

DISASTER 1997-HAZARD MITIGATION ASSISTANCE PROGRAM

Additional Federal and State Requirements

The requirements in this document provide a summary of some of the key federal and state requirements which apply to these grant funds.

1. **Federal Guidance Document:** The Sub-grantee or State Agency Recipient must comply with all applicable provisions of the Federal Emergency Management Agency Hazard Mitigation Assistance Unified Guidance dated June 1, 2010, available at the following federal website: <http://www.fema.gov/media-library/assets/documents/19022?id=4225>.
2. **Federal Regulations:** The Sub-grantee or State Agency Recipient shall comply with the most recent version of the following Administrative Requirements, Cost Principles and Audit Requirements.
 - A. **Administrative Requirements:** The administrative requirements that apply to U.S. DHS award recipients arise from two sources:
 - Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the "A-102 Common Rule") and U.S. DHS regulations at 44 CFR 13, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments."
 - OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, relocated to 2 CFR Part 215.
 - B. **Cost Principles:** The cost principles applicable to this grant originate from one of the following sources:
 - OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220.
 - OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225.
 - OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230.
 - C. **Audit Requirements:** The audit requirements for State, Local and Tribal recipients of U.S. DHS awards originate from OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.
3. **Federal Assurances and Special Conditions:** The Sub-grantee or State Agency Recipient shall comply with the requirements in the FEMA-State Agreement in **Attachment A** of this document and the applicable federal Assurances in **Attachment B** of this document. Both Attachment A and Attachment B are fully incorporated herein.
4. **Federal Procurement and Contracting Requirements:** A Sub-grantee is required to follow its own procurement procedures **as long as those procedures meet or exceed the federal procurement standards established in 44 CFR 13.36**. A summary of some of these federal procurement standards is included in **Attachment C** of this document, and is fully incorporated herein.
5. **Interest Income:** A Sub-grantee or State Agency Recipient shall promptly, but at least quarterly, remit interest earned on advanced grant funds to the U.S. Department of Homeland Security. The Sub-grantee or State Agency Recipient may keep interest earned, up to \$100 per fiscal year for administrative expenses.
6. **Requirements Applicable to Property/Equipment Purchased Using Grant Funds:** For all tangible, nonexpendable, personal property having a useful life of more than one year and a per unit cost of more than \$500 acquired in whole or in part with grant funds, the Sub-grantee must comply with the following requirements:
 - A. Maintain records that include the following:
 - i. A description of the property;
 - ii. Manufacturer's model number;

- iii. Manufacturer's serial number or other identification number;
 - iv. Vendor or other source of the property;
 - v. Identification of the title holder of the property;
 - vi. Acquisition date;
 - vii. Award number;
 - viii. Federal grant number;
 - ix. Percentage of Federal participation in the cost of the property;
 - x. Cost of the property;
 - xi. Physical location of the property;
 - xii. If the property was assigned to an individual, the name and title of the individual to whom the property was assigned;
 - xiii. Use of the property;
 - xiv. Condition of the property; and
 - xv. The ultimate disposition of the property, including the date of disposal how and to what entity property was disposed, and sale price of the property.
- B. Conducting a Physical Equipment Inventory. At least once every year, the Sub-grantee shall take a physical inventory of the property and the result reconciled with the property records. Any differences between quantities determined by the physical inspection and those in the accounting records shall be investigated to determine the cause of the difference. The Sub-grantee shall, in connection with the inventory, verify the existence, current utilization, current location, and continued need for the property. The Sub-grantee shall submit its property inventory report via iGMS with the quarterly progress report due on April 15th of each year to the State.
- C. Implementing Safeguards to Prevent Loss, Damage or Theft of Equipment. A control system shall be developed and implemented to ensure adequate safeguards to prevent loss, damage, or theft of the property. A sub-recipient must submit a description of its control system either in its grant application or when otherwise requested by IDHS. Any loss, damage, or theft shall be investigated and fully documented and made a part of the official project records. A copy of such documentation shall be promptly submitted to the State.
- D. Adequate maintenance procedures shall be developed and implemented to keep the property in good condition.
- E. The Sub-grantee shall not dispose of any property acquired in whole or in part with funds provided under this Agreement, except in accordance with 44 CFR 13.32(e), if applicable, and any applicable state and local laws, rules and regulations.
- F. For all property having an acquisition cost of over \$5,000, acquired in whole or in part with funds provided under the Agreement, the Sub-grantee must also comply with the applicable federal requirements pertaining to equipment in 44 CFR 13.32.
- G. If a Sub-grantee fails to comply with any part of this provision; the Sub-grantee may be required to repay to the State some or all of the funds provided to the Sub-grantee under the Agreement for the purchase of the property. In addition, such a failure to comply may jeopardize the Sub-grantee's ability to obtain future grants from the State.
- H. These requirements are on-going and survive the expiration or termination of the Agreement and will remain in effect until the property is disposed of in accordance with the Agreement and applicable federal regulations.
8. **Hatch Act:** The Sub-grantee or State Agency Recipient must comply with the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limits the political activities of employees whose principal employment activities are funded in whole or part with federal funds (Coverage is not dependent on the source of an employee's salary, nor is it dependent upon whether the employee actually administers the funds or has policy duties with respect to them). State and local employees subject to the Hatch Act continue to be covered while on vacation leave, annual leave, sick leave, leave without pay, administrative leave or furlough.

