

CONTRACT DECLARATIONS & EXECUTION

Title of Contract:		RFP Number:	Contract Number:
DOE Weatherization Assistance Program		None	DOE-23-01
Project Description:	A federal grant program established to help reduce the heating and cooling costs for low-income persons by improving the energy efficiency of their homes.		
This Contract is entered into by the following parties:			
Grantee of State (hereafter "Grantee"):		Subgrantee (hereafter "Subgrantee"):	
Iowa Department of Human Rights Division of Community Action Agencies		Community Opportunities, Incorporated, DBA: New Opportunities, Inc.	
Grantee Principal Address (Notice Address):		Sub-Grantee Principal Address (Notice Address):	
Lucas State Office Building - 2nd Floor 321 East 12th Street Des Moines, Iowa 50319-0090		23751 Hwy 30 E Carroll, Iowa 51401	
Awarding Official Contact Information		Unique Entity Identifier:	FEC7TK27SNC8
Christine Taylor, Weatherization Bureau Chief Phone: 515-281-4565		I-3 Vendor Number:	00002109358
		Tax ID Number:	420923412
FAIN Number:	DE-EE0009902	Indirect Cost Rate:	16.90%
Federal Award Date:	04/24/23	Federal Funds Involved:	Yes
Total Amount of Federal Award:	\$ 12,904,187	Contract Start Date:	04/24/23
Amount Obligated this Action:	\$ 6,710,946	Contract End Date:	03/31/24
Award is R&D:	No	Obligated to Subgrantee:	\$ 238,838
CFDA Number and Name:		Maximum Contract Value:	\$ 238,838
81.042 Weatherization Assistance Program for Low-Income Persons		Billing Frequency:	Monthly
Federal Awarding Agency:		Special Contract Attachments:	
Energy Efficiency & Renewable Energy, United States Department of Energy		None	
		Amount of Insurance Coverage Required:	
		See Section 30.00 of the Special Terms & Conditions	

This Contract consists of the above information, the attached Special Terms and Conditions, General Terms, and all Special Contract Attachments (hereafter "Contract"). To the extent of any inconsistency between the Special Terms and Conditions or the General Terms, and any specifications or other conditions which are made a part of this Contract, by reference or otherwise, the Special Terms and Conditions and the General Terms shall control. To the extent of any inconsistency between the Special Terms and Conditions and the General Terms, the Special Terms and Conditions shall control.

In consideration of the mutual covenants in this Contract and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Contract and have caused their duly authorized representatives to execute this Contract.

CONTRACT SIGNATURES:

Grantee, By:	Subgrantee, By:
Signature:	Signature:
Printed Name: William Brand	Printed Name: Chad Jensen
Title: Division Administrator	Title: Executive Director
	Subgrantee, By:
	Signature:
	Printed Name:
	Title: Board President/Chair

Title of Contract	Contract Number
This Contract is entered into by the following parties	DOE-23-01

Grantee	Subgrantee
Iowa Department of Human Rights Division of Community Action Agencies Lucas State Office Building - 2nd Floor 321 East 12th Street Des Moines, Iowa 50319-0090	Community Opportunities, Incorporated, DBA: New Opportunities, Inc. 23751 Hwy 30 E Carroll, Iowa 51401

Project Budget		
Line Item	Budget	
Administration	\$	40,576.00
Support	\$	41,169.00
Health & Safety	\$	46,192.00
Labor	\$	44,856.00
Materials	\$	44,856.00
T&TA	\$	21,189.00
Readiness	\$	-
TOTAL	\$	238,838.00

Funds may be transferred from Administration to Support, Health and Safety, Labor, and Materials and between Support, Health and Safety, Labor, and Materials without prior approval.

Administration cost may not 22.9146% of the total expenditure for Support, Health and Safety, Labor, and Materials when final program expenditures are compiled and submitted to the GRANTEE.

Service Area
The sub-grantee shall perform all the work and services required under this contract in connection with and respecting the following area(s): Audubon, Calhoun, Carroll, Crawford, Dallas, Green, Guthrie and Sac Counties

SPECIAL TERMS AND CONDITIONS

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**DOE-23 CONTRACT
SPECIAL TERMS AND CONDITIONS**

SECTION 1.0 CONTRACT BUDGET

See Attachment A of this Contract for budget information.

SECTION 2.0 AREA COVERED

The Subgrantee shall perform all the work and services required under this Contract in connection with and respecting the area(s) outlined in Attachment A of this Contract.

SECTION 3.0 SIGNATORIES

3.1 Initial Contract

Grantee

The Administrator of the DCAA is the official authorized to execute the administrative terms and conditions specified in this Contract for the Grantee.

Subgrantee

The Chairperson of the Board of Directors and the Executive Director are the officials authorized to execute the administrative terms and conditions specified in this Contract. The Contract must be signed by both the Chairperson and the Executive Director.

3.2 Contract Amendments

Grantee

The Administrator of the DCAA is the official authorized to execute any amendments related to this Contract for the Grantee.

Subgrantee

The Chairperson of the Board of Directors is the official authorized to execute any amendments related to this Contract. The signatures must be original signatures or electronic signatures using e-signature software. Upon board action, the Chairperson of the Board of Directors may designate the Executive Director or other Subgrantee official to execute amendments on behalf of the Chairperson. Any approved designees must be designated in writing using the Iowa Weatherization Program Designation of Additional Signatories form, and submitted to the Grantee by the Chairperson of the Board of Directors.

3.3 Monthly Funding Requests and Expenditure Reports

The Executive Director is the official authorized to certify the Subgrantee's Monthly Funding Requests and Expenditure Reports. The Executive Director may designate another Subgrantee official to certify the Subgrantee's Monthly Funding Requests and Expenditure Reports on behalf of the Executive Director. Any approved designees must be designated in writing, using the "Iowa Weatherization Program – Designation of Additional Signatories" form, and submitted to the Grantee by the Executive Director.

SECTION 4.0 RESOLUTION OF CONFLICTING CONDITIONS

Any apparent inconsistency between Federal statutes and regulations and the terms and conditions contained in this award must be referred to the DOE Award Administrator for guidance.

Questions regarding this Contract are to be addressed to the Grantee.

SECTION 5.0 AMENDMENTS TO GENERAL TERMS

The General Terms are hereby amended as follows:

- 1) Section E. 1. (Access to Confidential Information): The 3rd and 5th sentences are deleted in their entirety.
- 2) Section G. 1. (Insurance Requirements): The words "at the Contractor's expense" are deleted from the 1st sentence.
- 3) Section G. 3. Certificates of Coverage:
 - Delete from the second sentence "submit" and add "maintain"
 - Delete from the second sentence "to the Agency upon execution of this Contract"
 - The third and fifth sentence are deleted in their entirety
- 4) Section H. (Program Management and Reporting): The entire section is deleted in its entirety.
- 5) Section L. 11. (Use of Third Parties): The 2nd sentence is deleted in its entirety.

- 6) Section L. 26. (Records Retention and Access): Delete all references to five (5) and insert three (3).
- 7) Section L. 27. (Audits): Delete from the first sentence "\$500,000" and insert "\$750,000".
- 8) Section O. (Certification Regarding Debarment, suspension, Ineligibility, and Voluntary Exclusion -- Lower Tier Covered Transactions): Add "or their successors" after all references to "48 CFR Part 9, Subpart 9.4".
- 9) Section P. (Certification Regarding Lobbying): The section is replaced with:
 - By accepting funds under this award, the Subgrantee agrees that none of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 U.S.C. 1913. This restriction is in addition to those prescribed elsewhere in statute and regulation.
- 10) Section R. 5. (Certification Regarding Compliance with Requirements of Iowa Code Chapter 8F): Add at the end of the paragraph, "The recipient entity will meet the requirements to provide a copy of the Internal Revenue Service Form 990 for all fiscal years in which service contract revenues are reported by maintaining for Grantee inspection copies of the 990 forms."
- 11) Section S. (Provisions for Contractors Established in Accordance with Chapter 28E): Delete from the 2nd sentence of the 2nd paragraph "one week" and insert "twenty (20) days".
- 12) Section U. "Equipment" shall follow the definition as provided in 2 CFR 200.1 Definitions – *Equipment* (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), which includes information technology systems. "Information technology systems" means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related.
- 13) Section U. 3. (Disposition of Equipment): The 2nd sentence is deleted in its entirety and replaced with:
 - Proceeds resulting from those approved sales must be credited to the program(s) that made the initial purchase pursuant to 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards).
- 14) Section U.4 (Rental and Lease Requirements): At the end of the sentence, insert "per calendar year".

SECTION 6.0 DEFINITIONS

"Completed Home" means a home where all the requirements contained in Section 5.60 of the *Iowa Weatherization Policies and Procedures Manual* have been met.

"DOE" means the U.S. Department of Energy.

"DOE Contracts" and "DOE Funds" means regular DOE contract/funds.

"DOE-BIL22" means the Bipartisan Infrastructure Law funds for the Weatherization Assistance Program.

"Grantee" means the Division of Community Action Agencies (DCAA), a division in the Department of Human Rights (DHR). This definition applies only to the Special Terms and Conditions.

"HEAP" means funds received from the state's Low-Income Home Energy Assistance Program (LIHEAP) allocation. These funds are used for the Weatherization Program.

"Incomplete Home" means a home that has been traveled to by the Subgrantee to do weatherization work but where the work cannot start or be completed due to one or more of the factors described in Section 3.30 of the *Iowa Weatherization Policies and Procedures Manual*.

"Subgrantee" means local administering agency of the Weatherization Program. This definition applies only to the Special Terms and Conditions.

"Subgrantee Contractor" means any private contractor performing energy audits, inspections, or weatherization work for the Subgrantee. This definition applies only to the Special Terms and Conditions.

"Weatherization Program" means the Iowa Low-Income Weatherization Assistance Program, administered by the DCAA.

SECTION 7.0 STATEMENT OF PURPOSE AND IDENTIFICATION OF PARTIES

WHEREAS, the Department of Human Rights/Division of Community Action Agencies, has been designated by the Governor to administer the Weatherization Assistance Program for Low-Income Persons under Public Law 94-385 (Energy Conservation and Production Act -- Title IV), and as amended by Public Law 95-619 (Human Services Reauthorization Bill -- part 2);

WHEREAS, these program funds shall be allocated to community action agencies or other public or non-profit entities that have successfully operated weatherization programs under the Department of Energy (DOE) rules and regulations;

WHEREAS, the Subgrantee has satisfactorily administered a weatherization program and has the necessary expertise to develop and operate such a program;

THEREFORE, the parties hereto agree as follows:

SECTION 8.0 STATEMENTS OF WORK AND SERVICES

By affixing a signature to this contract, the subgrantee acknowledges receipt of the items listed in this section. The subgrantee also acknowledges responsibility to perform in a satisfactory manner, as determined by the DCAA, the activities and services authorized by this agreement in accordance with the most current version of these documents:

- Contract,
- Iowa Weatherization Program's Policies and Procedures Manual,
- Iowa Weatherization Work Standards Manual (which reflects SWS requirements),
- Iowa Weatherization General Appendix,
- Weatherization Program Notices,
- DCAA directives, and
- Federal, state, and local laws and regulations

SECTION 9.0 PUBLICATIONS

The Subgrantee is encouraged to publish, or make publicly available, the results of the work conducted under this award.

An acknowledgment of Federal support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

Acknowledgment: "This material is based upon work supported by the Department of Energy under Award Number DE-EE00009902."

Disclaimer: "This report was prepared as an account of work sponsored by a Grantee of the United States Government. Neither the United States Government nor any Grantee thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any Grantee thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any Grantee thereof."

SECTION 10.0 COMPLIANCE WITH FEDERAL AND STATE LAWS, RULES, REGULATIONS, AND REQUIREMENTS

The Subgrantee shall obtain any required permits and comply with all applicable federal and state laws, rules, regulations, and requirements, including, but not limited, to the following:

- Federal rules and regulations governing the Weatherization Assistance Program.
- Subgrantee Contractors must obtain any required permits and licenses and comply with applicable federal, state, and local laws, rules, regulations, and requirements.
- Pertinent Occupational Safety and Health Administration (OSHA) regulations and requirements.
- The Immigration and Nationality Act, Sections 245A and 210A, as amended.
- Environmental Protection Agency (EPA) rule, 40 CFR Part 745, titled: Lead; Requirements for Hazard Education Before Renovation of Target Housing and Chapter 69 of the Iowa Administrative Code (IAC) that require persons who perform work on target housing to provide lead paint information pamphlets to the occupants of the homes prior to commencing work on the homes.
- Iowa Administrative Code, Section 427-5.4(216A).

- Requirements described in the Weatherization Assistance Program Contract, the *Iowa Weatherization Policies and Procedures Manual*, the *Iowa Weatherization Work Standards*, the *Iowa Weatherization General Appendix*, and Iowa Weatherization Program Notices and other directives.
- As per 10 CFR Section 600.235 of the Federal Regulations, the “Subgrantee and Subgrantee Contractors must not make any award or permit any award (sub-grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.”

The Subgrantee or Subgrantee Contractor shall make the records required under this Clause available for inspection, copying, or transcription by the Grantee, a DOE representative, or the Department of Labor. The Subgrantee or Subgrantee Contractor shall permit Grantee, DOE representative, or the Department of Labor to interview employees during working hours on the job. If the Subgrantee or Subgrantee Contractor fails to submit the required records or to make them available, Grantee may, after written notice to the Subgrantee take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

10.1 Statement of Federal Stewardship

The DOE will exercise normal Federal stewardship in overseeing the project activities performed under this award. Stewardship activities include, but are not limited to, conducting site visits; reviewing performance and financial reports; providing technical assistance and/or temporary intervention in unusual circumstances to correct deficiencies which develop during the project; assuring compliance with terms and conditions; and reviewing technical performance after project completion to ensure that the award objectives have been accomplished.

