United States Department of Transportation
Federal Motor Carrier Safety Administration

Fiscal Year 2013 – Commercial Vehicle Information Systems and Networks (CVISN) Grant Program
Notice of Funding Availability

The United States Department of Transportation's (US DOT) Federal Motor Carrier Safety Administration (FMCSA) announces the Fiscal Year (FY) 2013 Commercial Vehicle Information Systems and Networks (CVISN) program funding opportunity. This document will assist you by providing important information about the CVISN program, including the FY 2013 program priorities and critical information related to preparing and submitting a grant application. All applications must be submitted through Grants.gov by 11:59 P.M. (Eastern Time) on November 19, 2012.

The Catalog of Federal Domestic Assistance (CFDA) number for CVISN is 20.237.

Important Changes and Reminders for FY 2013:

- All Applicants, even Applicants that have received previous funding, should read this **entire** Notice of Funding Availability (NOFA). This NOFA establishes minimum requirements for FY 2013 submissions, which have changed from previous years. Please review the **entire** document before submitting an application.
- All FY 2013 CVISN applications must be submitted in response to this NOFA; FMCSA does not anticipate a second NOFA for FY 2013 CVISN.
- There are required elements that all Applicants must address in the application. A suggested outline is located in Appendix A – Guidance for Designing Performance-based Projects, which includes a Project Narrative and a Budget Narrative (also see Appendix B – Guidance for Developing an Object Class Budget), Appendix C – Key Contacts Form Instructions, and Appendix D – FMCSA Financial Assistance Agreement General Provisions and Assurances (subject to revision).
- The FMCSA will not evaluate applications received without the complete set of required forms and attachments; all application section elements and all documents must be submitted (see Section IV).
- Application review information is clarified to include expectations and evaluation criteria (see Section V).
- All Applicants must submit a current FMCSA Administrative Capability Questionnaire. (An Applicant need only prepare and certify one questionnaire for all FY 2013 applications, but it must be included in each grant application).

- Grantees must agree to comply with the FMCSA Financial Assistance Agreement General Provisions and Assurances throughout the grant period of performance in order to execute the grant agreement and before grant funds are awarded (see Section VI).
- The Central Contractor Registration (CCR) system, along with Federal Agency Registration (FedReg), the Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS) will migrate to the new System for Award Management (SAM) at the end of July 2012. For further information please see *https://www.sam.gov/sam/* or *https://www.bpn.gov/ccr*.
- Applicants requesting funds to place equipment or temporary facilities, modify structures, or to alter existing infrastructure are required to assess the ability for the equipment, modifications, or alterations to withstand current and future climatic conditions, including potential changes in climatic conditions. The applicant shall use the best-available peer-reviewed studies and science to determine the potential climatic conditions the equipment, modifications or alterations may experience over the life-cycle of the equipment, modification or alteration funded by the grant. The applicant can rely on existing Federal Highway Administration suggestions or guidelines for placing infrastructure, or on other federally-issued guidance on assessing potential impacts of climate change.

Section I: Funding Opportunity Description

The FMCSA announces the availability of CVISN grant funding. Funding is authorized based on authorities provided in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Pub. L. No. 109-59, §§ 4101(c)(4), 4126, 119 Stat. 1144, 1715, 1738-41 (2005), *as amended by* Moving Ahead for Progress in the 21st Century (MAP-21), Pub. L. No. 112-141, §§ 32603(c) and 32605 (2012). The CVISN program is governed by 49 United States Code (U.S.C.) 31106, Historical and Statutory Notes, as amended.

Pursuant to SAFETEA-LU §4126(e), eligible awardees for CVISN funding are State agencies, including the District of Columbia and U.S. territories that are designated as the lead agency in the State's CVISN Program Plan and Top-Level Design (PP/TLD). Individuals and businesses are not eligible to apply.

The FMCSA provides CVISN funds to advance technological capability and promote the deployment of intelligent transportation systems applications for commercial vehicle operations, including commercial vehicle, commercial driver, and carrier-specific information systems and networks.

There are five types of CVISN grants: 1) core or expanded PP/TLD grants; 2) core deployment grants; 3) expanded deployment grants; 4) core maintenance grants; and 5) expanded maintenance grants. The FMCSA will first fund projects that advance States towards meeting core deployment. Remaining funds will then be awarded for expanded CVISN deployment projects, and, finally, for core or expanded maintenance projects (e.g.,

memberships, fees, dues, and other related program maintenance costs). Additional information about the types of grants is included below:

1. **Core or Expanded PP/TLD Grants:** The purpose of a core or expanded PP/TLD grant is to provide a management framework and system architecture to guide future State CVISN deployment. The PP/TLD is also used as a guide for States to advise policy and decision makers regarding the funding and technical resources required for successful CVISN implementation. A State may apply for a PP/TLD grant of up to $100,000 to develop the PP/TLD.