- Political Do's and Don't's For State and Local Employees: An individual principally employed by a state or local executive agency in connection with a program financed in whole or in part by federal loans or grants.

Allowed Political Activity	Prohibited Political Activity
<ul style="list-style-type: none"> • May be a candidate for public office in a nonpartisan election • May campaign for and hold elective office in political clubs and organizations • May campaign for and hold elective office in political clubs and organizations • May actively campaign for candidates for public office in partisan and nonpartisan elections • May contribute money to political organizations or attend political fundraising functions • May participate in any activity not specifically prohibited by law or regulation 	<ul style="list-style-type: none"> • If a State or Local government employee's salary is paid entirely by federal funds, the employee may not be a candidate for public office in a partisan election • May not use official authority or influence for the purpose of interfering with or affecting the results of an election or nomination for office • May not directly or indirectly coerce contributions from subordinates in support of a political party or candidate

- An election is partisan if any candidate for an elective public office is running as a representative of a political party whose presidential candidate received electoral votes at the preceding presidential election.

The Office of the Special Counsel is responsible for investigating reports or complaints of Hatch Act violations by covered employees of state and local governments. (<http://www.osc.gov/hatchact.htm>)

ATTACHMENT A



FEMA

FEMA-STATE AGREEMENT

On June 23, 2011, the President declared that a major disaster exists in the State of Indiana. This declaration was based on damage resulting from severe storms, tornadoes, and straight-line winds occurring on April 19, 2011, and April 22 to May 2, 2011, and flooding resulting from those storms beginning on April 19, 2011, and continuing. This is the FEMA-State Agreement for this major disaster, designated FEMA-1997-DR, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5208 (Stafford Act), in accordance with 44 CFR § 206.44.

1. No Federal assistance under the Stafford Act shall be approved unless the damage or hardship to be alleviated resulted from the major disaster that took place for severe storms, tornadoes, and straight-line winds occurring on April 19, 2011, and April 22 to May 2, 2011, and flooding resulting from those storms beginning on April 19, 2011, and continuing; except that reasonable expenses that were incurred in anticipation of and immediately preceding such event may be eligible.

2. Federal assistance under the Stafford Act and this Agreement shall be limited to the following areas of the State and such additional areas as may be subsequently designated by FEMA:

The counties of Benton, Clark, Crawford, Daviess, Dearborn, Dubois, Floyd, Franklin, Gibson, Harrison, Jackson, Jefferson, Jennings, Knox, Martin, Monroe, Ohio, Orange, Parke, Perry, Pike, Posey, Putnam, Ripley, Scott, Spencer, Starke, Sullivan, Switzerland, Vanderburgh, Warrick, and Washington for Public Assistance.

All counties in the State of Indiana are eligible to apply for assistance under the Hazard Mitigation Grant Program.

3. Any Federal funds provided under the Stafford Act for Public Assistance will be limited to 75 percent of total eligible costs in the designated area.

4. Funds are available on a 75 percent Federal cost share basis for hazard mitigation measures that could substantially reduce the risk of future damage, hardship, loss or suffering in any areas designated for hazard mitigation within the State, subject to meeting the local mitigation plan requirement at 44 CFR 201.6 and 206.434(b)(1). Total Federal contributions are based on the estimated aggregate grant amount to be made under the Stafford Act for this disaster (less any associated administrative costs), and shall be: 15 percent for the first \$2,000,000,000 or less of such amounts; 10 percent of the portion of such amounts over \$2,000,000,000 and not more than \$10,000,000,000; and 7.5 percent of the portion of such amounts over \$10,000,000,000 and not more than \$35,333,000,000.

5. Pursuant to 44 CFR § 206.208, if direct Federal Assistance is requested by the State, the Governor certifies that the State will: 1) provide without cost to the United States all lands, easements, and rights-of-ways necessary to accomplish the approved work; 2) hold and save the United States free from damages due to the requested work, and shall indemnify the Federal Government against any claims arising from such work; 3) provide reimbursement to FEMA for the nonfederal share of the cost of such work; and 4) assist the performing Federal Agency in all support and local jurisdictional matters.

6. Pursuant to Sections 403 and 407 of the Stafford Act, 42 U.S.C. §§ 5170b & 5173, if debris removal is authorized, the State agrees to indemnify and hold harmless the United States of America for any claims arising from the removal of debris or wreckage for this disaster. The State agrees that debris removal from public and private property will not occur until the landowner signs an unconditional authorization for the removal of debris.