10.2 Intellectual Property Provisions and Contact Information

Nonprofit organizations are subject to the intellectual property requirements at 10 CFR 600.136(a), (c), and (d). For all other organizations, the following intellectual property provisions shall apply:

- (a) Recipients may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. DOE reserves a royalty-free, non-exclusive, and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes and to authorize others to do so.
- (b) The DOE has the right to: (1) obtain, reproduce, publish or otherwise use the data first produced under an award; and (2) authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes. A list of all intellectual property provisions may be found at www.gc.doe.gov/financial_assistance_awards.htm.

Questions regarding intellectual property matters should be referred to the DOE Award Administrator and the Patent Counsel designated as the service provider for the DOE office that issued the award. The IP Service Providers List is found at [www.gc.doe.gov/documents/Intellectual_Property_\(IP\)_Service_Providers_for_Acquisition.pdf](http://www.gc.doe.gov/documents/Intellectual_Property_(IP)_Service_Providers_for_Acquisition.pdf).

10.3 Non-Compliance

Upon discovery of any case of non-compliance, the Grantee will send a written notice of non-compliance to the Subgrantee. The notice will describe what corrective action the Subgrantee must follow to correct the issue. In some instances, the Grantee will require the Subgrantee to develop a plan and timeline for corrective action. The Grantee will monitor the Subgrantee to assure compliance with the stated corrective action. If compliance is not achieved by the established timeline, the Subgrantee's funds may be held in abeyance until the situation is resolved. Any egregious case of non-compliance may result in termination of the Contract.

The Subgrantee may appeal the notice of non-compliance to the Grantee Administrator within seven (7) calendar days of receiving the notice. The Grantee Administrator will rule on the validity of the appeal.

The Grantee may, at its discretion, hold Subgrantee funds in abeyance, if the same findings are identified in consecutive years.

SECTION 11.0 SITE VISITS

DOE authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. The Subgrantee must provide reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government

representatives in the performance of their duties. All site visits and energy audits must be performed in a manner that does not unduly interfere with or delay the work.

SECTION 12.0 RESOLUTION OF DISAGREEMENT

In the event of any disagreement between the Grantee and the Subgrantee relating to the competence of the work and services being performed and its conformity to the requirements of this Contract, the decisions of Grantee shall prevail.

SECTION 13.0 DECONTAMINATION and/or DECOMMISSIONING COSTS

Notwithstanding any other provisions of this Agreement, the Government shall not be responsible for or have any obligation to the recipient for (i) Decontamination and/or Decommissioning (D&D) of any of the recipient's facilities, or (ii) any costs which may be incurred by the recipient in connection with the D&D of any of its facilities due to the performance of the work under this Agreement, whether said work was performed prior to or subsequent to the effective date of this Agreement.

SECTION 14.0 INTEREST OF THE GRANTEE AND SUBGRANTEE OFFICIALS

14.1 Grantee Officials

No employee of the Grantee shall participate in any decision relating to this Contract which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested; or have any interest, direct or indirect, in this Contract or the proceeds thereof.

14.2 Subgrantee Officials

The Subgrantee promises that no official, employee or agent of the Subgrantee has any personal or financial interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. The Subgrantee further promises that in the performance of this Contract no person having such interest will be employed.

SECTION 15.0 CONFLICT OF INTEREST

The Subgrantee or Subgrantee Contractors shall not permit any conflicts of interest involving staff, board, or council members and shall avoid any appearance of conflicts of interest in all transactions awarding of financial assistance or procurement of services or property using Contract funds. No member of any council, board, or staff associated with this Contract shall cast a vote on the provision of service by that member (or any organization directly represented by that member) or vote on any matter, which would provide direct financial benefit to that member. Detailed information about any conflict of interest situations, along with information on how they were resolved, shall promptly be reported to the Subgrantee and to the Grantee.

SECTION 16.0 PERSONNEL

The Subgrantee represents that it has, or will, secure all personnel required to perform the work and services under this Contract. The Subgrantee also agrees that it is its responsibility to ensure all personnel engaged in the work and services under this Contract shall be fully qualified.

The Subgrantee will notify the Grantee regarding a change in the weatherization coordinator position.

Subgrantee and Contractor Staff Expectations

- Subgrantee and contractor staff must behave in a professional manner at all times, as they function as weatherization representatives.
- Subgrantee and contractor staff must use all required Protective Personal Equipment (PPE) and to comply with Federal, State or Agency Having Jurisdiction (AHJ) Codes or Program Policies; including, but not limited to OSHA and Lead Safe Weatherization.
- **Prohibited Activities**
 - Drinking, illegal drugs, or the inappropriate use of prescription drugs while on the job or in interactions with the customer;
 - Harassment, including but not limited to, sexual harassment;
 - Engaging in any discussion of work, or the performance of work, with the customer either at no-cost or at-cost of the customer outside of the scope of work with the customer;
 - Violence against self, other staff, or the customer;
 - Presence of weapon or firearms at the job site (weapon/firearm may be locked in vehicle); and
 - All other illegal activities not specified above."

SECTION 17.0 CUSTOMER CONFIDENTIALITY

The Subgrantee shall comply with the Iowa Department of Human Rights' policy on confidentiality of individual customer records as stated in Iowa Code, 216A.6.

SECTION 18.0 FINANCIAL ACCOUNTS AND RECORDS

18.1 Accounts

The Subgrantee shall maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred and revenues acquired under this Contract to the extent and in such detail as will properly reflect all costs, direct and indirect, or labor, materials, equipment, supplies, services, and other costs and expenses of whatever nature, for which payment is claimed under this Contract. The Subgrantee shall be prepared to support charges for salaries and wages by time, attendance, and payroll records.

18.2 Audit and Inspection

At any time during normal business hours and as frequently as is deemed necessary, the Subgrantee shall make available to the Grantee, the State Auditor, the Comptroller General of the United States, the federal agency providing funds, or any of their duly appointed representatives, for their examination, all of its records pertaining to all matters covered by this Contract and permit these agencies to audit, examine, make excerpts or transcripts from such records, contracts, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this Contract.

18.3 Retention of Records

All records in the possession of the Subgrantee pertaining to this Contract shall be retained by the Subgrantee for a minimum of three (3) years after the date the regular DOE and/or DOE-BIL22 grant period, to which the records are related, is closed out (DOE grant periods usually run for multiple years). Records retention procedures shall conform to 2 CFR 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards). The Subgrantee must request and receive prior approval from the Grantee before any records pertaining to this Contract may be destroyed.

18.4 Refunds Returned to Grant

The Subgrantee, in maintaining Contract expenditure accounts and records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from any administrative reviews and audits by the United States or by the State of Iowa or by the Subgrantee. Such adjustments shall be set forth in the financial reports filed with Grantee.

SECTION 19.0 PROGRAM DOCUMENTATION AND RECORDS

19.1 Documentation/Records

The Subgrantee must maintain customer, Subgrantee Contractor, and procurement files containing documentation deemed necessary and appropriate by the Grantee. At a minimum, the files must include the documentation listed in the *Iowa Weatherization Policies and Procedures Manual*, Section 6.00.

19.2 Retention of Records

All records in the possession of the Subgrantee pertaining to this Contract shall be retained by the Subgrantee for a minimum of three (3) years after the date the regular DOE and/or DOE-BIL22 grant period, to which the records are related, is closed out (DOE grant periods usually run for multiple years). Records retention procedures shall conform to 2 CFR 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards). The Subgrantee must request prior approval from the Grantee before any records pertaining to this Contract may be destroyed.

SECTION 20.0 AUDITS

20.1 Audit Requirement

Each Subgrantee shall cause all funds expended under this Contract to be audited annually. The audit shall be arranged by and paid for by the Subgrantee. Audits shall be performed in accordance with generally accepted auditing standards, including the standards published by the General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions." The audit report shall conform to the audit format established for Community Action Agencies by the State Auditor. Audit procedures shall conform to 2 CFR 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards). In addition, the Grantee may request more frequent audits or examinations of financial records of the recipient in order to insure adequate financial controls are in place and operating.

20.2 Audit Procurement

Procurement of audit services shall be conducted under the standards of procurement applicable to the Subgrantee in accordance 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards). The bid procedure shall be conducted at least once every five (5) years.

20.3 Audit Report Due Dates

The Subgrantee must comply with the audit due date and submittal requirements in 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

20.4 Questioned Costs

All questioned costs are payable to the Grantee thirty days after Subgrantee's receipt of the Grantee request for repayment unless written exception is granted during the thirty-day period. Questioned costs may not be paid with federal funds. Where additional examination is required to resolve questioned costs, an extension of the deadline for repayment of questioned costs may be granted by the Grantee.

20.5 Line Item Cost Category Breakout

Audit reports shall be required to breakout budget line item cost data, by Contract, in accordance with the approved Contract budget.

20.6 Other Audits or Reviews

Subgrantees shall inform the Grantee of any program or financial audits or reviews performed by or on behalf of any federal, state, local, or other governmental unit that concern or involve Grantee programs or staff providing services under any Grantee program, and shall provide copies of the findings or results of such audits or reviews to the Grantee within 30 days of receiving such findings or results. Subgrantees shall provide the Grantee with copies of any plans or documents that they create to address any findings or issues identified in such audits or reviews within 10 days of submitting such plans or documents.

SECTION 21.0 REVIEW OF WORK

The Grantee shall have the right to review and observe, at any time, completed work or work in progress on this Contract.

SECTION 22.0 ALLOWABLE COSTS

22.1 General

Allowable costs are defined below. Allowable costs are subject to audit under the principles defined in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards).

22.2 Cost Allocation Plan

The Subgrantee shall possess and use a cost allocation plan that results in the fair distribution of costs to benefiting programs. The Subgrantee shall have available for inspection, by the Grantee, a copy of the cost allocation plan in use during the term of this Contract. The Grantee may review and approve portions of the cost allocation plan not reviewed and approved by the federal cognizant agency.

22.3 Administration

Allowable Administration costs include: salaries and fringe benefits of Subgrantee administrative staff (executive director, HR, IT, fiscal, etc.), office support staff (receptionist, etc.), office space and utilities, telephone, publicity and outreach, travel and per diem, audit costs, rental, purchase, and/or lease of equipment, supplies, photocopies, printing and postage and indirect costs. Although not a Grantee-sponsored training, costs associated with the IWAC Training Retreat may be charged to this line item. Prior approval by the Grantee for the purchase, rental, or lease of equipment is required in order to be an allowable cost. Subgrantees may use program funds to provide clothing for energy auditors, inspectors, or crew members if it is a part of a Subgrantee required uniform. This uniform may be charged to either Administration or Support. Clothing may not be charged for office staff. All persons for whom clothing is purchased must have direct contact with customers.

Indirect costs shall be allowed and must be reported in the Administration budget line. Indirect cost rates, if applicable, shall be determined according to 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards).

22.4 Support

The amount of support the Subgrantee is allowed per completed home under the DOE and HEAP Contracts is 35% of the sum of the DOE, HEAP, Utility, and ECIP (Energy Crisis Intervention Payments) expenditures for health and safety, labor, and materials.

The Subgrantee is allowed a maximum support amount per closed incomplete home of \$500 per closed incomplete home.

Refer to the definitions of a completed home and an incomplete home in *Iowa Weatherization Policies and Procedures Manual* Section 5.0. Support costs cannot be charged for homes where an on-site visit is not made.

In some cases, an item may be charged to the Support line item with a statement of waiver, obtained from the Grantee.

Allowable support costs include:

- a. Salaries and fringe benefits of energy auditors, final inspectors, and weatherization supervisory personnel.
- b. Salaries and fringe benefits of weatherization office staff.
- c. Office space, utilities, telephone, office supplies, office equipment, printing, photocopying, and postage related to the weatherization program.
- d. Insurance related to weatherization staff.
- e. Cost of transporting weatherization materials, tools, equipment, work crews, energy auditors/inspectors, and other weatherization staff to a weatherization work site or a storage site.
- f. Travel cost (mileage and per diem) to attend Grantee-sponsored weatherization training sessions and weatherization meetings. Although not a Grantee-sponsored training, costs associated with the IWAC Training Retreat may be charged to this line item.
- g. Purchase or lease, maintenance, operation, and insurance of vehicles used to transport weatherization materials or personnel. (Auto insurance coverage is required)
- h. Purchase or lease and maintenance of tools and equipment used in the Weatherization Program.
- i. The purchase of building permits, when required.
- j. Purchase of health and safety supplies for use in a weatherization vehicle or on-site. This would include safety goggles, gloves, protective clothing, first aid kits, flares, fire extinguishers, HEPA vacuums, personal protective gear and clothing, signage, etc.
- k. Subgrantees may use program funds to provide clothing for energy auditors, inspectors, or crew members if it is a part of a Subgrantee required uniform. Clothing may not be charged for office staff. All persons for whom clothing is purchased must have direct contact with customers.
- l. Storage of weatherization materials, tools, and equipment. Costs must be pro-rated equally among weatherization programs operated by the Subgrantee and based on percent of materials charged to each program. Inventory maintenance costs, including personnel to secure and complete inventory control, may be charged as a support cost with documentation such as employment records and time sheets.
- m. Payments to Subgrantee Contractors who conduct energy audits and/or inspections of homes on behalf of the Subgrantee.
- n. Costs associated with pulmonary testing, pulmonary readings for the testing, and respirator fitting expenses for individuals required to wear protective gear in association with the Weatherization Program.
- o. Costs associated with Subgrantee staff Lead Renovator certification renewals, Subgrantee staff electrical licensing renewals, Subgrantee plumbing and mechanical licensing renewals, and Quality Control Inspector (QCI) certification renewals, (training classes, registration, and travel to take exams for agency staff and private contractors serving as QCI). Costs associated with brand new licenses are to be charged to the Training/Equipment line item.