   A State MUST have a core PP/TLD approved by the Agency before they are eligible to receive future core deployment or core maintenance grant funding.

   Additionally, a State MUST have an expanded PP/TLD approved by the Agency before they are eligible to receive future expanded deployment grant funding. A State does not need to have an expanded PP/TLD approved by the Agency before they are eligible to receive future expanded maintenance grant funding. See below for further information about the difference between deployment and maintenance grants.

2. **Core Deployment Grants:** The purpose of a core deployment grant is for States to carry out CVISN capabilities in the areas of safety information exchange (e.g., inspection reporting), credentials administration (e.g., electronic processing of fees), and electronic screening (e.g., screening transponder-equipped trucks automatically pass roadside inspection stations at highway speeds).

   Under SAFETEA-LU and its predecessor authorizing statute, the Transportation Equity Act for the 21st Century (TEA-21), FMCSA may not award an aggregate total in excess of $2.5 million in core deployment grants to a State. States are directed to contact their respective FMCSA State Division Administrator for information regarding the amount they are eligible to receive.

   As noted above, a State MUST have a core PP/TLD approved by the Agency before they are eligible to receive future core deployment or core maintenance grants.

3. **Expanded Deployment Grants:** The purpose of an expanded deployment grant is for States to carry out capabilities that exceed the requirements of core deployment, improve safety and productivity of commercial motor vehicle operations, and enhance transportation security. To be eligible for a CVISN expanded deployment grant, States MUST FIRST become core-certified. To become core-certified, a State must:

   - Have a core PP/TLD approved by the FMCSA;

   - Certify that State CVISN deployment activities (e.g., hardware procurement, software and system development, and infrastructure modifications) are consistent with the national Intelligent Transportation Systems (ITS) and CVISN architectures/ standards, as well as promote interoperability and efficiency; and

- Agree to execute FMCSA interoperability tests to verify that State systems conform with the national ITS architecture, applicable standards, and protocols.

Upon completion of core deployment and FMCSA verification, the maximum amount a State may receive for an expanded deployment grant in any fiscal year is $1 million.

A State with a Commercial Vehicle Information Exchange Window (CVIEW) system that is offline is no longer considered to have completed core deployment and therefore is not eligible to apply for a CVISN expanded deployment grant until the CVIEW is back online. FMCSA reserves the right to withhold reimbursement of existing funding of a CVISN expanded grant if the State can no longer demonstrate that it has completed core deployment or maintain core deployment status.

A State that has completed core deployment and certified by FMCSA may use unexpended core deployment funds for expanded deployment activities.

4. **Core Maintenance Grants:** The purpose of a core maintenance grant is to allow a State to fund memberships, fees, dues, and other related program maintenance costs. A typical expense in this category includes, but is not limited to, International Fuel Tax Association fees, PrePass memberships, or warranty maintenance. A core State must have a core PP/TLD approved by FMCSA to be eligible for core maintenance funds.

5. **Expanded Maintenance Grants:** The purpose of an expanded maintenance grant is to allow a State to fund memberships, fees, dues, and other related program maintenance costs. A typical expense in this category includes, but is not limited to, International Fuel Tax Association fees, PrePass memberships, or warranty maintenance. A core-certified State DOES NOT have to submit an expanded PP/TLD to be eligible for a maintenance grant.

Program Goals – FY 2013 National Priorities

National priorities for the CVISN program include:

- Improving the safety of commercial motor vehicle operations;
- Increasing the efficiency of regulatory inspection processes to reduce administrative burdens by advancing technology to facilitate inspections and increase the effectiveness of enforcement efforts;
- Advancing electronic processing of registration information, driver licensing information, fuel tax information, inspection and crash data, and other safety information;
- Enhancing the safe passage of commercial motor vehicles across the United States and across international borders; and
- Promoting the communication of information among the States and encourage multistate cooperation and corridor development.

In addition to these priorities, priority funding consideration will be given to applications that: 1) deploy or enhance the CVIEW; 2) improve the quality of CVISN-related data uploads; 3) improve virtual weigh stations; and 4) improve the use of CVISN-related and safety and productivity performance metrics.