7. Attached and also made a part of this Agreement are:

Exhibit A, State Certification Officers (A list of State officials authorized to execute certifications and otherwise to act on behalf of the State),

Exhibit B, General Conditions, and

Exhibit C, Disaster Grant Agreement Articles

8. This Agreement may be amended at any time by written approval of both parties.

Agreed:



Mitch Daniels

Governor



Andrew Velasquez III

Regional Administrator

Date: 7/12/2011

Date: 7/14/2011

EXHIBIT A

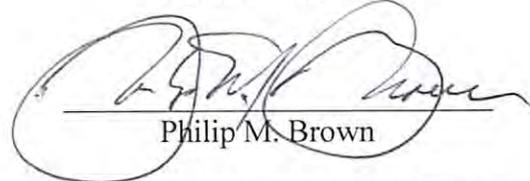
STATE CERTIFICATION OFFICERS

1. The Governor hereby certifies that Arvin E. Copeland is the Governor's Authorized Representative (GAR) empowered to execute on behalf of the State all necessary documents for disaster assistance, including approval of subgrants and certification of claims for Public Assistance. Philip M. Brown is the Alternate Governor's Authorized Representative and is similarly empowered. Their specimen signatures follow:

GAR


Arvin E. Copeland

Alternate GAR


Philip M. Brown

2. The Governor's Authorized Representative, named above, is responsible for State performance of hazard mitigation activities under this Agreement and, further, Janet S. Crider is designated the State Hazard Mitigation Coordinator for the purposes of such hazard mitigation activities.
3. The Governor hereby certifies that Joseph E. Wainscott, Jr. and Arvin E. Copeland are the State Coordinating Officer (SCO) and Alternate State Coordinating Officer, respectively, who will act in cooperation with the Federal Coordinating Officer under this declared major disaster.
4. The Governor hereby certifies that George C. Thompson is the representative of the State authorized to receive donations or loans of surplus property on behalf of the State and to execute certification, agreements, and other necessary documents with regard thereto.
5. The Governor hereby certifies that George C. Thompson is the official of the State authorized to execute compliance reports, carry out compliance reviews, and distribute informational material as required by FEMA to ensure that all recipients of Federal disaster assistance are in full compliance with FEMA nondiscrimination regulations (located at 44 CFR Part 7).
6. The Governor hereby certifies that George C. Thompson is the official of the State who will execute compliance reports, carry out compliance reviews, and distribute informational material as required by FEMA to ensure that all recipients of Federal disaster assistance are in compliance with the General Services Administration List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

EXHIBIT B

GENERAL CONDITIONS

FEMA and the State agree to take measures to deliver assistance to individuals, households, and governments as expeditiously as possible, consistent with Federal laws and regulations. To that end, the following terms and conditions apply:

1. Federal assistance will be made available, within the limits of funds available from Congressional appropriations for such purposes, in accordance with the Stafford Act, Executive Orders 12148, as amended, and 12673, and applicable regulations found in Title 44 of the Code of Federal Regulations (CFR), and applicable policy and guidance.
2. If necessary because of limited funds, FEMA will give first priority to assistance for individuals and households, emergency work for protection of public health and safety, and administrative costs for managing the disaster program. Public assistance recovery claims, hazard mitigation, and fire management assistance will be paid when, and if, funds become available and will be provided on a first come, first serve basis.
3. Pursuant to the regulations, the State agrees to be the grantee for all grant assistance provided under the Stafford Act, with the exception of the Individuals and Households Program – Other Needs Assistance when it is administered under the FEMA option. The State agrees to comply with the requirements of laws and regulations found in the Stafford Act and 44 CFR. The State hereby waives any consultation process under Executive Order 12372 and 44 CFR Part 4, for grants, loans, or other financial assistance under the Stafford Act for this major disaster.
4. Within his/her authorities, the Governor shall ensure, through the State agency responsible for regulation of the insurance industry, that insurance companies make full payment of eligible insurance benefits to disaster victims and other recipients of Federal disaster assistance. The State also shall take all responsible steps to ensure that disaster victims are aware of procedures for filing insurance claims, and are informed of any State procedures instituted for assisting insured disaster victims. Further, the State shall take all actions necessary and reasonable to ensure that all recipients of Federal disaster assistance are aware of their responsibility to repay government assistance that is duplicated by insurance proceeds.
5. The State agrees, on its behalf and on behalf of its political subdivisions and other recipients of Federal disaster assistance, to cooperate with the Federal Government in seeking recovery of funds that are expended in alleviating the damages and suffering caused by this major disaster against any party or parties whose intentional acts or omissions may have caused or contributed to the damage or hardship for which Federal assistance is provided pursuant to the Presidential declaration of this major disaster.
6. The State agrees, on its behalf and on behalf of its political subdivisions and other recipients of Federal disaster assistance, to seek recovery of all funds that are expended in alleviating the damages and suffering caused by this major disaster against any party or parties whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which Federal assistance is provided pursuant to the Presidential declaration of this major disaster. FEMA will treat such amounts as duplicated benefits available to the Grantee in accordance with 42 U.S.C. § 5155 and 44 CFR § 206.191.

EXHIBIT C

DISASTER GRANT AGREEMENT ARTICLES

ARTICLE I. The United States of America through the Administrator, Federal Emergency Management Agency (FEMA), Department of Homeland Security (hereinafter referred to as "FEMA") or his/her delegate, agrees to grant to the State of Indiana (hereinafter referred to as "the Grantee") funds in the amount specified on the obligating document, to support the Grant Program authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5208 (Stafford Act), and activated in the FEMA-State Agreement for FEMA-1997-DR. The Grantee agrees to abide by and comply with: the grant terms and conditions as set forth in this document, all provisions of the State Administrative Plan for each disaster grant, and all conditions contained in the FEMA-State Agreement. These Grant Agreement Articles do not apply to the Individuals and Households Program – Other Needs Assistance, when it is administered under the FEMA or Joint Option.