22.5 Health and Safety

22.5.1 DOE Contract

DOE requires states to limit the amount of Health and Safety costs charged to DOE. If a state intends to use DOE funds for Health and Safety purposes, DOE requires the state to specify what percentage of DOE funds will be spent for abatement activities. The Iowa Weatherization Program has specified that 35% of support, labor, and materials will be used for health and safety activities. The cost of health and safety in excess of the 35% is augmented with HEAP funds. The health and safety expenditure limit is "outside" the calculation of the average expenditure per home limit. This requirement applies to regular DOE and DOE-BIL22.

22.5.2 HEAP Contract

Actual Health and Safety costs may be charged to this contract. Health and Safety costs are those with a WAMS cost category of "H".

22.6 Labor

Only actual expenditures for labor may be charged as Labor cost to this contract. Allowable labor costs include the following:

- a. Salaries and fringe benefits of crew staff involved in the installation of weatherization measures/materials, including health and safety, energy efficiency, and incidental repair work. This includes crew staff time spent traveling to and from a work site.
- b. Payments to Subgrantee Contractors for the installation of weatherization measures/materials including health and safety, energy efficiency, and incidental repair work.
- c. Salaries and fringe benefits of Subgrantee energy auditors/inspectors only when installing weatherization measures/materials.

22.7 Materials

Only actual expenditures for materials may be charged as a Material cost to this contract. Allowable material costs include the following:

- a. The purchase and delivery of all weatherization, health and safety, and repair materials needed to complete the weatherization work on an eligible dwelling based upon the current Iowa Weatherization Program's requirements and work standards. All weatherization materials shall meet the specifications described in Appendix A of the most current Code of Federal Register, 10 CFR Part 440.
- b. The cost of transporting weatherization materials, tools, equipment, and work crews to a weatherization work site.
- c. Costs associated with lead safe work compliance plastic/sheeting, containment materials, test kits (if allowable), etc.
- d. A maximum of 5% of the cost of only those materials which were applied to a dwelling by Subgrantee weatherization staff may be charged as consumables on crew-based jobs. Consumables are materials that are applied to a dwelling and are purchased in a quantity that normally would not be used entirely on one dwelling and cannot easily be charged to specific dwellings. Examples of consumables would be nails, screws, wall plugs, and paint.

22.8 Training (DOE T&TA)

Subgrantees will be allocated DOE Training & Technical Assistance (T&TA) funds to attend various weatherization related conferences and meetings. Each agency will use DOE T&TA funds to provide HEP (Home Energy Professional) training to at least half of their weatherization field staff. This training may be provided to crews, crew leads, energy auditors and/or QCI. A number of these courses are available online. The T&TA funds may also be used to pay for testing fees for those subgrantee staff attempting to obtain HEP certifications. The funds may only be used for registration, travel, meals, staff salary and fringe, and lodging to attend.

Subgrantees will report to DCAA the type of training provided to staff and certification earned, if applicable.

22.9 Readiness

Readiness funds will be allocated to Subgrantees, when approved by the Grantee using the Application for Readiness Funds form, on a case-by-case basis to provide necessary repairs to a home to avoid a weatherization deferral. The maximum expenditure limit is \$15,000 per home. Costs exceeding the expenditure limit must be covered by other funding sources. Homes on which Readiness funds are used must result in a DOE or DOE-BIL22 completion (federal requirement). Landlords are required to contribute 50% of the costs prior to Readiness funds being used on a rental property. If the landlord is unwilling to contribute, the home will be deferred. Readiness funds will be allocated to the Subgrantee's regular DOE contract that is in force when the home is reported as complete, and Readiness costs must be reported to the regular DOE contract regardless of whether the completion and other weatherization work is reported to the regular DOE or DOE-BIL22 contract.

SECTION 23.0 EXPENDITURE LIMITS AND OTHER EXPENDITURE REQUIREMENTS

23.1 Maximum Expenditure Limits

The Iowa Weatherization Program has maximum spending limits for certain measures such as heating system and water heater repair and replacement. Subgrantee expenditures charged to this Contract shall not exceed those limits, unless approval is obtained from the Grantee. The maximum spending limits are described in the Cost Limits and Allowances section of the *Iowa Weatherization General Appendix*.

The Subgrantee must obtain prior approval from the Grantee before weatherizing homes when the estimated cost of the work on a home, including health and safety, energy efficiency, and repair work support using DOE, HEAP, ECIP and/or utility funds, is greater than the maximum limit specified in the *Iowa Weatherization General Appendix*.

23.2 Average Expenditure per Unit Limit

23.2.1 DOE Contract

The total amount charged to the DOE Contract for the total support, labor, and material cost may not exceed an average cost per dwelling unit as established annually by DOE, for all dwelling units charged to the contract. Costs in excess of the average expenditure per unit limit may be charged to the HEAP Contract. The average expenditure per unit limit does not apply to the HEAP Contract.

23.2.2 HEAP Contract

The HEAP Contract does not have an average expenditure per unit limit. Total expenditures for Support, Labor, and Materials charged to the HEAP Contract are not subject to an average expenditure per unit limit.

23.3 Contract Priority

When the regular DOE Contract is in effect, all expenditures must first be charged to that contract until all DOE funds have been spent. The only exceptions to this are:

- When HEAP funds are used for expenses that exceed DOE's average cost per home limit and health and safety expenditure limit.
- When HEAP funds are used to charge measures not covered by DOE or to do additional work on a home that has been closed complete (i.e. go-backs/reworks).
- When HEAP funds are used to augment Utility funds, when DOE funds are not available.
- When expenditures may be charged to a Utility Contract.

Once regular DOE funds have been spent, expenditures on homes may be charged to the HEAP Contract and/or DOE-BIL22 Contract.

23.4 Contract Budget

Subgrantee expenditures charged to this Contract may not exceed the total amount listed under "Contract Budget" in Attachment A of this Contract.

23.5 Blended Funds

HEAP funds may be used to augment DOE Support, Health and Safety, Labor, and Material costs. HEAP and utility funds may also be used to blend with DOE funds to pay for items not covered by the DOE grant (freezers, etc.).

23.6 Completed Work

Weatherization work on homes, including final inspections, must be completed by the last day of this Contract in order that the homes may be charged to this Contract. Only the payment of expenses incurred during this Contract may take place after the last day of this Contract.

Expenditures on a home that was started under this Contract and ended after the end of this Contract must be charged to the weatherization contract that is in effect at the time the home is completed.

Homes reported to the Grantee must be inspected by a Certified Quality Control Inspector.

23.7 Re-Weatherization

Under certain conditions, program funds may be used to re-weatherize dwellings that were previously weatherized by federal programs. A dwelling which has been weatherized by any federal program in the past 15 years (based on date of completion) is not eligible for re-weatherization.

The re-weatherization of homes must be in accordance with current allowable expenditure limits and must be reported as re-weatherization on the monthly fiscal reports. Re-weatherized homes may only be considered as completed homes for purposes of computing the average cost per completed dwelling.

Homes completed in the past 15 years may be re-weatherized using HEAP funds if it is in an area declared a disaster area by federal or state authorities. All other sources of funding must be exhausted before utilizing HEAP funds (i.e. insurance, FEMA, state or federal disaster funds).

23.8 Non-Weatherization Expenditures

Reimbursement will not be allowed for any cost attributable to a program other than the Weatherization Assistance Program administered by the Grantee.

23.9 Low-Cost/No-Cost Weatherization

Funds may not be used to install low-cost/no-cost weatherization, without prior written permission from the Grantee.

23.10 Incentive and Other Special Pay

DOE-BIL22 program funds may be used for incentive pay or other additional compensation to employees with prior approval from the Grantee. Any such special pay shall be explicitly agreed to by the Grantee and shall be accompanied by a written justification for the special pay, the Subgrantee's special pay policies, and the additional compensation to be paid.

Special pay policies shall conform to 2 CFR 200.430(f) Incentive compensation (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

23.11 Disallowed Expenditures

Any expenditure exceeding the amount of this Contract and all disallowed expenses noted on audit reports shall be the responsibility of the Subgrantee.

SECTION 24.0 CONDITIONS OF PAYMENT

24.1 Availability of Funds

Funding for the Weatherization Assistance Program is subject to the continued availability of funds. If funding is discontinued, this Contract may be terminated, in whole or in part, by the Grantee. The Subgrantee will be notified immediately if this situation or its possibility arises. Additional Contract expenditures beyond the Contract termination date will be disallowed costs.

24.2 Maximum Payments

It is expressly understood and agreed that the Grantee shall reimburse to the Subgrantee actual program costs, not in excess of Contract totals, as described under "Contract Budget" in Section 1.0.

24.3 Advance Payments

24.3.1 DOE Contract

Upon execution of this Contract, the Subgrantee may request an advance payment up to one-sixth (1/6th) of the contract amount for the initial sixty (60) days of the contract period. An advance payment request showing projected cash needs should be submitted with the signed Contract.

Upon receipt of the Subgrantee's monthly fiscal reports, the Grantee will advance additional funds for actual expenses, work in process, and thirty (30) day projected expenses for the subsequent month, less unspent Contract funds on-hand. Total advances shall not exceed the Contract total. A list of weatherization file numbers and dollar amounts that support the work in process requests and the thirty (30) day projected expenses requests must be submitted with the monthly reports.

The Grantee may adjust cash advances to the Subgrantee at any time during the Contract period. The Subgrantee may, at any time, submit supplemental requests for funds, as needed.

24.3.2 HEAP Contract

Upon execution of this Contract, the Subgrantee may request an advance payment up to one-twelfth (1/12th) of the contract amount for the initial thirty (30) days of the contract period. An advance payment request showing projected cash needs should be submitted with the signed Contract.

Upon receipt of the Subgrantee's monthly fiscal reports, the Grantee will advance additional funds for actual expenses, work in process, and thirty (30) day projected expenses for the subsequent month, less unspent Contract funds on-hand. Total advances shall not exceed the Contract total. A list of weatherization file numbers and dollar amounts that support the work in process requests and the thirty (30) day projected expenses requests must be submitted with the monthly reports.

The Grantee may adjust cash advances to the Subgrantee at any time during the Contract period. The Subgrantee may, at any time, submit supplemental requests for funds, as needed.

24.4 Reimbursement for Work in Process

Reimbursement is allowed for actual expenses paid by the Subgrantee for work that is done on a home before all work on the home is completed. This is defined as work in process. Reimbursement requests for work in process must be based on actual expenses paid by the Subgrantee. These expenses may include payments to Subgrantees, payment of salaries to crew workers and energy auditors/inspectors, and payment for materials.

24.5 Thirty (30) Day Projected Expenses

The Subgrantee may request 30 days projected support, health and safety, labor, and materials expenses.

24.6 Cash on Hand

If it is determined that the cash on hand exceeds actual expenses, work in process, and thirty (30) day projected expenses, less payments not yet received; future payments will be withheld, until cash on hand has been reduced.

24.7 Withholding Payments

The Grantee may withhold payments to the Subgrantee in instances of noncompliance with the Contract, federal or state rules and regulations, and program requirements.

SECTION 25.0 RECEIPTS OF FEDERAL FUNDS

All payments shall be subject to the receipt of federal grant funds by the Grantee. The termination, reduction, or delay of federal grant funds to the Grantee shall, at the option of the Grantee, be reflected in a corresponding modification to grants already made.

SECTION 26.0 COSTS THAT ARE NOT ALLOWABLE

Program funds cannot be used for costs that are not allowable. Non-allowable costs are defined in 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards).

SECTION 27.0 REBATES AND DISCOUNTS

27.1 Rebates

Rebates are to be taken when offered, except as noted below. When a rebate is used, the Subgrantee shall reduce the line item expenditure of the contract to which it was charged. Rebates offered by utilities for installing energy efficient equipment/materials should only be used when program funds (HEAP or DOE) are used to pay for the cost of the equipment/materials. Rebates should not be used if the costs will be charged to utility funds.

27.2 Cash Discounts

Cash discounts are to be taken when offered by vendors or suppliers.

SECTION 28.0 INTEREST EARNED

28.1 Interest Bearing Accounts

In accordance with 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards), the Subgrantee shall maintain advances of federal funds in interest bearing accounts, unless the following apply:

1. The Subgrantee receives less than \$250,000 in federal awards per year.
2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of

\$500 per year on federal cash balances.

3. The depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources.

Subgrantees not maintaining advances of federal funds in interest bearing accounts because of one or more of the conditions listed above, shall have available for Grantee inspection, documentation supporting the Subgrantee's decision to not maintain advances of federal funds in interest bearing accounts.

In accordance 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards), any interest earned on advances of federal funds must be remitted annually to the U.S. Department of Health and Human Services, Payment Management System, Rockville, MD 20852. For further information, please refer to <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>. Interest amounts up to \$500 per year, based on the Subgrantee's fiscal year, may be retained by the Subgrantee for administrative expenses. Subgrantees with electronic fund transfer (EFT) capabilities should use the electronic medium to remit interest.

28.2 Disbursement of Funds

The Subgrantee shall maintain and follow written procedures that minimize the time elapsing between the transfer of Contract funds from the Grantee and the disbursement of those funds by the Subgrantee.

Section 29.0 PURCHASE/LEASE/RENT AND DISPOSITION REQUIREMENTS

29.1 General Procurement Requirements

Refer to the General Terms, Section U, Equipment, Supplies, and Inventory of Property, for purchasing, disposal, and rent/lease information (as amended).

29.2 Special Procurement Requirements

It is the sense of the Congress that, to the greatest extent practicable, all equipment, and products purchased with funds made available under this award should be American-made.

Priority will be given to suppliers of insulation materials that are supplied as recycled materials in accordance with DOE guidelines, as published in the Federal Register 40 CFR Part 248.

A vehicle must have a minimum mileage reading of 100,000 or be at least 10 years old before it can be traded in. The Grantee may waive this requirement under special circumstances.

If a Subgrantee wishes to use equipment or vehicles that were purchased with program funds, for non-weatherization activities it must set up a procedure whereby the Weatherization Program is fairly compensated for the use of the equipment and vehicles. The Subgrantee must describe how the "fair compensation" was determined. The procedure for compensation and the compensation amount must be prior approved by the Grantee. Funds received, as a result of the compensation, must be used to reimburse the Weatherization Program for the use of the equipment.