- **Deploy or Enhance CVIEW.** The CVIEW is an integral part of the CVISN program and is a key mechanism through which agencies within a State can share commercial vehicle credential and safety information among themselves. CVIEW also is the means by which States can share commercial vehicle credential and safety information with other jurisdictions. This interstate data exchange enables numerous critical safety programs, including real-time electronic screening of interstate vehicles.

- **Improve CVISN-related Data Uploads.** The purpose of these projects is to improve credentialing data quality when information is uploaded from the State to SAFER. Applications should include projects that ensure CVIEW applications capture updates sent to SAFER on daily basis and should describe the measures to ensure the accuracy and quality of the data exchanged, promote efficient system communication, and prevent system corruption or performance degradation.

- **Improve Virtual Weigh Stations.** These projects are only eligible for expanded CVISN States. Eligible improvements include, but are not limited to, weigh in motion scales, cameras, optical character recognition technology, screening software, and system integration projects. A quality project application should describe the measures how the virtual station expands the geographic scope and effectiveness of a State's truck size and weight enforcement program and how existing vehicle safety and credential monitoring and screening programs are improved.

- **Implement CVISN Safety and Productivity Performance Metrics.** Projects that directly support the collection and reporting of FMCSA-defined CVISN performance metrics: 1) time savings and efficiency benefits from safety information exchange; 2) time and cost savings from electronic credentialing systems; and 3) safety, efficiency, and environmental benefits from electronic screening and smart roadside systems.

Section II: Award Information

Available Funding

i. For FY 2013, FMCSA anticipates awarding $25,000,000 in CVISN funds to advance technological capability and promote the deployment of intelligent transportation systems applications for commercial vehicle operations, including commercial vehicle, commercial driver, and carrier-specific information systems and networks.

ii. The FMCSA will reimburse up to 50 percent of the State's total approved program costs that are consistent with the approved project plan. However, Applicants may not receive the full amount requested. If an Applicant accepts a grant awarded under this program, it is responsible for all project expenses that exceed the awarded amount. The

FMCSA may contact the Applicant directly if the award amount is expected to be less than the amount requested to ensure that the project will remain sustainable with less than the amount requested. There is a 50 percent State matching or cost-sharing requirement.

iii. The FMCSA expects to announce awards as soon as administratively practicable subject to availability of funds.

Cost Requirements

Costs charged to FMCSA grants must be in accordance with the applicable cost principles for the Grantee type. All reimbursable items *must* be necessary, reasonable, allocable, and allowable to accomplish the goals of the program. These standards are described in the applicable cost principles and administrative requirements:

- 49 CFR Part 18; and
- 2 CFR Part 225 (Cost Principles for State, Local, and Indian Tribal Governments, OMB Circular A-87).

Acquisitions of real property, land, or buildings are NOT eligible expenses under the CVISN grant program. The eligibility of specific items is subject to review by the FMCSA. For assistance during the pre-application phase, Applicants may contact the FMCSA Grant Program Manager listed in Section VII of this NOFA or their local FMCSA Division Office for guidance on the cost eligibility of activities or items.

Expenses eligible for reimbursement under the CVISN program include, but are not limited to:

1. Salaries and wages of the personnel associated with the project and fringe benefits such as contributions to employee benefits (including social security and pension funds)
2. Equipment, indicating whether it will be purchased or leased, related to information technology hardware and software, contractor support, data acquisition, storage, and analysis that are specifically identifiable as CVISN program-related to develop a database to coordinate resources and improve efficiency.
3. Material and supplies
4. Publication costs and document dissemination
5. Travel that is directly related to project objectives
6. Consultant services
7. Contracts and/or subawards, including ongoing CVISN-related Operations and Maintenance (O&M) costs, system maintenance and licensing fees, in addition to CVISN-related memberships and fees related to maintain electronic screening and data clearinghouse functionality
8. Items such as computer services, if not included as part of indirect costs
9. Indirect expenses related to operating and maintaining facilities, equipment, and grounds that are considered "facilities costs" and salaries of support staff to the extent they are measurable and recurring (e.g., rent and overhead). NOTE: Any application containing indirect costs in its proposed project budget must be accompanied by either the signed current indirect cost rate negotiated agreement approved by the cognizant Federal agency or a copy of the request for such rate. If indirect costs are not included in the project's

proposed budget, no indirect cost rate agreement is required.