ARTICLE II. This agreement takes effect at the time the FEMA-State Agreement is executed and remains in effect until the grant program(s) has been closed by FEMA. Refer to obligating documents for funding information.

ARTICLE III. The Grantee agrees to comply with all applicable laws and regulations, including but not limited to the following laws, regulations, and OMB circulars that govern standard grant management practices and are incorporated into this Agreement by reference. Due to the nature of grant administration following a Presidential declaration of a disaster or emergency, some variance from standard practice may be warranted upon determination by FEMA.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5208 (Stafford Act)

Title 44 of the Code of Federal Regulations (CFR)), which includes Part 13, FEMA's implementation of OMB Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments

2 CFR Part 215	Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110)
2 CFR Part 220	Cost Principles for Educational Institutions (OMB Circular A-21)
2 CFR Part 225	Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)
2 CFR Part 230	Cost Principles for Nonprofit Organizations (OMB Circular A-122)
45 CFR Part 74	Appendix E, Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts With Hospitals.
48 CFR 31.2	Federal Acquisition Regulation, Contracts with Commercial Organizations.

OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations

31 CFR § 205.6 Funding Techniques

ASSURANCES Submitted with the SF 424, Application for Federal Assistance

ARTICLE IV. The specific terms and conditions of this agreement are as follows:

1. **ASSURANCE COMPLIANCE:** The certifications signed by the Grantee in the FEMA-State Agreement relating to maintenance of a Drug-Free Workplace (44 CFR Part 17) and New Restrictions on Lobbying (44 CFR Part 18) apply to this grant agreement and are incorporated by reference.
2. **CLOSE OUT:**
 - a. **Reports Submission:** Per 44 CFR § 13.50, when the appropriate grant award performance period expires, the Grantee shall submit the following documents within 90 days: (1) Financial Performance or Progress Report; (2) Financial Status Report (SF 269) which has been now replaced by the Federal Financial Report (SF 425) or Outlay Report and Request for Reimbursement for Construction Programs (SF-271) (as applicable); (3) Final request for payment (SF-270) (if applicable); (4) Invention disclosure (if applicable); and (5) Federally-owned property report.
 - b. **Reports Acceptance:** FEMA shall review the Grantee reports, perform the necessary financial reconciliation, negotiate necessary adjustments between the Grantee's and FEMA's records, and close out the grant in writing.
 - c. **Records Retention:** Records shall be retained for 3 years (except in certain rare circumstances described in 44 CFR § 13.42) from the date the final financial status report is submitted to FEMA in compliance with 44 CFR § 13.42.
3. **CONSTRUCTION REQUIREMENTS:** Prior to the start of any construction activity, the Grantee shall ensure that all applicable Federal, State, and local permits and clearances are obtained, including FEMA compliance with the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act, and all other environmental laws and executive orders.
4. **COPYRIGHT:** The Grantee is free to copyright original work developed in the course of or under the agreement. FEMA reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes. Publication resulting from work performed under this agreement shall include an acknowledgement of FEMA financial support, by grant number, and a statement that the publication does not constitute an endorsement by FEMA or reflect FEMA views.
5. **COST SHARE:** The Grantee shall follow the cost-sharing requirements in 44 CFR § 13.24. Project cost-share shall be available with the approval of each project. Performance Period/Project Completion extensions shall not be approved for delays caused by lack of cost-share funding.

6. **ENFORCEMENT:** Enforcement remedies shall be processed as specified under 44 CFR § 13.43 when the Terms and Conditions of this Cooperative Agreement are not met.
7. **FUNDS TRANSFER:** No transfer of funds to agencies other than those identified in the approved grant agreement shall be made without prior approval of FEMA.
8. **INSURANCE:** In compliance with P.L. 103-325, Title V National Flood Insurance Reform Act of 1973, section 582 requires that any person who receives federal assistance for the repair, replacement, or restoration for damage to any personal, residential, or commercial property, at any time, must maintain flood insurance if the property is located in a Special Flood Hazard Area.
9. **PAYMENT PROCESS:** The Grantee shall be paid using the U.S. Department of Health and Human Services Payment Management System (HHS/Smartlink) provided the Grantee maintains and complies with procedures for minimizing the time between transfer of funds from the US Treasury and disbursement by the Grantee and Subgrantees. The Grantee commits itself to: 1) initiating cash drawdowns only when actually needed for its disbursement; 2) timely financial reporting as per FEMA requirements, using the SF 269 or equivalent report; and 3) imposing the same standards of timing and amount upon any secondary recipient.
10. **PERFORMANCE PERIODS:**
 - a. **Program/Grant Award:** All grant awards activities, including all projects and/or activities approved under each grant award, shall be completed within the time period prescribed in FEMA regulations and on the obligating documents.
 - b. **Extensions:** Written request for an extension will include information and documentation to support the amendment and a schedule for completion. No subsequent grant agreements, monetary increase amendments, or time extension amendments will be approved unless all financial and performance reports have been submitted to the appropriate Regional Office. Extensions to performance periods shall be in compliance with program regulation timeframes. Extensions shall not be approved for delays caused by lack of cost-share funding. Only the FEMA Regional Administrator or Disaster Recovery Manager can approve exceptions to this policy.