Subgrantee Contractors cannot use equipment purchased with program funds unless the Subgrantee compensates the Weatherization Program fairly for the use of the equipment. If a Subgrantee wishes to rent equipment that was purchased with program funds, to Subgrantee Contractors, it must do the following:

Ensure all potential bidders are aware of the "rental" option and are allowed to rent the equipment if they are awarded the bid.

Set up a procedure by which the Subgrantee Contractors would provide fair compensation to the Weatherization Program for the use of the equipment. The Subgrantee must describe how the "fair compensation" amount was determined. The procedure for compensation and the compensation amount must be prior approved by Grantee.

Proceeds received, as a result of the compensation, must be credited back to the Weatherization Program, pursuant to Section 8.55 of the *Iowa Weatherization Policies and Procedures Manual*.

SECTION 30.0 INSURANCE

30.1 Commercial General Liability

The Subgrantee must carry commercial general liability insurance coverage for the weatherization activities. The coverage must be for a minimum limit of \$500,000 per occurrence and \$1,000,000 annual aggregate. The Bureau of Weatherization will reimburse the Subgrantee only for the portion of the general liability insurance that pertains to their operation of the weatherization program. A Subgrantee wishing to be reimbursed for the weatherization program portion of the general liability insurance by the Bureau of Weatherization must send a request with documentation to the Grantee that includes a copy of the policy or a summary of the policy coverage and a copy of the insurance company invoice. The billing must be itemized in a way that identifies the cost that pertains only to the operation of the weatherization program. Reimbursement will be made through the DOE or HEAP Contract.

Subgrantee Contractors performing weatherization, HVAC, plumbing, mechanical, and electrical work for the Subgrantee must carry commercial general liability insurance coverage for the activities, including any damages at the worksite and the actual work done. The coverage must be for a minimum limit of \$500,000 per occurrence and \$1,000,000 annual aggregate.

Subgrantee Contractors who deliver/remove refrigeration appliances for the Subgrantee must carry commercial general liability insurance in an amount deemed sufficient by the Subgrantee.

30.2 Auto insurance

The Subgrantee must carry sufficient auto insurance on all weatherization vehicles, in the minimum limits required by Iowa law. Insurance on vehicles is reimbursed as a Support cost.

The Subgrantee must ensure the Subgrantee Contractors it contracts with to perform energy audits, inspections, or weatherization work have auto insurance in an amount deemed sufficient by the Subgrantee, in the minimum limits required by Iowa law, and provide proof of the coverage.

30.3 Worker's Compensation Insurance

Subgrantee Contractors performing weatherization, HVAC, plumbing, mechanical, electrical, or other weatherization-related work for the Subgrantee must carry worker's compensation coverage on their employees in the minimum limits required by Iowa law, unless exempt from the law. If the Subgrantee Contractor is waived from carrying Worker's Compensation Insurance, a statement of waiver needs to be signed by the Subgrantee Contractor and placed in the file.

SECTION 31.0 REPORTING

31.1 Reporting Requirements

The reporting requirements for this award are identified below. Failure to comply with these reporting requirements is considered a material noncompliance with the terms of the award. Noncompliance may result in withholding of future payments, suspension, or termination of the current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards by Federal agencies.

31.2 Weatherization Automated Management System (WAMS)

The Subgrantee must use the Iowa Weatherization Automated Management System (WAMS) for data and financial reporting to the Grantee.

31.3 Monthly Fiscal Reports

The Subgrantee must provide the Grantee with an (1) electronic copy of the monthly fiscal report (Forms 101, 101N, 101H, 102H, 101U, and 102U) detailing program and administration expenditures and other data, as required by the Grantee.

- Subgrantees are to submit reports by email following procedures below:
 - Emailed reports must be sent to DCAA@iowa.gov.
 - Each expense report must contain a written authorizing signature and then be scanned.
 - The scanned documents must be named to identify the report by contract number and month of report (e.g. DOE-23-04, January 2023).
 - Each email subject line must contain contract number, and month of reports (e.g. DOE-23-04, January 2023).
 - Weatherization reports may not be emailed with other programs (CSBG, LHEAP or FaDSS).

- The Grantee will attempt to acknowledge the receipt of each emailed report, but Subgrantees are ultimately responsible to ensure timely delivery of reports.

The monthly reports must be received by the Grantee no later than eight (8) calendar days following the last day of the month covered by the report and will be filed for each month covered by this Contract.

Monthly reports will be filed with the Grantee for the months following the expiration of this Contract until the time the closeout report is submitted if fiscal activity relating to this Contract has occurred during the month following expiration.

31.4 Monthly Completion File

The Subgrantee must submit the Monthly Completion Files (house data and material list information) in the required format via e-mail with the monthly 101, 102N, 103N, 101H, 102H, and 101U reports. The Grantee may accept these files in other formats in special circumstances. The support, labor, and materials expenditures reported on the Monthly Completion File and the 101, 102N, 101H, 102H, 103H, 101U, and 102U reports must reconcile.

31.5 Closeout Reports

The Subgrantee must submit to the Grantee a closeout report documenting the final expenses charged to this Contract. The closeout report forms will be provided by the Grantee. The closeout report shall be submitted within forty-five (45) days of the Contract termination by emailing one (1) electronic copy. Any unexpended funds must be returned to the Grantee with the final closeout report. If the funds are not returned, subsequent advances will be withheld until the prior year's unexpended funds are received by the Grantee.

SECTION 32.0 CONTRACTING

The Subgrantee is required to obtain documentation from Subgrantee Contractors who perform weatherization, HVAC, plumbing, mechanical, and electrical work showing the Subgrantee Contractors are currently registered with the Iowa Division of Labor, within Chapter 91C of the Contractor Registration, and have the appropriate Iowa Electrical Specialty License and Iowa Plumbing & Mechanical License (as applicable).

SECTION 33.0 FINAL INSPECTION OF WEATHERIZATION WORK

A home cannot be considered complete or reported to the Grantee as complete until the Subgrantee has verified the satisfactory completion of all work done on the home by completing a final inspection of the work. The final inspection must not be done until all work on the home has been completed. A final inspection form must be completed for all homes inspected. The inspection form must be signed and dated by the QCI who conducted the final inspection as well as the customer. The inspection form must not be signed until the final inspection has been conducted.

Every effort must be made to fully inspect all homes that receive weatherization. Repeated efforts to inspect a home must be made. If a customer or landlord refuses to allow the final inspector in the home to conduct the inspection, the Subgrantee must document the efforts made to conduct the inspection. This documentation must be filed in the customer file.

SECTION 34.0 TRAINING

Subgrantee weatherization staff must attend all training required by the Grantee. The Subgrantee may use DOE-BIL22 T&TA (Training & Technical Assistance) funds, regular DOE T&TA funds, or HEAP Equipment/Training funds to attend required training. Training costs for Subgrantee Contractors are allowable to the HEAP Contract only, and only if the training is required by the Grantee.

Subgrantee Contractors must meet all training requirements set forth by DOE and Grantee. Training costs are the Subgrantee Contractor's responsibility unless specifically identified as an allowable training cost by Grantee.

SECTION 35.0 ELIGIBLE DWELLING UNITS AND PRIORITY

35.1 Eligibility

No dwelling unit may be weatherized without documentation that the dwelling unit is an eligible dwelling unit, as provided in 10 CFR 440.22. A household is eligible for assistance under the Iowa Weatherization Assistance Program if:

- The household is receiving Supplemental Security Income (SSI) or Family Investment Program (FIP) Assistance, regardless of income or,
- The household's annual income is at, or below, 200 percent of the poverty level, as established by the Office of Management and Budget.
- The household is receiving assistance from a HUD means-tested program at or below 80% of area median income.

- The household is eligible for the Low-Income Home Energy Assistance Program (LIHEAP).

The definition of household income and methods used to determine annual income is the same that is used by the LIHEAP Program and described in the *LIHEAP Program Procedures Manual*. Income information used to determine program eligibility is only valid for twelve (12) months from the date the eligibility was determined. Weatherization work on a customer's house cannot begin if 12 months has elapsed since the customer's eligibility determination took place. Program eligibility must be re-determined based on more recent income information, if the application is beyond that twelve (12) month period. If the twelve (12) months elapsed and eligibility was re-determined, a copy of the newer application must be placed in file as proof that proper procedure was followed.

Customers may apply for weatherization assistance without applying for LIHEAP assistance.

35.2 Owner-Occupied Dwellings

Prior approval must be obtained from the owner of a dwelling before the dwelling is weatherized.

35.3 Rental Dwellings

Prior approval must be obtained from the landlord of a rental dwelling before the dwelling is weatherized. Landlords, or their authorized agent, must sign a Landlord Agreement providing written prior approval.

The Landlord Agreement will state the following:

- The rental property is not presently for sale.
- The rent will not be raised, due to weatherization, for a period of 12 months from the date the work is completed.
- The tenant will not be evicted without just cause.
- If the rental unit is vacant, it will be rented to a low-income household within 180 days after the weatherization work is completed.
- The materials and equipment installed in the dwelling, using weatherization program funds, will remain in the dwelling.
- If the dwelling is sold as a habitable dwelling, the materials and equipment installed, using weatherization program funds will remain in the dwelling.

In the event of a dispute between a tenant and a landlord regarding the previous issues, an attempt will be made by the Subgrantee to resolve the dispute. If that fails, the Subgrantee shall refer the tenant to legal aid.

If rental units will become eligible dwelling units within 180 days under a federal program for rehabilitating the units, the units may be weatherized, with prior approval from the Grantee.

35.4 Multiple-Unit Dwellings

Weatherization is designed to take place with a whole building as a system approach, so multi-unit dwellings will be considered if 66% of the residents (50% for duplexes and four-unit buildings) are income eligible. This allows the entire structure to be weatherized. If the entire multi-unit dwelling is weatherized (i.e., the 'completed home' criteria is met for all the units), all units may be counted as completions. If a multi-unit on the HUD or USDA list is at the top of the prioritized customer waiting list, it may be completed following all other requirements for weatherization of multi-unit dwellings.

DCAA does not have an approved audit for multi-unit dwellings (5 or more units) so if this type of dwelling comes to the top of the priority waiting list, an outside source will be utilized to provide a DOE-approved energy audit. Required information will be submitted to the DOE Project Officer for approval before weatherization work begins on structures containing 5 or more units.

35.5 Vacant Dwellings and Shelters

A vacant dwelling may be weatherized if there are assurances that an eligible household will inhabit the dwelling within 180 days of the date the weatherization service is completed.

Shelters, such as homeless shelters and domestic abuse shelters, may be weatherized. Agencies must get state approval to weatherize any shelter that cannot be insulated, has a heating system that would be expensive to replace, or is unusual in its size, structure, or configuration. For the purpose of determining how many dwelling units

exist in a shelter, Subgrantees may count each 800 square feet of the shelter as a dwelling unit or they may count each floor of the shelter as a dwelling unit.

35.6 Customer Priority

Customer priority for service is based on a priority point method that is based on household fuel consumption with additional priority if the household contains young children or elderly or disabled persons. Subgrantees must use the customer priority program in WAMS to assign priority points to customers and must follow the customer priority policies and procedures described in the *Iowa Weatherization Policies and Procedures Manual*.

The Subgrantee must obtain primary data from municipal utilities, rural electric cooperatives (RECs), and deliverable fuel vendors. The Subgrantee should also attempt to obtain secondary fuel consumption data the same entities for the customers who are customers of those fuel providers and must use this data to calculate priority numbers for those customers. Secondary fuel consumption data should also be collected in order to calculate a more accurate priority number.

If fuel consumption cannot be obtained, Subgrantees may use dwelling square footage to calculate priority points for customers. Square footage should be obtained from the county assessor.

35.7 State Historic Preservation Office (SHPO)

Prior to the expenditure of Federal funds to alter any structure or site, the Subgrantee is required to comply with the requirements of Section 106 of the National Historic Preservation Act (NHPA), consistent with the DOE's 2009 letter of delegation of authority regarding the NHPA. Section 106 applies to historic properties that are listed in or eligible for listing in the National Register of Historic Places. In order to fulfill the requirements of Section 106, the Subgrantee must complete either the Exempt from SHPO Review Form or the Request for SHPO Comment form, as applicable.

SECTION 36.0 MONITORING

The Subgrantee shall cooperate with monitoring visits by the Grantee and other state personnel and federal personnel. Grantee monitoring includes, but is not limited to:

Inspection of weatherized homes, including review of the following:

- Compliance with work completion requirements and standards
- Work quality
- Quality of final inspections

Review of program operations, including review of the following:

- Compliance with program requirements, rules and regulations
- Bid procedures and process
- General management and administrative practices

Review of financial operations, including review of the following:

- Internal financial control procedures
- Indirect cost pools
- Reconciliation between financial reports and journals

The Grantee will send a written report on the outcome of the monitoring to the Subgrantee within 30 work days of the review. The report will include any findings, recommendations, or corrective action that needs to be taken by the Subgrantee. If the report requires a response, the Subgrantee must respond, in writing, within 45 work days of receiving the report.

If the housing inspection report requires corrective work be done by the Subgrantee, the corrective work shall be completed within 45 work days of receiving the report. The Subgrantee shall send a written response to the Grantee documenting that the corrective work was completed or reasons why it could not be completed.

Failure by the Subgrantee to provide a written response to a fiscal, house inspection, or program monitoring report or to complete required corrective work on a house within designated timelines is considered a case of non-compliance.

SECTION 37.0 APPEAL AND HEARING PROCEDURES

37.1 Customer Appeal

The Subgrantee must have an appeal and hearing procedure concerning Weatherization Program customer complaints that is in accordance with the appeal and hearing procedures described in Iowa Administrative Code, Section 427-5.4(216A).

37.2 Private Subgrantee Appeal

The Subgrantee must have an appeal and hearing procedure concerning Subgrantee Contractor complaints as they relate to bid/contract issues.