Expenses eligible for reimbursement under the CVISN program include indirect costs related to operating and maintaining facilities, equipment, and grounds and also for personnel and support staff to the extent that costs are measurable and recurring. NOTE: Any application containing indirect costs in its proposed project budget must be accompanied by either the signed current indirect cost rate negotiated agreement approved by the cognizant Federal agency or a copy of the request for such rate. If indirect costs are not included in the project's proposed budget, no indirect cost rate agreement is required.

The Federal share of funds under the CVISN grant is 50 percent. States must provide the remaining 50 percent of the program costs. These matching funds can be in-kind or cash. For example, eligible sources of matching funds include:

- State or private sector funds dedicated or used for CVISN activities
- State-paid staff salaries
- Equipment or facilities (e.g., PrePass, NORPASS equipment, computers)
- Operations and maintenance expenses on CVISN-related systems
- State/private sector funded development of CVISN-related systems
- International Registration Plan / International Fuel Tax Association fees
- Uniform Carrier Registration (UCR) fees*

*UCR fees may only be used as a CVISN match for safety-related projects (e.g., safety information exchange and electronic screening).

Also, State match from de-obligated CVISN funds cannot be re-used as match for new CVISN grant funds.

Under 4126(f), the total Federal share of the cost of a project payable from all eligible Federal sources shall not exceed 80 percent. Applicants may contact the FMCSA grant administrative manager for additional information. Contact information is listed at the end of this announcement.

Section III: Eligibility Information

The FMCSA may award CVISN funds to agencies of States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the U.S. Virgin Islands that are designated as the lead agency in the State's CVISN Program Plan and Top-Level Design (PP/TLD).

Individuals and businesses are not eligible to apply.

Section IV: Application and Submission Information

Application Information

The FMCSA utilizes Grants.gov (*www.grants.gov*) for accepting CVISN program applications. All FY 2013 CVISN applications must be submitted electronically through this site. To apply, the Applicant first must complete the Grants.gov registration process. To register, go to *http://www07.grants.gov/applicants/get_registered.jsp* and follow the instructions found on the Grants.gov website by selecting "Get Registered."

The registration process can take as long as four weeks. Applicants are encouraged to register as soon as possible. The Grants.gov website provides customer support through its toll-free number, (800) 518-GRANT, or through e-mail at support@grants.gov. The customer support center is open from 7:00 A.M. to 9:00 P.M. Eastern Time, Monday through Friday, except Federal holidays, to address Grants.gov technical issues. The FMCSA does not own or maintain Grants.gov and is therefore unable to provide technical assistance; all technical assistance issues should be directed to the above contact information.

All applications must be submitted through Grants.gov by 11:59 P.M. Eastern Time on November 19, 2012. Applications received after this time will be considered only if funds remain available after the review process for timely applications. Due to unforeseen connectivity or technical issues associated with online submission, FMCSA strongly encourages all Applicants to submit their applications well in advance to allow for additional time if needed.

If the designated grant official from an Applicant requires special assistance or accommodation associated with submitting this grant application, methods other than Grants.gov are available. Please contact the Agency personnel listed in Section VII of this notice if assistance is required.

Application Requirements

All CVISN program applications for FY 2013 must include the following Standard Forms as provided in Grants.gov:

1. SF-424 – Application for Federal Assistance
This is the standard application form for all requests for Federal assistance. When completing Section F, please ensure that the individual listed as point of contact is knowledgeable about the project applied for and can answer relevant questions.

2. SF-424A – Budget Information for Non-Construction Program
This is a standard budget form for requests for Federal assistance. On page 1, the Applicant may indicate up to four (4) projects requested. The Applicant should clearly indicate the title of each project in the boxes provided in Column A. Please indicate the appropriate match amount in Columns C, D, and F as CVISN requires a 50 percent State matching or cost-sharing requirement. If there are more than four (4) projects proposed, please submit just the total for all projects on the SF-424A on Grants.gov and then provide the detailed breakdown of each

project using the Excel version of the SF-424A form (located on the Grantee resources page at *http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx*) as a supplemental form. You may use as many supplemental forms as needed to provide a breakdown of each project. However, please ensure that when combined they tie to the total submitted through Grants.gov.

On page 1A, please clearly indicate up to four (4) projects listed on page 1 in Rows 1-4 (if applicable) and then fill in the appropriate object class categories in Rows A-K. See Appendix B – Guidance for Developing an Object Class Budget.