11. RECOVERY OF FUNDS:

- a. The State will process the recovery of assistance through error, misrepresentation, or fraud, or if funds are spent inappropriately. A list of applicants/subgrantees from whom recoveries are processed will be submitted on the quarterly progress report to allow FEMA to adjust its program and financial information systems.
- b. Adjustments to expenditures will be made as funding is recovered and will be reported quarterly on the Federal Financial Report.
- c. The State will reimburse FEMA for the Federal share of awards not recovered through quarterly financial adjustments within the 90-day close out liquidations period.
- d. All fraud identifications will be reported to the DHS Office of Inspector General and the State agrees to cooperate with any investigation conducted by the DHS Office of Inspector General.
- e. The State shall reimburse FEMA the amount of funding recovered through the recapture of outstanding checks not claimed by recipients of assistance. The recovered funds shall be submitted to FEMA within 30 days from the expiration date printed on the check. A list of outstanding checks with check expiration dates shall be submitted to FEMA with the final progress/performance report.

12. REFUND, REBATE, CREDITS: The State shall transfer to FEMA the appropriate share, based on the Federal support percentage, of any refund, rebate, credit or other amounts arising from the performance of this agreement, along with accrued interest, if any. The Grantee shall take necessary action to effect prompt collection of all monies due or which may become due and to cooperate with FEMA in any claim or suit in connection with amounts due.

13. REPORTS:

- a. Federal Financial Report: The Grantee shall submit Federal Financial Reports, SF 425, to the FEMA Regional Office 30 days after the end of the first federal quarter following the initial grant award. (The Disaster Recovery Manager may waive this initial report.) The Grantee shall submit quarterly financial status reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30.
- b. Performance Report:
 1. If applicable, the Grantee shall submit performance/progress reports in compliance with each program identified under the FEMA-State Agreement to the FEMA Regional Office 30 days after the end of the first federal quarter following the initial grant award. The Disaster Recovery Manager may waive the initial report. The Grantee shall submit quarterly performance/progress status reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30.
 2. The quarterly performance/progress reports shall include a status of the project's completion, amount of expenditures, and amount of payment for advancement or

reimbursement of costs for each project funded under each of the programs authorized under the FEMA-State Agreement.

- c. Final Reports: The State shall submit a Final Federal Financial Report and Performance Report 90 days from each program's grant award performance period expiration date.
 - d. Enforcement: The Disaster Recovery Manager or the Regional Administrator may suspend drawdowns if quarterly reports are not submitted on time.
14. **TERMINATION**: Either the Grantee or FEMA may terminate grant award agreements by giving written notice to the other party at least seven (7) calendar days prior to the effective date of the termination. All notices are to be transmitted via registered or certified mail, return receipt requested, to the FEMA Regional Administrator/Disaster Recovery Manager or the Governor's Authorized Representative, as applicable. The Grantee's authority to incur new costs will be terminated upon arrival of the date of receipt of the letter or the date set forth in the notice. Any costs incurred up to the earlier of the date of the receipt of the notice or the date of termination set forth in the notice will be negotiated for final payment. Closeout of the grant award will be commenced and processed as prescribed under Article IV.2.

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988, 44 CFR Part 17. The regulations require certification by grantees, prior to award, that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when the agency determines to award the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or governmentwide suspension or debarment. (See 44 CFR Part 17, and 2 CFR Part 3000.)

- A. The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about--
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will--
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - (e) Notifying the agency in writing within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position and title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
 - (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted--

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, 29 U.S.C. § 701 et seq.; or

(2) Requiring such employee to participate satisfactorily 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;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with this grant:

Place(s) of Performance: (Street address, city, county, state, zip code)

302 West Washington Street

Room E-208

Indianapolis, IN 46204

Joseph E. Wainscott, Jr, State Coordinating Officer.
Name and Title of Authorized Representative

Signature



Date

7/7/11

CERTIFICATION REGARDING LOBBYING

Certification For Contracts, Grants, Loans, and Cooperative Agreements

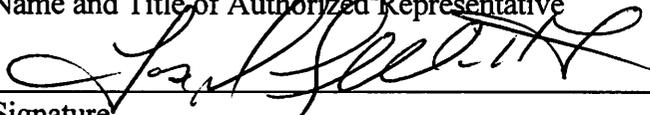
This certification is required by the regulations implementing the New Restrictions on Lobbying, 44 CFR Part 18. The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of 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, and 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 agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned 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 31 U.S.C. § 1352. 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.