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GENERAL TERMS

Definitions:

1. **“Acceptance”** means that the Agency has determined that one or more Deliverables satisfy the Agency’s Acceptance Tests. Final Acceptance means that the Agency has determined that all Deliverables satisfy the Agency’s Acceptance Tests. Non-acceptance means that the Agency has determined that one or more Deliverables have not satisfied the Agency’s Acceptance Tests.
2. **“Acceptance Criteria”** means the Specifications, goals, performance measures, testing results and/or other criteria designated by the Agency and against which the Deliverables may be evaluated for purposes of Acceptance or Non-acceptance thereof.
3. **“Acceptance Tests” or “Acceptance Testing”** mean the tests, reviews and other activities that are performed by or on behalf of Agency to determine whether the Deliverables meet the Acceptance Criteria or otherwise satisfy the Agency, as determined by the Agency in its sole discretion.
4. **“Bid Proposal” or “Proposal”** means the Contractor’s proposal submitted in response to the RFP.
5. **“Contract”** means the collective documentation memorializing the terms of the agreement between the Agency and the Contractor identified on the Contract Declarations & Execution Page(s) and includes the signed Contract Declarations & Execution Page(s), the Special Terms and Conditions, the General Terms, any Special Contract Attachments, and all other attachments to the Contract Declarations & Execution Page(s).
6. **“Contract Declarations & Execution Page(s)”** means the document that contains basic information about the Contract and incorporates by reference these General Terms, the Special Terms and Conditions, and all other attachments to the Contract Declarations and Executions Page(s).
7. **“Deficiency”** means a defect, flaw, anomaly, failure, omission, interruption of service, or other problem of any nature whatsoever with respect to a Deliverable, including, without limitation, any failure of a Deliverable to conform to or meet an applicable specification. Deficiency also includes the lack of something essential or necessary for completeness or proper functioning of a Deliverable.
8. **“Deliverables”** means all of the goods, products, services, work, work product, items, materials and property to be created, developed, produced, delivered, performed or provided by or on behalf of, or made available through, Contractor (or any agent, contractor or subcontractor of Contractor) in connection with this Contract.
9. **“Documentation”** means any and all technical information, commentary, explanations, design documents, system architecture documents, database layouts, test materials, training materials, guides, manuals, worksheets, notes, work papers, and all other information, documentation and materials related to or used in conjunction with the Deliverables, in any medium, including hard copy, electronic, digital, and magnetically or optically encoded media.
10. **“RFP”** means the Request for Proposals or Request for Bids (and any Addenda thereto) identified on the Contracts Declarations and Execution Page(s) that was issued to solicit the Deliverables that are subject to the Contract.
11. **“Special Contract Attachments”** means any attachment to this Contract indicated on the Contract Declarations & Execution Page(s).

12. "Special Terms and Conditions" means the Contract attachment entitled "Special Terms and Conditions" that contains terms specific to this Contract, including but not limited to the Scope of Work, contract payment terms, and any amendments to these General Terms. If there is a conflict between the General Terms and the Special Terms and Conditions, the Special Terms and Conditions shall prevail.

13. "Specifications" means all specifications, requirements, technical standards, performance standards, representations and other criteria related to the Deliverables stated or expressed in this Contract, the Documentation, the RFP, and the Proposal. Specifications shall include the Acceptance Criteria and any specifications, standards or criteria stated or set forth in any applicable state, federal, foreign and local laws, rules and regulations. The Specifications are incorporated into this Contract by reference as if fully set forth in this Contract.

14. "State" means the State of Iowa, the Agency, and all State of Iowa agencies, boards, and commissions, and when this Contract is available to political subdivisions, any political subdivisions of the State of Iowa.

A. Duration of Contract. The term of the Contract shall begin and end on the dates specified on the Contract Declarations & Execution Page(s), unless extended or terminated earlier in accordance with the termination provisions of this Contract. The Agency may, in its sole discretion, exercise any applicable extension by giving the Contractor written notice of the extension decision at least sixty (60) days prior to the expiration of the initial term or renewal term.

B. Scope of Work. The Contractor shall provide Deliverables that comply with and conform to the Specifications.

C. Compensation.

1. Pricing. The Contractor will be compensated in accordance with the payment terms outlined in the Special Terms and Conditions.

The Contractor shall submit, on the frequency established on the Contract Declarations & Execution Page(s) an invoice for Deliverables rendered in accordance with this Contract. The invoice shall comply with all applicable rules concerning payment of such claims. The Agency shall verify the Contractor's performance of the Deliverables outlined in the invoice before making payment. The Agency shall pay all approved invoices in arrears and in conformance with Iowa Code § 8A.514. The Agency may pay in less than sixty (60) days, but an election to pay in less than sixty (60) days shall not act as an implied waiver of Iowa Code § 8A.514.

Unless otherwise agreed in writing by the parties, the Contractor shall not be entitled to receive any other payment or compensation from the State for any Deliverables provided by or on behalf of the Contractor under this Contract. The Contractor shall be solely responsible for paying all costs, expenses and charges it incurs in connection with its performance under this Contract.

2. Withholding Payments. In addition to pursuing any other remedy provided herein or by law, the Agency may withhold compensation or payments to Contractor, in whole or in part, without penalty to the Agency or work stoppage by Contractor, in the event the Agency determines that: (i) Contractor has failed to perform any of its duties or obligations as set forth in this Contract; or (ii) any Deliverable has failed to meet or conform to any applicable Specifications or contains or is experiencing a Deficiency. No interest shall accrue or be paid to Contractor on any compensation or other amounts withheld or retained by the Agency under this Contract.

3. Setoff against Sums Owed by the Contractor. In the event that Contractor owes the State any sum under the terms of this Contract, any other contract or agreement, pursuant to a judgment, or pursuant to any law, the State may, in its sole discretion, set off any such sum against: (1) any sum invoiced by, or owed to, Contractor under this Contract, or (2) any sum or amount owed by the State to Contractor, unless otherwise required by law. The Contractor agrees that this provision constitutes proper and timely notice under any applicable laws governing setoff.

D. Termination.

1. Termination for Cause by the Agency. The Agency may terminate this Contract upon written notice for the breach by Contractor of any material term, condition or provision of this Contract, if such breach is not cured within the time period specified in the Agency's notice of breach or any subsequent notice or correspondence delivered by the Agency to Contractor, provided that cure is feasible. In addition, the Agency may terminate this Contract effective immediately without penalty and without advance notice or opportunity to cure for any of the following reasons:

- i. Contractor furnished any statement, representation, warranty or certification in connection with this Contract, the RFP or the Proposal that is false, deceptive, or materially incorrect or incomplete;
- ii. Contractor or any of Contractor's officers, directors, employees, agents, subsidiaries, affiliates, contractors or subcontractors has committed or engaged in fraud, misappropriation, embezzlement, malfeasance, misfeasance, or bad faith;
- iii. Contractor or any parent or affiliate of Contractor owning a controlling interest in Contractor dissolves;
- iv. Contractor terminates or suspends its business;
- v. Contractor's corporate existence or good standing in Iowa is suspended, terminated, revoked or forfeited, or any license or certification held by Contractor related to Contractor's performance under this Contract is suspended, terminated, revoked, or forfeited;
- vi. Contractor has failed to comply with any applicable international, federal, state (including, but not limited to Iowa Code chapter 8F), or local laws, rules, ordinances, regulations or orders when performing within the scope of this Contract;
- vii. The Agency determines or believes the Contractor has engaged in conduct that: (a) has or may expose the Agency or the State to material liability, or (b) has caused or may cause a person's life, health or safety to be jeopardized;
- viii. Contractor infringes or allegedly infringes or violates any patent, trademark, copyright, trade dress or any other intellectual property right or proprietary right, or Contractor misappropriates or allegedly misappropriates a trade secret;
- ix. Contractor fails to comply with any applicable confidentiality laws, privacy laws, or any provisions of this Contract pertaining to confidentiality or privacy; or
- x. Any of the following has been engaged in by or occurred with respect to Contractor or any corporation, shareholder or entity having or owning a controlling interest in Contractor:
 - a. Commencing or permitting a filing against it which is not discharged within ninety (90) days, of a case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect; or filing an answer admitting the material allegations of a petition filed against it in any involuntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts; or consenting to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it seeking liquidation, reorganization, or other relief under any bankruptcy, insolvency, or other similar law now or hereafter in effect with respect to it or its debts;
 - b. Seeking or suffering the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its assets;

- c. Making an assignment for the benefit of creditors;
- d. Failing, being unable, or admitting in writing the inability generally to pay its debts or obligations as they become due or failing to maintain a positive net worth and such additional capital and liquidity as is reasonably adequate or necessary in connection with Contractor's performance of its obligations under this Contract; or
- e. Taking any action to authorize any of the foregoing.

The Agency's right to terminate this Contract shall be in addition to and not exclusive of other remedies available to the Agency, and the Agency shall be entitled to exercise any other rights and pursue any remedies, in law, at equity, or otherwise.

2. Termination upon Notice. Following thirty (30) days written notice, the Agency may terminate this Contract in whole or in part without penalty and without incurring any further obligation to Contractor. Termination can be for any reason or no reason at all.

3. Termination Due to Lack of Funds or Change in Law. Notwithstanding anything in this Contract to the contrary, and subject to the limitations set forth below, the Agency shall have the right to terminate this Contract without penalty and without any advance notice as a result of any of the following:

- i. The legislature or governor fail in the sole opinion of the Agency to appropriate funds sufficient to allow the Agency to either meet its obligations under this Contract or to operate as required and to fulfill its obligations under this Contract; or
- ii. If funds are de-appropriated, reduced, not allocated, or receipt of funds is delayed, or if any funds or revenues needed by the Agency to make any payment hereunder are insufficient or unavailable for any other reason as determined by the Agency in its sole discretion; or
- iii. If the Agency's authorization to conduct its business or engage in activities or operations related to the subject matter of this Contract is withdrawn or materially altered or modified; or
- iv. If the Agency's duties, programs or responsibilities are modified or materially altered; or
- v. If there is a decision of any court, administrative law judge or an arbitration panel or any law, rule, regulation or order is enacted, promulgated or issued that materially or adversely affects the Agency's ability to fulfill any of its obligations under this Contract.

The Agency shall provide Contractor with written notice of termination pursuant to this section.

4. Limitation of the State's Payment Obligations. In the event of termination of this Contract for any reason by either party (except for termination by the Agency pursuant to Section D.1), the Agency shall pay only those amounts, if any, due and owing to Contractor hereunder for Deliverables actually and satisfactorily provided in accordance with the provisions of this Contract up to and including the date of termination of this Contract and for which the Agency is obligated to pay pursuant to this Contract; provided however, that in the event the Agency terminates this Contract pursuant to Section E.3, the Agency's obligation to pay Contractor such amounts and other compensation shall be limited by, and subject to, legally available funds. Payment will be made only upon submission of invoices and proper proof of Contractor's claim. Notwithstanding the foregoing, this Section D.4 in no way limits the rights or remedies available to the Agency and shall not be construed to require the Agency to pay any compensation or other amounts hereunder in the event of Contractor's breach of this Contract or any amounts withheld by the Agency in accordance with the terms of this Contract. The Agency shall not be liable, under any circumstances, for any of the following:

- i. The payment of unemployment compensation to Contractor's employees;
- ii. The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;

- iii. Any costs incurred by Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract;
- iv. Any damages or other amounts associated with the loss of prospective profits, anticipated sales, goodwill, or for expenditures, investments or commitments made in connection with this Contract;
- v. Any taxes Contractor may owe in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

5. Contractor's Termination Duties. Upon receipt of notice of termination or upon request of the Agency, Contractor shall:

- i. Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work performed under the Contract and such other matters as the Agency may require.
- ii. Immediately cease using and return to the Agency any property or materials, whether tangible or intangible, provided by the Agency to Contractor.
- iii. Cooperate in good faith with the Agency and its employees, agents and independent contractors during the transition period between the notification of termination and the substitution of any replacement service provider.
- iv. Immediately return to the Agency any payments made by the Agency for Deliverables that were not rendered or provided by Contractor.
- v. Immediately deliver to the Agency any and all Deliverables for which the Agency has made payment (in whole or in part) that are in the possession or under the control of the Contractor or its agents or subcontractors in whatever stage of development and form of recordation such property is expressed or embodied as that time.

6. Termination for Cause by Contractor. Contractor may only terminate this Contract for the breach by the Agency of any material term, condition or provision of this Contract, if such breach is not cured within sixty (60) days of the Agency's receipt of Contractor's written notice of breach.

E. Confidential Information.

1. Access to Confidential Information. The Contractor's employees, agents and subcontractors may have access to confidential information maintained by the Agency to the extent necessary to carry out its responsibilities under the Contract. The Contractor shall presume that all information received pursuant to this Contract is confidential unless otherwise designated by the Agency. The Contractor shall provide to the Agency a written description of its policies and procedures to safeguard confidential information. Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written, and electronic formats. The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected, used, or disseminated by the Contractor in connection with the performance of the Contract. The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of this Contract. The private or confidential information shall remain the property of the Agency at all times.

2. No Dissemination of Confidential information. No confidential information collected, maintained, or used in the course of performance of the Contract shall be disseminated by Contractor except as authorized by law and only with the prior written consent of the Agency, either during the period of the Contract or thereafter. Any data supplied by the Agency to the Contractor or created by the Contractor in the course of the performance of this Contract shall be considered the property of the Agency. The Contractor must return any and all data collected, maintained, created or used in the course of the performance of the Contract in

whatever form it is maintained promptly at the request of the Agency. The Contractor may be held civilly or criminally liable for improper disclosure of confidential information.

3. Subpoena. In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the Agency and cooperate with the Agency in any lawful effort to protect the confidential information.

4. Reporting of Unauthorized Disclosure. The Contractor shall immediately report to the Agency any unauthorized disclosure of confidential information.

5. Survives Termination. The Contractor's obligations under this section shall survive termination or expiration of this Contract.