Please complete the remaining pages as appropriate. If the Applicant feels that an additional budget worksheet is necessary to further explain estimated costs, please attach a budget document to the Attachments Form (explained in #5 below). Attached budgets should be pre-formatted to print on standard, letter-sized paper (PDF format is preferable). If the Applicant attaches budget worksheets for multiple projects under the same grant application, each project should be clearly distinguished in the document.

3. SF-424B – Assurances for Non-Construction Programs

This is a standard assurances form associated with accepting Federal assistance funds. This assurances document indicates that the Applicant organization is in substantial compliance with various programs, regulations, and Federal laws. This document should not be completed without confirmation from the appropriate agency or State official that the Applicant organization is indeed compliant. The FMCSA and other applicable Federal agencies reserve the right to request further information and/or conduct an audit to confirm compliance as indicated on this form, as provided for in the United States Code or the Code of Federal Regulations.

4. SF-LLL – Disclosure of Lobbying Activities

This form requests information related to the lobbying activities of the Applicant.

5. Attachment Forms

This document is used to submit supplemental attachments to support the grant application. These attachments must include a copy of the Applicant's approved indirect cost rate from its cognizant Federal agency or a letter indicating that the Applicant has no cognizant agency. See Supplemental Information below.

Please note, applications received without the complete set of required forms will be not be evaluated until all forms are received. All forms are part of the application package available for download and completion in Grants.gov.

Beginning August 15, 2012, Applicants must now limit the file names of their attachments to the following characters: A-Z, a-z, 0-9, underscore (_), hyphen (-), space, period. If the Applicant uses any other characters when naming their attachment files, their applications will be rejected.

CVISN-specific components or attachments to the application MUST include:

- ✓ The Applicant's project narrative that includes a problem statement, objectives, goals, strategies and activities, an evaluation or monitoring plan, a description of the Applicant's organizational capacity, and a budget narrative

(see Appendix A – Guidance for Designing Performance-based Projects to see a sample performance-based plan);

- ✓ Line-item budget and a budget narrative that justifies the budget requested by line item;
- ✓ Current approved indirect cost rate letter, if applicable – see Supplemental Information;
- ✓ FMCSA Administrative Capability Questionnaire; and
- ✓ Key Contacts Form (see Appendix C – Key Contacts Form Instructions).
- ✓ SAFETEA-LU Section 4126e self-certification statement;
- ✓ Applicant's FMCSA core certification letter (if applicable); and
- ✓ Applicant's FMCSA core or expanded program plan / top level design approval letter (as applicable).

In order to be considered for funding, the Applicant must certify that their organization's CVISN deployment activities meet the requirements in SAFETEA-LU Section 4126. This self-certification is required for all Applicants, regardless of their CVISN deployment status (core, expanded). The FMCSA has included, in the application templates, a signature page for the Applicant to sign. All Applicants must certify that:

I, [NAME], [TITLE] certify that [State Organization Name]'s Commercial Vehicle Information Systems and Networks deployment activities, including hardware procurement, software and system development, and infrastructure modifications:

- Are consistent with the national intelligent transportation systems and CVISN architectures and available standards;
- Promote interoperability and efficiency to the extent practicable; and
- I certify to execute interoperability tests developed by the FMCSA to verify that [State Organization Name]'s systems conform with the national intelligent transportation systems architecture, applicable standards, and protocols for CVISN.

Print Name: _____ Signature:_____ Date:_____

Applicants requesting funds to place equipment or temporary facilities, modify structures, or to alter existing infrastructure are required to assess the ability for the equipment, modifications, or alterations to withstand current and future climatic conditions, including potential changes in climatic conditions. The applicant shall use the best-available peer-reviewed studies and science to determine the potential climatic conditions the equipment, modifications or alterations may experience over the life-cycle of the equipment, modification or alteration funded by the grant. The applicant can rely on existing Federal Highway Administration suggestions or guidelines for placing infrastructure, or on other federally-issued guidance on assessing potential impacts of climate change.

Supplemental Information

The Applicant should attach any supplemental information that it believes will support the proposal. However, the Applicant should limit the information provided to FMCSA to what is needed to evaluate the proposed projects. Descriptions of problems and proposed solutions should not exceed 3 – 4 pages in length unless they involve the most complicated of issues.

The FMCSA advises that:

- If the Applicant is claiming indirect costs, a copy of the Applicant's signed current approved indirect cost rate from the cognizant Federal agency should be included in the application.
- When preparing an application package, Applicants should not save each application section as an individual document. All information related to a single project request should be included in one document attached to the application package (PDF preferred).
- Budgets and other information in charts or spreadsheets should be pre-formatted for printing on standard size copy paper.