Joseph E. Wainscott, Jr., State Coordinating Officer

Name and Title of Authorized Representative


Signature

7/7/11
Date



FEMA

July 19, 2011

Mr. Joseph E. Wainscott, Jr.
State Coordinating Officer
302 West Washington Street
Room E.-208
Indianapolis, IN 46204

Dear Mr. Wainscott:

Enclosed is Amendment 1 to the FEMA-State Agreement, Closing the Incident Period for FEMA-1997-DR-IN for your files.

Please feel free to contact me at 202-870-3206.

Sincerely,

A handwritten signature in blue ink, appearing to read "Don Keldsen".

Don Keldsen
Federal Coordinating Officer/
Disaster Recovery Manager
FEMA-1997-DR-IN

Enclosure



FEMA

AMENDMENT NUMBER 1
TO THE FEMA-STATE AGREEMENT
FEMA-1997-DR

This is Amendment Number 1 to the FEMA-State Agreement for the major disaster FEMA-1997-DR, declared on June 23, 2011. This Amendment serves to close the incident period for this disaster effective midnight, June 6, 2011.

The preamble and paragraph 1 of the FEMA-State Agreement are amended to read as follows:

On June 23, 2011, the President declared that a major disaster exists in the State of Indiana. This declaration was based on damage resulting from severe storms, tornadoes, and straight-line winds occurring on April 19, 2011, and April 22 to May 2, 2011, and flooding resulting from those storms beginning on April 19, 2011, through June 6, 2011. This is the FEMA-State Agreement for this major disaster designated FEMA-1997-DR, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (Stafford Act), in accordance with 44 CFR § 206.44.

1. No Federal assistance under the Stafford Act shall be approved unless the damage or hardship to be alleviated resulted from the major disaster that took place beginning on April 19, 2011 through June 6, 2011, except that reasonable expenses that were incurred in anticipation of and immediately preceding such event may be eligible.

All other paragraphs of this Agreement remain unchanged, unless previously amended.

AGREED:

Arvin E. Copeland
Governor's Authorized Representative

7-18-11

Date:

Donald L. Keldsen
**Federal Coordinating Officer/
Disaster Recovery Manager**

7-18-11

Date:



FEMA

AMENDMENT NUMBER 2
TO THE FEMA-STATE AGREEMENT
FEMA-1997-DR

This is Amendment Number 2 to the FEMA-State Agreement for the major disaster FEMA-1997-DR, declared on June 23, 2011. This Amendment serves to include additional areas for supplemental disaster assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (Stafford Act).

Paragraph 2 of the FEMA-State Agreement is hereby amended to read as follows:

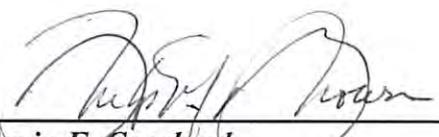
2. Federal assistance under the Stafford Act and this Agreement shall be limited to the following areas of the State and such additional areas as may be designated by FEMA:

Effective July 28, 2011, Vermillion and Wayne Counties for Public Assistance.

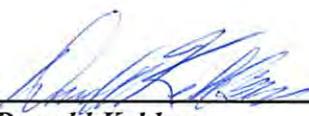
All counties in the State of Indiana are eligible to apply for assistance under the Hazard Mitigation Grant Program.

All other paragraphs of this Agreement remain unchanged, unless previously amended.

AGREED:

for 

Arvin E. Copeland
Governor's Authorized Representative



Donald Keldsen
*Federal Coordinating Officer/
Disaster Recovery Manager*

7/28/11

Date:

7/28/11

Date:



FEMA

AMENDMENT NUMBER 3
TO THE FEMA-STATE AGREEMENT
FEMA-1997-DR

This is Amendment Number 3 to the FEMA-State Agreement for the major disaster FEMA-1997-DR, declared on June 23, 2011. This Amendment serves to include additional areas for supplemental disaster assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 (Stafford Act).

Paragraph 2 of the FEMA-State Agreement is hereby amended to read as follows:

2. Federal assistance under the Stafford Act and this Agreement shall be limited to the following areas of the State and such additional areas as may be designated by FEMA:

Effective July 28, 2011, Vermillion and Wayne Counties for Public Assistance.

Effective August 15, 2011, Clay and Lawrence Counties for Public Assistance.

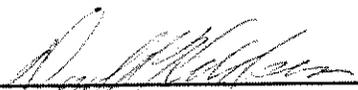
All counties in the State of Indiana are eligible to apply for assistance under the Hazard Mitigation Grant Program.

All other paragraphs of this Agreement remain unchanged, unless previously amended.

AGREED:



for **Arvin E. Copeland**
Governor's Authorized Representative



Donald Keldsen
Federal Coordinating Officer/
Disaster Recovery Manager

8/17/11

Date:

8/17/11

Date:

Billing Code 9111-23-P

DEPARTMENT OF HOMELAND SECURITY

Federal Emergency Management Agency

[Internal Agency Docket No. FEMA-1997-DR]

Docket ID FEMA-2011-0001

Indiana; Amendment No. 4 to Notice of a Major Disaster
Declaration

AGENCY: Federal Emergency Management Agency, DHS.

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster
declaration for State of Indiana (FEMA-1997-DR), dated
June 23, 2011, and related determinations.

EFFECTIVE DATE: August 23, 2011.