F. Indemnification.

1. By the Contractor. The Contractor agrees to indemnify and hold harmless the State and its officers, appointed and elected officials, board and commission members, employees, volunteers and agents (collectively the "Indemnified Parties"), from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments (including, without limitation, the reasonable value of the time spent by the Attorney General's Office, and the costs, expenses and attorneys' fees of other counsel retained by the Indemnified Parties directly or indirectly related to, resulting from, or arising out of this Contract, including but not limited to any claims related to, resulting from, or arising out of:

- i. Any breach of this Contract;
- ii. Any negligent, intentional or wrongful act or omission of the Contractor or any agent or subcontractor utilized or employed by the Contractor;
- iii. The Contractor's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by the Contractor;
- iv. Any failure by the Contractor to make all reports, payments and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees or costs required by the Contractor to conduct business in the State of Iowa;
- v. Any claim of misappropriation of a trade secret or infringement or violation of any intellectual property rights, proprietary rights or personal rights of any third party, including any claim that any Deliverable or any use thereof (or the exercise of any rights with respect thereto) infringes, violates or misappropriates any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other intellectual property right or proprietary right of any third party.

2. Survives Termination. Contractor's duties and obligations under this section shall survive the termination of this Contract and shall apply to all acts or omissions taken or made in connection with the performance of this Contract regardless of the date any potential claim is made or discovered by the Agency or any other Indemnified Party.

G. Insurance.

1. Insurance Requirements. The Contractor, and any subcontractor, shall maintain in full force and effect, with insurance companies licensed by the State of Iowa, at the Contractor's expense, insurance covering its work during the entire term of this Contract and any extensions or renewals thereof. The Contractor's insurance shall, among other things, be occurrence based and shall insure against any loss or damage resulting from or related to the Contractor's performance of this Contract regardless of the date the claim is filed or expiration of the policy. The State of Iowa and the Agency shall be named as additional insureds or loss payees, or the Contractor shall obtain an endorsement to the same effect, as applicable.

2. Types and Amounts of Insurance Required. Unless otherwise requested by the Agency in writing, the Contractor shall cause to be issued insurance coverages insuring the

Contractor and/or subcontractors against all general liabilities, product liability, personal injury, property damage, and (where applicable) professional liability in the amount specified on the Contract Declarations and Execution Page for each occurrence. In addition, the Contractor shall ensure it has any necessary workers' compensation and employer liability insurance as required by Iowa law.

3. Certificates of Coverage. Contractor shall maintain all insurance policies required by this Contract in full force and effect during the entire term of this Contract and any extensions or renewals thereof, and shall not permit such policies to be canceled or amended except with the advance written approval of the Agency. The Contractor shall submit certificates of the insurance, which indicate coverage and notice provisions as required by this Contract, to the Agency upon execution of this Contract. The certificates shall be subject to approval by the Agency. The insurer shall state in the certificate that no cancellation of the insurance will be made without at least thirty (30) days' prior written notice to the Agency. Approval of the insurance certificates by the Agency shall not relieve the Contractor of any obligation under this Contract.

4. Waiver of Subrogation Rights. The Contractor shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the State. The waiver of subrogation rights shall be indicated on the certificates of insurance coverage supplied to the State.

H. Program Management and Reporting.

1. Program Manager. At the time of execution of this Contract, each party shall designate, in writing, a Project Manager to serve until the expiration of this Contract or the designation of a substitute Project Manager. During the term of this Contract, each Project Manager shall be available to meet monthly, unless otherwise mutually agreed, to review and plan the Deliverables being provided under this Contract.

2. Review Meetings. During the review meetings the Project Managers shall discuss progress made by the Contractor in the performance of this Contract. Each party shall provide a status report, as desired by a Project Manager, listing any problem or concern encountered since the last meeting. Records of such reports and other communications issued in writing during the course of Contract performance shall be maintained by each party.

3. Reports. At the next scheduled meeting after which any party has identified in writing a problem, the party responsible for resolving the problem shall provide a report setting forth activities undertaken, or to be undertaken, to resolve the problem, together with the anticipated completion dates of such activities. Any party may recommend alternative courses of action or changes that will facilitate problem resolution. For as long as a problem remains unresolved, written reports shall identify:

- i. Any event not within the control of the Contractor or the Agency that accounts for the problem;
- ii. Modifications to the Contract agreed to by the parties in order to remedy or solve the identified problem;
- iii. Damages incurred as a result of any party's failure to perform its obligations under this Contract; and
- iv. Any request or demand by one party that another party believes is not included within the terms of this Contract.

4. Problem Reporting Omissions. The Agency's acceptance of a problem report shall not relieve the Contractor of any obligation under this Contract or waive any other remedy under this Contract or at law or equity that the Agency may have. The Agency's failure to identify the extent of a problem or the extent of damages incurred as a result of a problem shall not act as a waiver of performance or damages under this Contract. Where other provisions of

this Contract require notification of an event in writing, the written report shall be considered a valid notice under this Contract provided the parties required to receive notice are notified.

5. Change Order Procedure. The Agency may at any time request a modification to the Scope of Work using a change order. The following procedures for a change order shall be followed:

- i. Written Request.** The Agency shall specify in writing the desired modifications to the same degree of specificity as in the original Scope of Work.
- ii. The Contractor's Response.** The Contractor shall submit to the Agency a firm cost proposal for the requested change order within five (5) business days of receiving the change order request.
- iii. Acceptance of the Contractor Estimate.** If the Agency accepts the cost proposal presented by the Contractor, the Contractor shall provide the modified Deliverable subject to the cost proposal included in the Contractor response. The Contractor's provision of the modified Deliverables shall be governed by the terms and conditions of this Contract.
- iv. Adjustment to Compensation.** The parties acknowledge that a change order for this Contract may or may not entitle the Contractor to an equitable adjustment in the Contractor's compensation or the performance deadlines under this Contract.

I. Legislative Changes.

The Contractor expressly acknowledges that the contracted Deliverables are subject to legislative change by either the federal or state government. Should either legislative body enact measures which alter the project, the Contractor shall not hold the Agency liable in any manner for the resulting changes. The Agency shall use best efforts to provide thirty (30) days' written notice to the Contractor of any legislative change. During the thirty (30)-day period, the parties shall meet and make a good faith effort to agree upon changes to the Contract to address the legislative change. Nothing in this Subsection shall affect or impair the Agency's right to terminate the Contract pursuant to the termination provisions.

J. Warranties.

1. Construction of Warranties Expressed in this Contract with Warranties Implied by Law. Warranties made by the Contractor in this Contract, whether: (a) this Contract specifically denominates the Contractor's promise as a warranty; or (b) the warranty is created by the Contractor's affirmation or promise, by a description of the Deliverables to be provided, or by provision of samples to the Agency, shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties that arise through course of dealing or usage of trade. The warranties expressed in this Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the Deliverables provided by the Contractor. The provisions of this section apply during the term of this Contract and any extensions or renewals thereof.

2. Contractor represents and warrants that: (i) all Deliverables shall be wholly original with and prepared solely by Contractor; or it owns, possesses, holds, and has received or secured all rights, permits, permissions, licenses and authority necessary to provide the Deliverables to the Agency hereunder and to assign, grant and convey the rights, benefits, licenses and other rights assigned, granted or conveyed to the Agency hereunder or under any license agreement related hereto without violating any rights of any third party; (ii) Contractor has not previously and will not grant any rights in any Deliverables to any third party that are inconsistent with the rights granted to the Agency herein; and (iii) the Agency shall peacefully and quietly have, hold, possess, use and enjoy the Deliverables without suit, disruption or interruption.

3. Contractor represents and warrants that: (i) the Deliverables (and all intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables); and (ii) the Agency's use of, and exercise of any rights with respect to, the Deliverables (and all

intellectual property rights and proprietary rights arising out of, embodied in, or related to such Deliverables), do not and will not, under any circumstances, misappropriate a trade secret or infringe upon or violate any copyright, patent, trademark, trade dress or other intellectual property right, proprietary right or personal right of any third party. Contractor further represents and warrants there is no pending or threatened claim, litigation or action that is based on a claim of infringement or violation of an intellectual property right, proprietary right or personal right or misappropriation of a trade secret related to the Deliverables. Contractor shall inform the Agency in writing immediately upon becoming aware of any actual, potential or threatened claim of or cause of action for infringement or violation or an intellectual property right, proprietary right, or personal right or misappropriation of a trade secret. If such a claim or cause of action arises or is likely to arise, then Contractor shall, at the Agency's request and at the Contractor's sole expense: (i) procure for the Agency the right or license to continue to use the Deliverable at issue; (ii) replace such Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation or misappropriation; (iii) modify or replace the affected portion of the Deliverable with a functionally equivalent or superior Deliverable free of any such infringement, violation or misappropriation; or (iv) accept the return of the Deliverable at issue and refund to the Agency all fees, charges and any other amounts paid by the Agency with respect to such Deliverable. In addition, Contractor agrees to indemnify, defend, protect and hold harmless the State and its officers, directors, employees, officials and agents as provided in the Indemnification section of this Contract, including for any breach of the representations and warranties made by Contractor in this section. The foregoing remedies shall be in addition to and not exclusive of other remedies available to the Agency and shall survive termination of this Contract.

4. Contractor represents and warrants that the Deliverables (in whole and in part) shall: (i) be free from material Deficiencies; and (ii) meet, conform to and operate in accordance with all Specifications and in accordance with this Contract during the Warranty Period, as defined in the Special Terms and Conditions. During the Warranty Period Contractor shall, at its expense, repair, correct or replace any Deliverable that contains or experiences material Deficiencies or fails to meet, conform to or operate in accordance with Specifications within five (5) business days of receiving notice of such Deficiencies or failures from the Agency or within such other period as the Agency specifies in the notice. In the event Contractor is unable to repair, correct or replace such Deliverable to the Agency's satisfaction, Contractor shall refund the fees or other amounts paid for the Deliverables and for any services related thereto. The foregoing shall not constitute an exclusive remedy under this Contract, and the Agency shall be entitled to pursue any other available contractual, legal or equitable remedies. Contractor shall be available at all reasonable times to assist the Agency with questions, problems and concerns about the Deliverables, to inform the Agency promptly of any known Deficiencies in any Deliverables, repair and correct any Deliverables not performing in accordance with the warranties contained in this Contract, notwithstanding that such Deliverable may have been accepted by the Agency, and provide the Agency with all necessary materials with respect to such repaired or corrected Deliverable.

5. Contractor represents, warrants and covenants that all services to be performed under this Contract shall be performed in a professional, competent, diligent and workmanlike manner by knowledgeable, trained and qualified personnel, all in accordance with the terms and Specifications of this Contract and the standards of performance considered generally acceptable in the industry for similar tasks and projects. In the absence of a Specification for the performance of any portion of this Contract, the parties agree that the applicable specification shall be the generally accepted industry standard. So long as the Agency notifies Contractor of any services performed in violation of this standard, Contractor shall re-perform the services at no cost to the Agency, such that the services are rendered in the above-specified manner, or if the Contractor is unable to perform the services as warranted, Contractor shall reimburse the Agency any fees or compensation paid to Contractor for the unsatisfactory services.

6. Contractor represents and warrants that the Deliverables will comply with any applicable federal, state, foreign and local laws, rules, regulations, codes, and ordinances in effect during the term of this Contract, including applicable provisions of Section 508 of the Rehabilitation Act of 1973, as amended, and all standards and requirements established by the Architectural and Transportation Barriers Access Board and the Iowa Department of Administrative Services, Information Technology Enterprise.

7. Obligations Owed to Third Parties. The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to this Contract are or will be fully satisfied by the Contractor so that the Agency will not have any obligations with respect thereto.

K. Acceptance Testing. Except as otherwise specified in the Scope of Work, all Deliverables shall be subject to the Agency's Acceptance Testing and Acceptance, unless otherwise specified in the Statement of Work. Upon completion of all work to be performed by Contractor with respect to any Deliverable, Contractor shall deliver a written notice to the Agency certifying that the Deliverable meets and conforms to applicable Specifications and is ready for the Agency to conduct Acceptance Tests; provided, however, that Contractor shall pretest the Deliverable to determine that it meets and operates in accordance with applicable Specifications prior to delivering such notice to the Agency. At the Agency's request, Contractor shall assist the Agency in performing Acceptance Tests at no additional cost to the Agency. Within a reasonable period of time after the Agency has completed its Acceptance Testing, the Agency shall provide Contractor with written notice of Acceptance or Non-acceptance with respect to each Deliverable that was evaluated during such Acceptance Testing. If the Agency determines that a Deliverable satisfies its Acceptance Tests, the Agency shall provide Contractor with notice of Acceptance with respect to such Deliverable. If the Agency determines that a Deliverable fails to satisfy its Acceptance Tests, the Agency shall provide Contractor with notice of Non-acceptance with respect to such Deliverable. In the event the Agency provides notice of Non-acceptance to Contractor with respect to any Deliverable, Contractor shall correct and repair such Deliverable and submit it to the Agency within ten (10) days of Contractor's receipt of notice of Non-acceptance so that the Agency may re-conduct its Acceptance Tests with respect to such Deliverable. In the event the Agency determines, after re-conducting its Acceptance Tests with respect to any Deliverable that Contractor has attempted to correct or repair pursuant to this section, that such Deliverable fails to satisfy its Acceptance Tests, then the Agency shall have the continuing right, at its sole option, to: (i) require Contractor to correct and repair such Deliverable within such period of time as the Agency may specify in a written notice to Contractor; (ii) refuse to accept such Deliverable without penalty and without any obligation to pay any fees or other amounts associated with such Deliverable (or receive a refund of any fees or amounts already paid with respect to such Deliverable); (iii) accept such Deliverable on the condition that any fees or other amounts payable with respect thereto shall be reduced or discounted to reflect, to the Agency's satisfaction, the Deficiencies present therein and any reduced value or functionality of such Deliverable or the costs likely to be incurred by the Agency to correct such Deficiencies; or (iv) terminate this Contract and/or seek any and all available remedies, including damages. Notwithstanding the provisions of Section E.1 of this Contract, the Agency may terminate this Contract pursuant to this section without providing Contractor with any notice or opportunity to cure provided for in Section E.1. The Agency's right to exercise the foregoing rights and remedies, including termination of this Contract, shall remain in effect until Acceptance Tests are successfully completed to the Agency's satisfaction and the Agency has provided Contractor with written notice of Final Acceptance.

