent for the release of other relevant information.

Managers who receive verbal or written requests for personal or employment information about a current or former employee should refer these inquiries, without comment, to the Human Resources Manager.

Leaving Employment with the Central Texas Regional Mobility Authority

POLICY

Because The Central Texas Regional Mobility Authority is an at-will employer, employees may resign from the Agency at any time, for any reason. Similarly, the Agency reserves the right to terminate employment at any time, for any reason, with or without advance notice and with or without cause.

The CTRMA has established guidelines regarding termination of employment. Termination of employment includes voluntary discharges such as: employee resignation, retirement, and expiration of an employment contract; and involuntary discharges, such as reorganization, reduction-in-force, or discharge for cause.

PROCEDURE

In order to ensure that the CTRMA remains a premier employer of choice, employees who voluntarily leave the Agency will normally be asked to schedule a confidential exit interview with the Human Resources Manager or his/her designee.

Generally, former employees who leave in good standing may be considered for re-employment. Former employees who were involuntarily discharged generally will not be considered for re-employment.

Employees are not permitted to use remaining vacation time as part of the notice period, unless specifically approved by the employee's manager.

Credited service/length of service for purposes of determining benefits eligibility is governed by the terms of each benefit plan.

The termination and discharge policy/procedures outlined in this policy are not all-inclusive, nor do they constitute a legal contract between the CTRMA and its employees. Employment with the CTRMA is on an at-will basis.

EMPLOYEE ACKNOWLEDGEMENT AND AGREEMENT

I acknowledge that I have received The Central Texas Regional Mobility Authority's (the "Agency's") Employee Handbook (the "Handbook"), either in electronic or paper format. I certify that I have read the complete Handbook, and have had an opportunity to ask a manager to answer my questions about the Handbook.

I understand that the Handbook serves as a set of guidelines only. Since no handbook or set of policies can anticipate every possible circumstance or situation that may arise in the workplace, I understand that individual circumstances may call for individual attention. I further understand that the contents of this Handbook may be changed at any time at the discretion of the Agency.

I understand that nothing contained in the Handbook or this acknowledgment page, in whole or in part, shall act as a contract or guarantee of employment. I understand that my employment with The Central Texas Regional Mobility Authority is at-will, and that because I am employed for no definite period of time, both the Agency and I retain the right to terminate the employment relationship at any time and for any reason. I also understand and agree that the Agency retains the right to demote, transfer, change my job duties, and change my compensation at any time with or without cause in its sole discretion. It is my further understanding that this "at will" employment relationship may not be changed by any written document or by any conduct unless such change is specifically acknowledged in writing by me and the Executive Director and/or Board of Directors of The Central Texas Regional Mobility Authority.

As a condition of initial and continued employment, I agree to abide by and adhere to the rules and regulations of the Agency at all times during the entire course of my employment.

In particular, I have read, understand and agree to abide by the Workplace Harassment Policy and the Code of Conduct Policy.

I understand that my signature below indicates that I have read and understand the above statements.

_____

Printed Name

_____

Signature/Date

Original – Employee file
Copy – Employee

Appendix 2: Conflict of Interest Disclosure Form for Consultants

DISCLOSURE STATEMENT FORM

This Disclosure Statement outlines potential conflicts of interest as a result of a previous or current business relationship between the undersigned individual (and/or the firm for which the individual works) and an individual or firm submitting a proposal or otherwise under consideration for a contract associated with _____. Section I of this Disclosure Statement Form describes the potential conflicts of interest. Section II of this Disclosure Statement Form describes the proposer's management plan for dealing with the potential conflicts of interest as described in Section I of this form. This Disclosure Statement is being submitted in compliance with the Central Texas Regional Mobility Authority's Conflict of Interest Policy for Consultants. The undersigned acknowledges that approval of the proposed management plan in within the sole discretion of the Central Texas Regional Mobility Authority.

SECTION I. Description of Potential Conflicts of Interest.

_____
_____
_____
_____
_____
_____

SECTION II. Management Plan for Dealing with Potential Conflicts of Interest.

_____
_____
_____
_____
_____
_____

SIGNED: _____ DATE: _____

NAME AND TITLE: _____

REPRESENTING: _____

APPROVED BY THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY:

SIGNED: _____ DATE: _____

NAME AND TITLE: _____

Appendix 3: Conflict of Interest Disclosure Form for Key Financial Personnel

DISCLOSURE STATEMENT FORM

This Disclosure Statement outlines potential conflicts of interest as a result of a previous or current business relationship between the undersigned individual (and/or the firm for which the individual works) and an individual or firm submitting a proposal or otherwise under consideration for a contract associated with _____. Section I of this Disclosure Statement Form describes the potential conflicts of interest. Section II of this Disclosure Statement Form describes the proposer's management plan for dealing with the potential conflicts of interest as described in Section I of this form. This Disclosure Statement is being submitted in compliance with the Central Texas Regional Mobility Authority's Conflict of Interest Policy for Financial Team Members. The undersigned acknowledges that approval of the proposed management plan in within the sole discretion of the Central Texas Regional Mobility Authority.

SECTION I. Description of Potential Conflicts of Interest.

_____
_____
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SECTION II. Management Plan for Dealing with Potential Conflicts of Interest.

_____
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_____
_____
_____

SIGNED: _____ DATE: _____

NAME AND TITLE: _____

REPRESENTING: _____

APPROVED BY THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY:

SIGNED: _____ DATE: _____

NAME AND TITLE: _____

Confidential