FOR FURTHER INFORMATION CONTACT: Peggy Miller, Office of
Response and Recovery, Federal Emergency Management Agency,
500 C Street, SW, Washington, DC 20472, (202) 646-3886.

SUPPLEMENTARY INFORMATION: The Federal Emergency Management
Agency (FEMA) hereby gives notice that pursuant to the
authority vested in the Administrator, under Executive Order
12148, as amended, Gregory W. Eaton, of FEMA is appointed to
act as the Federal Coordinating Officer for this disaster.

This action terminates the appointment of Donald L.
Keldsen as Federal Coordinating Officer for this disaster.

The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund; 97.032, Crisis Counseling; 97.033, Disaster Legal Services; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance Grant; 97.048, Disaster Housing Assistance to Individuals and Households In Presidentially Declared Disaster Areas; 97.049, Presidentially Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households; 97.050, Presidentially Declared Disaster Assistance to Individuals and Households - Other Needs; 97.036, Disaster Grants - Public Assistance (Presidentially Declared Disasters); 97.039, Hazard Mitigation Grant.



W. Craig Fugate,

Administrator,

Federal Emergency Management Agency.

ATTACHMENT B - ASSURANCES

Assurances and Certifications

You must read and sign these assurances by providing your password and checking the box at the bottom of this page.

Note: Fields marked with an * are required.

Form 424B - Assurances-NonConstruction Programs

Note: Certain of these assurances may not be applicable to your project or program. If you have any questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93- 205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

Digital Signature

By checking the box below and providing your password, you are providing your digital signature.

I, Rachel Woodall, or my designee am hereby providing my signature for this application as of 14-Jun-2011

You must read and sign these assurances by providing your password and checking the box at the bottom of this page.

Note: Fields marked with an * are required.

Form 424D - Assurances-Construction Programs

Note: Certain of these assurances may not be applicable to your project or program. If you have any questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based pain in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended,

relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis- Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327- 333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91- 190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

Digital Signature

By checking the box below and providing your password, you are providing your digital signature.

I, Rachel Woodall, or my designee am hereby providing my signature for this application as of 14-Jun-2011

You must read and sign these assurances by providing your password and checking the box at the bottom of this page.

Note: Fields marked with an * are required.

ATTACHMENT C
MAKING PURCHASES USING FEDERAL GRANT FUNDS
Federal Procurement and Contracting Requirements

Federal Procurement and Contracting Requirements: A Sub-grantee is required to follow its own procurement procedures **as long as those procedures meet or exceed the federal procurement standards** established in 44 CFR 13.36. A brief summary of some of these federal requirements is as follows:

A. Procurement Methods (44CFR 13.36(d))

i. Small Purchase Procedure (44 CFR 13.36(d)(1))

To purchase services and supplies of \$100,000 or less

- Relatively simple and informal method
- Cannot exceed simplified acquisition threshold of \$100,000
- Must obtain price or rate quotation from adequate number of qualified sources (usually 3)

- Awarded based on lowest documented price quote

ii. Sealed Bids (Formal Advertising) (44 CFR 13.36(d)(2))

- For sealed bidding to be feasible, all of the following conditions should be present (generally used for construction and debris removal contracts):

- A complete, adequate and realistic specification or description of project is available.
- Two or more responsible bidders are willing and able to compete effectively.
- Bids publicly solicited and advertised and a firm-fixed-price contract (lump sum or unit price) awarded
- The procurement lends itself to a firm fixed price contract.

- If the sealed bid procurement method is used, the following requirements are applicable:

- The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids.
- The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond.
- All bids will be publicly opened at the time and place prescribed in the invitation for bids.
- A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of
- Any or all bids may be rejected if there is a sound documented reason

- Contract awarded to the responsible bidder whose bid conforms with invitation for bid and whose bid is lowest in price

iii. Competitive Proposals (44 CFR 13.36(d)(3))

Generally used to purchase architectural, engineering or professional and personal services when conditions are not appropriate for the use of sealed bids.

- Requests for proposals will be publicized and identify all evaluation factors and their relative importance.
- Any response to publicized requests for proposals shall be honored to the maximum extent practical.
- Proposals will be solicited from an adequate number of qualified sources.
- The Sub-grantee must have a method for conducting technical evaluations of the proposals received and for selecting awardees
- Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered
- The Sub-grantee may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in

procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

iv. Noncompetitive (Sole Source) proposals (44 CFR 13.36(d)(4))

The following conditions are applicable to all sole source or noncompetitive procurements:

- (1) **Competitive Procurement must be infeasible:** A noncompetitive procurement can only be used when the award of a contract is infeasible under small purchase order procedures, sealed bids or competitive proposals and one (1) of the following circumstances apply:
 - (A) The item is available only from a single source;
 - (B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - (C) The awarding agency (IDHS) authorizes noncompetitive proposals; or
 - (D) After solicitation of a number of sources, competition is determined inadequate.
- (2) **Cost analysis required:** Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.
- (3) **Awarding agency review may be required:** A Sub-grantee is required to submit the proposed procurement to IDHS for pre-award review (in accordance with 44 CFR 13.36(g)).]