If the Agency determines that all Deliverables satisfy its Acceptance Tests, the Agency shall provide Contractor with notice of Final Acceptance with respect to such Deliverables. Contractor's receipt of any notice of Acceptance, including Final Acceptance, with respect to any Deliverable(s) shall not be construed as a waiver of any of the Agency's rights to enforce the

terms of this Contract or require performance in the event Contractor breaches this Contract or any Deficiency is later discovered with respect to such Deliverable(s).

L. Contract Administration.

1. Independent Contractor. The status of the Contractor shall be that of an independent contractor. The Contractor, its employees, agents and any subcontractors performing under this Contract are not employees or agents of the State or any agency, division or department of the State simply by virtue of work performed pursuant to this Contract. Neither the Contractor nor its employees shall be considered employees of the Agency or the State for federal or state tax purposes simply by virtue of work performed pursuant to this Contract. The Agency will not withhold taxes on behalf of the Contractor (unless required by law).

2. Incorporation of Documents. To the extent this Contract arises out of an RFP, the parties acknowledge that the Contract consists of these contract terms and conditions as well as the RFP and the Bid Proposal. The RFP and the Bid Proposal are incorporated into the Contract by reference, except that no objection or amendment by the Contractor to the provisions of the RFP shall be incorporated by reference into the Contract unless the Agency has explicitly accepted the Contractor's objection or amendment in writing. If there is a conflict between the Contract, the RFP and the Bid Proposal, the conflict shall be resolved according to the following priority, ranked in descending order: (1) the Contract; (2) the RFP; (3) the Bid Proposal.

3. Intent of References to Bid Documents. The references to the parties' obligations, which are contained in this Contract, are intended to supplement or clarify the obligations as stated in the RFP and the Bid Proposal. The failure of the parties to make reference to the terms of the RFP or the Bid Proposal in this Contract shall not be construed as creating a conflict and will not relieve the Contractor of the contractual obligations imposed by the terms of the RFP and the Contractor's Bid Proposal. The contractual obligations of the Agency cannot be implied from the Bid Proposal.

4. Compliance with the Law. The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when providing Deliverables under this Contract, including without limitation, all laws that pertain to the prevention of discrimination in employment and in the provision of services. For employment, this would include equal employment opportunity and affirmative action, and the use of targeted small businesses as subcontractors or suppliers. The Contractor may be required to provide a copy of its affirmative action plan, containing goals and time specifications, and non-discrimination and accessibility plans and policies regarding services to clients. Failure to comply with this provision may cause this contract to be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for future state contracts or be subject to other sanctions as provided by law or rule. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract. The Contractor may be required to submit its affirmative action plan to the Department of Management to comply with the requirements of 541 IAC chapter 4. If all or a portion of the funding used to pay for the Deliverables is being provided through a grant from the Federal Government, Contractor acknowledges and agrees that pursuant to applicable federal laws, regulations, circulars and bulletins, the awarding agency of the Federal Government reserves certain rights including, without limitation a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the Deliverables developed under this Contract and the copyright in and to such Deliverables.

5. Procurement. Contractor shall use procurement procedures that comply with all applicable federal, state, and local laws and regulations.

6. Non-Exclusive Rights. This Contract is not exclusive. The Agency reserves the right to select other contractors to provide Deliverables similar or identical to those described in the Scope of Work during the term of this Contract.

7. Non-Supplanting Requirement. To the extent required by state or federal law, federal and state funds made available under this Contract shall be used to supplement and increase the level of state, local and other non-federal funds that would in the absence of such federal and state funds be made available for the programs and activities for which funds are provided and will in no event take the place of state, local and other non-federal funds.

8. Compliance with Iowa Code chapter 8F. If the Contract is subject to the provisions of Iowa Code chapter 8F, the Contractor shall comply with Iowa Code chapter 8F with respect to any subcontracts it enters into pursuant to this Contract. Any compliance documentation, including but not limited to certifications, received from subcontractors by the Contractor shall be forwarded to the Agency.

9. Amendments. This Contract may be amended in writing from time to time by mutual consent of the parties. Amendments to the General Terms may appear in the Special Terms and Conditions.

10. Third Party Beneficiaries. There are no third party beneficiaries to this Contract. This Contract is intended only to benefit the State and the Contractor.

11. Use of Third Parties. The Agency acknowledges that the Contractor may contract with third parties for the performance of any of the Contractor's obligations under this Contract. The Contractor shall notify the Agency in writing of all subcontracts relating to Deliverables to be provided under this Contract prior to the time the subcontract(s) become effective. The Agency reserves the right to review and approve all subcontracts. The Contractor may enter into these contracts to complete the project provided that the Contractor remains responsible for all Deliverables provided under this Contract. All restrictions, obligations and responsibilities of the Contractor under this Contract shall also apply to the subcontractors and the Contractor shall include in all of its subcontracts a clause that so states. The Agency shall have the right to request the removal of a subcontractor from the Contract for good cause.

12. Choice of Law and Forum. The laws of the State of Iowa shall govern and determine all matters arising out of or in connection with this Contract without regard to the conflict of law provisions of Iowa law. Any and all litigation commenced in connection with this Contract shall be brought and maintained solely in Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate. This provision shall not be construed as waiving any immunity to suit or liability including without limitation sovereign immunity in State or Federal court, which may be available to the Agency or the State of Iowa.

13. Assignment and Delegation. Contractor may not assign, transfer or convey in whole or in part this Contract without the prior written consent of the Agency. For the purpose of construing this clause, a transfer of a controlling interest in the Contractor shall be considered an assignment. The Contractor may not delegate any of its obligations or duties under this Contract without the prior written consent of the Agency. The Contractor may not assign, pledge as collateral, grant a security interest in, create a lien against, or otherwise encumber, any payments that may or will be made to the Contractor under this Contract.

14. Integration. This Contract represents the entire Contract between the parties. The parties shall not rely on any representation that may have been made which is not included in this Contract.

15. Headings or Captions. The paragraph headings or captions used in this Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

16. Not a Joint Venture. Nothing in this Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties hereto. Each party shall be deemed to be an independent contractor contracting for services and acting toward the mutual benefits expected to be derived herefrom. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to this Contract.

17. Joint and Several Liability. If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of this Contract, and for any default of activities and obligations.

18. Supersedes Former Contracts or Agreements. This Contract supersedes all prior contracts or agreements between the Agency and the Contractor for the Deliverables to be provided in connection with this Contract.

19. Waiver. Except as specifically provided for in a waiver signed by duly authorized representatives of the Agency and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

20. Notice. Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to each party's contract manager as set forth on the Contract Declarations & Execution Page(s). Each such notice shall be deemed to have been provided:

- i. At the time it is actually received; or,
- ii. Within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day delivery; or,
- iii. Within five (5) days after it is deposited in the U.S. Mail in the case of registered U.S. Mail.

From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

21. Cumulative Rights. The various rights, powers, options, elections and remedies of any party provided in this Contract, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled.

22. Severability. If any provision of this Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of this Contract.

23. Time is of the Essence. Time is of the essence with respect to the Contractor's performance of the terms of this Contract. Contractor shall ensure that all personnel providing Deliverables to the Agency are responsive to the Agency's requirements and requests in all respects.

24. Authorization. Contractor represents and warrants that:

- i. It has the right, power and authority to enter into and perform its obligations under this Contract.
- ii. It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this Contract, and this Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

25. Successors in Interest. All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

26. Records Retention and Access. The Contractor shall maintain accurate, current, and complete records of the financial activity of this Contract which sufficiently and properly document and calculate all charges billed to the Agency throughout the term of this Contract and for a period of at least five (5) years following the date of final payment or completion of any required audit (whichever is later). If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the five (5) year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five (5) year period, whichever is later. The Contractor shall permit the Agency, the Auditor of the State or any other authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to this Contract, wherever such records may be located. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records. Based on the audit findings, the Agency reserves the right to address the Contractor's board or other managing entity regarding performance and expenditures. When state or federal law or the terms of this Contract require compliance with OMB Circular A-87, A-110, or other similar provision addressing proper use of government funds, the Contractor shall comply with these additional records retention and access requirements:

- i. Records of financial activity shall include records that adequately identify the source and application of funds. When the terms of this Contract require matching funds, cash contributions made by the Contractor and third party in-kind (property or service) contributions must be verifiable from the Contractor's records. These records must contain information pertaining to contract amount, obligations, unobligated balances, assets, liabilities, expenditures, income and third-party reimbursements.
- ii. The Contractor shall maintain accounting records supported by source documentation that may include but are not limited to cancelled checks, paid bills, payroll, time and attendance records, and contract award documents.
- iii. The Contractor, in maintaining project expenditure accounts, records and reports, shall make any necessary adjustments to reflect refunds, credits, underpayments or overpayments, as well as any adjustments resulting from administrative or compliance reviews and audits. Such adjustments shall be set forth in the financial reports filed with the Agency.
- iv. The Contractor shall maintain a sufficient record keeping system to provide the necessary data for the purposes of planning, monitoring and evaluating its program.
- v. The Contractor shall retain all medical records for a period of six (6) years from the last date of service for each patient; or in the case of a minor patient or client, for a period consistent with that established by Iowa Code section 614.1(9). Client records, which are non-medical, must be maintained for a period of five (5) years.

27. Audits. Local governments and non-profit subrecipient entities that expend \$500,000 or more in a year in federal awards (from all sources) shall have a single audit conducted for that year in accordance with the provisions of OMB Circular A-133 "Audit of States, Local

Governments, and Non-Profit Organizations.” A copy of the final audit report shall be submitted to the Agency if either the schedule of findings and questioned costs or the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Agency. If an audit report is not required to be submitted per the criteria above, the subrecipient must provide written notification to the Agency that the audit was conducted in accordance with Government Auditing Standards and that neither the schedule of findings and questioned costs nor the summary schedule of prior audit findings includes any audit findings related to federal awards provided by the Agency. See A-133 Section 21 for a discussion of subrecipient versus vendor relationships. Contractor shall provide the Agency with a copy of any written audit findings or reports, whether in draft or final form, within 24 hours following receipt by the Contractor. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

28. Qualifications of Staff. The Contractor shall be responsible for assuring that all persons, whether they are employees, agents, subcontractors or anyone acting for or on behalf of the Contractor, are properly licensed, certified or accredited as required under applicable state law and the Iowa Administrative Code. The Contractor shall provide standards for service providers who are not otherwise licensed, certified or accredited under state law or the Iowa Administrative Code.

29. Solicitation. The Contractor represents and warrants that no person or selling agency has been employed or retained to solicit and secure this Contract upon an agreement or understanding for commission, percentage, brokerage or contingency excepting bona fide employees or selling agents maintained for the purpose of securing business.

30. Obligations beyond Contract Term. This Contract shall remain in full force and effect to the end of the specified term or until terminated pursuant to this Contract. All obligations of the Agency and the Contractor incurred or existing under this Contract as of the date of expiration or termination will survive the termination or expiration of this Contract.

31. Counterparts. The parties agree that this Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument.

32. Delays or Impossibility of Performance. Neither party shall be in default under the Contract if performance is prevented, delayed or made impossible to the extent that such prevention, delay, or impossibility is caused by a “force majeure.” The term “force majeure” as used in this Contract includes an event that no human foresight could anticipate or which if anticipated, is incapable of being avoided. Circumstances must be abnormal and unforeseeable, so that the consequences could not have been avoided through the exercise of all due care, such as acts of God, war, civil disturbance and other similar causes. The delay or impossibility of performance must be beyond the control and without the fault or negligence of the parties. “Force majeure” does not include: financial difficulties of the Contractor or any parent, subsidiary, affiliated or associated company of Contractor; claims or court orders that restrict Contractor’s ability to deliver the Deliverables contemplated by this Contract; strikes; labor unrest; or supply chain disruptions. If delay results from a subcontractor’s conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of the Contract unless the subcontractor or supplier is prevented from timely performance by a “force majeure” as defined in this Contract. If a “force majeure” delays or prevents the Contractor’s performance, the Contractor shall immediately use its best efforts to directly provide alternate, and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be determined solely by the Agency. The party seeking to exercise this provision and not perform or delay performance pursuant to a “force majeure” shall immediately notify the other party of the occurrence and reason for the delay. The parties shall make every effort to minimize the time of nonperformance and the scope of work

not being performed due to the unforeseen events. Dates by which performance obligations are scheduled to be met will be extended only for a period of time equal to the time lost due to any delay so caused.

33. Conflict of Interest. Contractor represents, warrants, and covenants that no relationship exists or will exist during the Contract period between the Contractor and the Agency that is a conflict of interest. No employee, officer or agent of the Contractor or subcontractor shall participate in the selection or in the award or administration of a subcontract if a conflict of interest, real or apparent, exists. The provisions of Iowa Code chapter 68B shall apply to this Contract. If a conflict of interest is proven to the Agency, the Agency may terminate this Contract, and the Contractor shall be liable for any excess costs to the Agency as a result of the conflict of interest. The Contractor shall establish safeguards to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by the desire for private gain for themselves or others with whom they have family, business, or other ties. The Contractor shall report any potential, real, or apparent conflict of interest to the Agency.

34. Certification Regarding Sales and Use Tax. By executing this Contract, the Contractor certifies it is either (a) registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa Code chapter 423; or (b) not a "retailer" or a "retailer maintaining a place of business in this state" as those terms are defined in Iowa Code subsections 423.1(42) & (43). The Contractor also acknowledges that the Agency may declare the Contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract.