B. General Federal Procurement Standards (44 CFR 13.36(b)):

- Contracts must be monitored by the Sub-grantee to assure compliance with terms, conditions and specifications of contracts or purchase orders.
- The Sub-grantee must maintain written code of standards governing award and administration of contracts (conflicts of interest, selection and award, etc.) and the Sub-grantee must comply with the applicable federal conflict of interest requirements established in 44 CFR 13.36(b)(3) [see below]
- The Sub-grantee will review proposed procurements to avoid unnecessary or duplicate purchases
- Intergovernmental agreements for procurement are encouraged
- Use of excess and surplus property is suggested when feasible
- Use of value engineering clauses in construction contracts of sufficient size is encouraged
- Contracts will be awarded only to responsible contractors possessing ability to perform
- Supporting documents must be maintained and include - rationale for method of procurement, selection of contract type, contractor selection or rejection and basis for contract price
- Use of time and material contracts is limited to situations where 1) no other contract is feasible, and 2) includes a ceiling price. (This must be documented)
- The Sub-grantee will have responsibility for settlement of all contractual and administrative issues arising out of procurements
- The Sub-grantee must have protest procedures to handle and resolve disputes relating to procurements

C. Conflict of Interest (44 CFR 13.36(b)(3))

The Sub-grantee will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the Sub-grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his immediate family,
- (iii) His or her partner, or
- (iv) An organization which employs, or is about to employ, any of the above,

has a financial or other interest in the firm selected for award. The Sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. The Sub-grantee may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the Sub-grantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

D. Competition (44 CFR 13.36(c)):

- All procurement transactions will provide full and open competition. Examples of restrictive competition include:
 - a. Unreasonable requirements on firms in order for them to qualify
 - b. Requiring unnecessary experience or excessive bonding
 - c. Noncompetitive awards to consultants on retainer
 - d. Organizational conflicts of interest
 - e. Specifying only brand name products
 - f. Any arbitrary action in the procurement process
- Geographical preferences in evaluation of bids is prohibited
- Written selection procedures must be in place for all procurements identifying all requirements firms must fulfill
- Ensure all pre-qualified lists of persons, firms or products are current and include enough qualified sources to ensure maximum open and free competition

E. Affirmative Action (44 CFR 13.36(e)):

- The Subgrantee will take all necessary affirmative action steps to ensure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible

F. Contract Cost and Price: (44 CFR 13.36(f))

- The Sub-grantee must perform cost or price analysis in connection with every procurement action
- The Sub-grantee must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.
- Costs and prices based on estimated costs will be allowable only to the extent that they are consistent with Federal cost principles.
- Cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

G. State Review: (44 CFR 13.36(f))

- The Sub-grantee must make available to the State technical specifications on proposed procurements and, on request, make pre award documents available i.e. requests for proposals or invitations for bids, independent cost estimates.
- Review is required in all cases when a Sub-grantee’s procurement procedure fails to comply with standards, procurement exceeds simple acquisition threshold and is awarded without competition or only one bid or offer is received, or is awarded to other than low bidder or brand name is specified.
- The Sub-grantee may request that its procurement system be reviewed to determine whether its system meets these standards, or the Sub-grantee may self-certify its procurement system

H. Types of Contracts

Lump sum:	Contract for work within a prescribed boundary with a clearly defined scope and total price
Unit price	Contract for work done on an item-by-item basis with cost determined on a unit basis
Cost + fixed fee	Either a lump sum or unit price contract with a fixed contractor fee added into price
Time & materials	Should be avoided, but may be allowed after a determination that no other contract is suitable; include a cost ceiling or “not to exceed” provision [44 CFR 13.36(b)(10)]
Cost plus % of cost	Not allowed by FEMA Regulations
Contingency	Not allowed by FEMA Regulations

I. Contract Provisions: (44 CFR 13.36(i) and Grant Award) Contracts must contain these provisions:

- Administrative, contractual or legal remedies in instances where contractors violate or breach contract terms—Contracts for more than \$100,000.
- Termination clause for cause and termination for convenience—Contracts for more than \$10,000.
- Compliance with Equal Employment Opportunity regulations—All construction contracts awarded in excess of \$10,000.
- Compliance with Anti-Kickback regulations—All contracts for construction or repair
- Compliance with Davis-Bacon Act –Construction contracts in excess of \$2,000

- Compliance with Contract Work Hours and Safety Standards Act—Construction contracts in excess of \$2,000, and in excess of \$2,500 for contracts which involve the employment of mechanics or laborers
- Notice of reporting requirements and regulations pertaining to reporting—All contracts
- Notice of requirements pertaining to patent rights—All contracts
- Notice of requirements pertaining to copyrights and rights in data—All contracts
- Access of any records by grantee, sub grantee, Federal grantor, Comptroller or any duly authorized representatives—All contracts
- Records must be retained for at least three years after final payments are made—All contracts
- Compliance with CAA, CWA, EPA regulations—Contracts in excess of \$100,000.
- Mandatory standards relating to energy efficiency—All contracts
- The Lobbying Certification—All contracts
- Federal Debarment and Suspension Requirements—All contracts