35. Right to Address the Board of Directors or Other Managing Entity. The Agency reserves the right to address the Contractor's board of directors or other managing entity of the Contractor regarding performance, expenditures and any other issue as appropriate. The Agency determines appropriateness.

36. Repayment Obligation. In the event that any State and/or federal funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Contractor shall be liable to the Agency for the full amount of any claim disallowed and for all related penalties incurred. The requirements of this paragraph shall apply to the Contractor as well as any subcontractors.

37. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

38. Reporting Requirements. If this Contract permits other State agencies and political subdivisions to make purchases off of the Contract, the Contractor shall keep a record of the purchases made pursuant to the Contract and shall submit a report to the Agency on a quarterly basis. The report shall identify all of the State agencies and political subdivisions making purchases off of this Contract and the quantities purchased pursuant to the Contract during the reporting period.

39. Immunity from Liability. Every person who is a party to the Contract is hereby notified and agrees that the State, the Agency, and all of their employees, agents, successors, and assigns are immune from liability and suit for or from Contractor's and/or subcontractors' activities involving third parties and arising from the Contract.

40. Public Records. The laws of the State require procurement records to be made public unless otherwise provided by law.

41. Use of Name or Intellectual Property. Contractor agrees it will not use the Agency and/or State's name or any of their intellectual property, including but not limited to, any State, state agency, board or commission trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the Agency and/or the State.

42. Taxes. The State is exempt from Federal excise taxes, and no payment will be made for any taxes levied on Contractor's employee's wages. The State is exempt from State and local sales and use taxes on the Deliverables.

43. No Minimums Guaranteed. The contract does not guarantee any minimum level of purchases or any minimum amount of compensation.

M. Civil Rights Requirements.

1. Civil Rights Compliance in Services. The Contractor ensures that no person shall, on the basis of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available through this Contract (Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.)). Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.) or Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) shall also apply to any such program or activity.

2. Civil Rights Compliance in Employment. The Contractor will comply with the following laws, rules, and regulations prohibiting discrimination in employment:

- i. Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination in employment to persons based on race, color, religion, sex, or national origin.
- ii. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794 et seq.) and Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) prohibits discrimination in employment practices and in the provision of services to persons based on a mental or physical disability. (This includes recovering alcohol and substance abusers)
- iii. Age Discrimination in Employment Act of 1967 prohibits age discrimination in employment.
- iv. Fair Labor Standards – Equal Pay Act of 1963 protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination.
- v. Iowa Civil Rights Act of 1965 (Chapter 216, Code of Iowa), as amended, prohibits discrimination in employment to persons on the basis of their race, creed, color, national origin, sex, disability or age (age includes anyone over the age of 18).
- vi. Iowa Executive Order #15 of 1973, as amended by Iowa Executive Order #34 of 1988, prohibits discrimination and outlines affirmative action requirements with regard race, creed, color, religion, national origin, sex, age, and disability status.
- vii. The Contractor shall furnish all information and reports requested by the State of Iowa or pursuant to the rules and regulations thereof, and will permit access to payroll and employment records by the State of Iowa to investigate compliance with these rules and regulations.

3. Consideration for Employment. The Contractor shall not discriminate in its employment practices against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or disability. Such employment practices include, but are not limited to, recruitment, hiring, layoff or termination, promotion, demotion, transfer, rates of pay, training, and participation in other forms of upward mobility programs, or other forms of compensation and use of facilities. Furthermore, the Contractor shall, in all solicitations and advertisements for employees, state that all qualified applicants will receive

consideration for employment without regard to race, color, sex, national origin, age, or disability.

4. Non-compliance. In the event of the Contractor's non-compliance with the non-discrimination clauses of this Contract, or with any aforesaid rules and regulations, this Contract may be canceled, terminated, or suspended, in whole, or in part. In addition, the State of Iowa may impose sanctions or additional remedies as provided by the Iowa Civil Rights Act of 1965, or as otherwise provided by law.

5. Contractor Provisions. The Contractor shall include the provisions of subsections 19.1-19.3 in every subcontract and said provisions shall be binding on each sub-contractor. The Contractor will take such action with respect to any subcontract as the State of Iowa may direct as a means of enforcing such provisions including sanctions for non-compliance.

N. Compliance with Pro-Children Act of 1994. Contractor must comply with Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act). This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the Deliverables are funded by federal programs either directly or through State or local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees, and contracts. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities (other than clinics) where WIC coupons are redeemed.

The Contractor further agrees that the above language will be included in any sub-awards that contain provisions for children's services and that all subgrantees shall certify compliance accordingly. Failure to comply with the provisions of this law may result in the imposition of a civil monetary penalty of up to \$1000 per day.

O. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions. By signing and submitting this Contract, the Contractor is providing the certification set out below:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the Contractor knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

2. The Contractor shall provide immediate written notice to the person to whom this document is submitted if at any time the Contractor learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principle, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this document is submitted for assistance in obtaining a copy of those regulations.

4. The Contractor agrees by submitting this document that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered

transaction, unless authorized by the Agency or agency with which this transaction originated.

5. The Contractor further agrees by submitting this document that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. A participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

7. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

8. Except for transactions authorized under paragraph 4 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the Agency or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

The Contractor certifies, by signing and submitting this Contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation to this document.

P. Certification Regarding Lobbying. By signing and submitting this Contract, the Contractor certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid on behalf of the sub-grantee to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, an officer or employee of the Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of the Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the applicant shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts

under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C.A. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Q. Certification Regarding Drug Free Workplace.

1. Requirements for Contractors Who are Not Individuals. If Contractor is not an individual, by signing and submitting the Contract, the Contractor agrees to provide a drug-free workplace by --

- i. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
- ii. Establishing a drug-free awareness program to inform employees about --
 - (i) the dangers of drug abuse in the workplace;
 - (ii) the person's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance programs; and
 - (iv) the penalties that may be imposed upon employees for drug abuse violations;
- iii. Making it a requirement that each employee to be engaged in the performance of such contract be given a copy of the statement required by subparagraph (A);
- iv. Notifying the employee in the statement required by subparagraph (A), that as a condition of employment on such contract, the employee will --
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction;
- v. Notifying the contracting agency within 10 days after receiving notice under subparagraph (D)(ii) from an employee or otherwise receiving actual notice of such conviction;
- vi. Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by 41 U.S.C. § 703; and
- vii. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (A), (B), (C), (D), (E), and (F).

2. Requirement for individuals. If the Contractor is an individual, by signing and submitting the Contract, the Contractor agrees to not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the performance of the contract.

3. Notification Requirement. Contractor shall, within 30 days after receiving notice from an employee of a conviction pursuant to 41 U.S.C. § 701(a)(1)(D)(ii) or 41 U.S.C. § 702(a)(1)(D)(ii):

- i. Take appropriate personnel action against such employee up to and including termination; or
- ii. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

R. Certification Regarding Compliance with Requirements of Iowa Code Chapter 8F. As a condition of entering into this Contract with the Agency, the Contractor certifies that it has the

following information available for inspection by the Agency and the Iowa Legislative Services Agency:

1. Information documenting the legal status of the Contractor, such as agreements establishing it pursuant to Iowa Code chapter 28E or other intergovernmental agreements, articles of incorporation, bylaws, or any other information related to the establishment or status of the Contractor. In addition, the information shall indicate whether the Contractor is exempt from federal income taxes under section 501(c), of the Internal Revenue Code.
2. Information regarding the training and education received by the members of the governing body of the Contractor relating to the duties and legal responsibilities of the governing body.
3. Information regarding the procedures used by the governing body of the Contractor to do all of the following:
 - i. Review the performance of management employees and establish the compensation of those employees.
 - ii. Review the Contractor's internal controls relating to accounting processes and procedures.
 - iii. Review the Contractor's compliance with the laws, rules, regulations, and contractual agreements applicable to its operations.
 - iv. Information regarding adopted ethical and professional standards of operation for the governing body and employees of the Contractor and information concerning the implementation of these standards and the training of employees and members of the governing body on the standards. The standards shall include but not be limited to a nepotism policy which shall provide, at a minimum, for disclosure of familial relationships among employees and between employees and members of the governing body, policies regarding conflicts of interest, standards of responsibility and obedience to law, fairness, and honesty.
4. Information regarding any policies adopted by the governing body of the Contractor that prohibit taking adverse employment action against employees of the Contractor who disclose information about a service contract to the Contractor, the auditor of state, or the office of citizens' aide and that state whether those policies are substantially similar to the protection provided to state employees under Iowa Code section 70A.28. The information provided shall state whether employees of the Contractor are informed on a regular basis of their rights to disclose information to the Agency, the office of citizens' aide, the auditor of state, or the office of the attorney general and the telephone numbers of those organizations.
5. Pursuant to Iowa Code § 8F.4, Contractor shall file an annual report with the Agency and the Legislative Services Agency within ten months following the end of the Contractor's fiscal year. However, the annual report shall not be required to be filed under any of the following circumstances:
 - (1) The recipient entity reports information otherwise required to be included in an annual report described in this section to the oversight agency pursuant to federal or state statutes or rules. The information otherwise required to be reported to the oversight agency shall be filed with the legislative services agency.
 - (2) The recipient entity is recognized by the Internal Revenue Code as a nonprofit organization or entity and provides a copy of the internal revenue service form 990 for all fiscal years in which service contract revenues are reported.

The annual report required to be filed pursuant to this section shall contain the following:

- i. Financial information relative to the expenditure of state and federal moneys for the prior year pursuant to this Contract. The financial information shall include but is not limited to budget and actual revenue and expenditure information for the year covered.
- ii. Financial information relating to all service contracts with the Agency during the preceding year, including the costs by category to provide the contracted services.

- iii. Reportable conditions in internal control or material noncompliance with provisions of laws, rules, regulations, or contractual agreements included in external audit reports of the Contractor covering the preceding year.
 - iv. Corrective action taken or planned by the Contractor in response to reportable conditions in internal control or material noncompliance with laws, rules, regulations, or contractual agreements included in external audit reports covering the preceding year.
 - v. Any changes in the information covered by the Contractor's Certification Regarding Compliance with Requirements of Iowa Code chapter 8F.
 - vi. A certification signed by an officer and director, two directors, or the sole proprietor of the Contractor, whichever is applicable, stating the annual report is accurate and the recipient entity is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the recipient entity and the requirements of Iowa Code chapter 8F.
6. The Contractor shall make its records, books, audit reports, and its accountant's audit working papers related to the receipt and expenditure of state or federal funds available to the Auditor of the State of Iowa to conduct a review or audit in accordance with the provisions of Iowa Code section 11.36. The Contractor shall bear the cost of the Auditor's review or audit and shall reimburse the Agency for any costs it pays to the Auditor for such review or audit.

The Contractor agrees to provide any additional information to the Agency or the Iowa Legislative Services Agency upon request.

By signing and submitting this Contract, the Contractor certifies that the Contractor is in full compliance with all laws, rules, regulations, and contractual agreements applicable to the Contractor and the requirements of the Iowa Code chapter 8F.

S. Provisions for Contractors Established in Accordance With Chapter 28E. A Contractor established in accordance with Chapter 28E of the Iowa Code, shall be a governmental body for purposes of Chapter 21 (Open Meetings) and Chapter 22 (Open Records) of the Iowa Code, unless the Contractor or 28E agreement includes public agencies from more than one state.

All proceedings of each regular, adjourned, or special meeting of the Contractor, including the schedule of bills allowed, shall be published after adjournment of the meeting in a newspaper of general circulation within the geographic area served by the Contractor. The Contractor shall furnish a copy of the proceedings to be published to the newspaper within one week following adjournment of the meeting. The publication of the schedule of bills allowed shall include a list of all salaries paid for services performed, showing the name of the person or firm performing the service and the amount paid. However, the names and gross salaries of persons regularly employed by the Contractor shall only be published annually. This Section shall not apply if the Contractor includes public agencies from more than one state.

T. Availability of Data and Records. All data and records, including client information, obtained by the Contractor, in connection with this Contract, shall be made available to and become the property of the Agency.

U. Equipment, Supplies, and Inventory of Property.

1. Equipment and Supplies. "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more. Equipment includes vehicles. "Supplies" are items and materials with an acquisition cost of less than \$5,000.

2. Purchasing Equipment and Supplies. Prior approval must be obtained in writing, from the Agency, for the purchase of any equipment that involves \$5,000 or more of Agency funds. Supplies are allowable as direct costs and may be purchased without specific Agency

approval. All purchasing will be conducted according to regulations contained in the Office of Management and Budget (OMB) Federal Management Circular A-110, Attachment O (or A-102, if applicable).

3. Disposition of Equipment. Prior approval must be obtained, in writing, from the Agency, for the disposal of unneeded equipment which was purchased with program funds and whose estimated fair market value, at the time of disposal, is \$5,000 or more. Proceeds resulting from the sale of equipment must be credited to the program that made the purchase.

4. Rental and Lease Requirements. The rental or lease of equipment or vehicles must be prior approved by the Agency when the rental or lease cost is \$5,000 or more.

5. Inventory of Property. The Contractor shall keep an inventory of all property purchased with funds under this Contract that has a unit value of \$5,000 or more. The inventory records must include the following:

- i. Description of property
- ii. Manufacturer's serial number, model number, Federal stock number, national stock number, VIN number, or other identification number
- iii. Source of the property, including the award number
- iv. Whether the title vests in the recipient or the Federal government
- v. Acquisition date and cost
- vi. Location and condition of the property and the date the information was reported
- vii. Unit acquisition cost
- viii. Ultimate disposition information, including date of disposal and sales price or method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share

6. Physical Inventory. The Contractor must conduct a physical inventory of property and reconcile the results with the property inventory records at least once every two years. This process must include verifying the existence, condition, and location of the property.

7. Inventory Control. The Contractor must implement an inventory control system to ensure adequate safeguards to prevent loss, damage, or theft of property. Any loss, damage, or theft must be investigated and fully documented.

8. Property Maintenance. The Contractor must implement adequate maintenance procedures to ensure the property is kept in good condition.