Section V: Application Review Information

The FMCSA will review all application packages for FY 2013 CVISN funding for eligibility, completeness, and timeliness of submission. The FMCSA will evaluate each of the required proposal elements: Problem Statement, Project Goal(s) and Objective(s), Work Plan, Evaluation or Monitoring Plan, Organizational Capacity, and the Budget Narrative. Reviewers will consider the below criteria and questions when reviewing each application for its impact on highway safety.

Project Narrative

Problem Statement

This section documents the need for the proposed program and describes the unmet needs the Applicant intends to address. Applicants should describe the problem and provide supporting data whenever possible. Applicants should compare data to a baseline whenever possible. All data must be properly cited and clearly presented to minimize the need for additional validation.

Evaluation Criteria: In reviewing the Problem Statement, FMCSA will consider the extent to which the Applicant has demonstrated knowledge of the problems associated with the CVISN program and clearly identified the barriers to successfully meeting the national priorities listed in this NOFA. The FMCSA may consider any or all of the following criteria in its evaluation:

1. How well does the application support applicable statutory and program requirements?
2. Does the application provide data to support the need or the problem it proposes to mitigate?
3. In considering data provided by the Applicant:
    i. How well does the data support proposed CVISN activities?
    ii. How well is the data quantified?
    iii. Are the data sources identified and appropriate for the purposes used? To what extent?

iv. Does the application establish baseline measures or benchmarks to describe the problem statement? To what extent?

Project Goal(s) and Objective(s)

This section establishes the outcome-based goals and objectives of the grant activities and directly addresses the problem statement. The application should establish goals and objectives that are performance-based in nature and linked to increased highway safety, rather than simply identifying counts of specific activities. For example, the application may establish a percentage decrease in the number of crashes attributable to motor coaches and/or drivers as a goal or objective, rather than just include the number of safety inspections the Applicant intends to conduct, which would be included as part of the work plan. Objectives must be specific, measurable results expected within a particular grant performance period. The FMCSA will consider the reasonableness of these goals in evaluating the application. Further, if FMCSA awards a grant based on these project goals and objectives, it will use these Applicant-established goals to evaluate performance and for consideration in awarding future grants.

This section may explain broad themes for proposed actions and should reflect reasonable choices among alternative paths, but not identify or explain specific activities.

Evaluation Criteria: In reviewing the Project Goals and Objectives, FMCSA will consider the extent to which the Applicant describes sound program goals and objectives that are specific, measurable, and can likely be achieved during the grant period of performance. The FMCSA will also consider the extent to which the Applicant thoroughly explains why it selected the project goals and objectives to address the need(s) established in the Problem Statement. The FMCSA may consider any or all of the following questions in its evaluation:

1. How well does the project goal address FMCSA's FY 2013 national priorities for CVISN?
2. How well does the project goal address the Applicant's problem statement?
3. How well does the application establish project objectives that are measureable using the data sources identified?
4. How well does the application establish project objectives that are reasonable and feasible in their scope?

Work Plan: Proposed Tasks

This section describes the various tasks and program activities the Applicant proposes to carry out using grant funds to accomplish the objectives and mitigate issues identified in the problem statement. The Work Plan must include a description of the site(s) where the work will be performed, the duration of each proposed task or activity, a list of required goods or services, the number of personnel necessary to conduct the activities, and the entire time schedule for the effort. The level of detail will vary according to the project, but should be concise and sufficient to support the project goal and justify the funding requested in the budget. This section is the core of the Applicant's proposal.

Evaluation Criteria: In reviewing the Work Plan, FMCSA will consider the extent to which the Applicant describes tasks, activities, and timelines to achieve the project goals. The FMCSA may consider any or all of the following questions in its evaluation:

1. How well does the application describe tasks and activities that will help achieve the project objectives and mitigate the problem identified?
2. How well does the application describe the sites where the activities will be conducted
3. How well does the application describe specific goods, services, and individuals or organizations necessary for the completion of tasks to support the project goal?
4. How well does the application establish detailed and feasible timelines for each proposed task or activity?
5. How well does the application identify implementation challenges and describe how the Applicant may overcome them?
6. How well does the application describe innovative or creative approaches to implementing the program (if applicable)?

Evaluation or Monitoring Plan

In this section the Applicant explains how it will monitor its program strategies to ensure they are being implemented as designed and achieving the desired results. Applicants should use the program performance goals established earlier in the application and identify milestone measures during the performance period to achieve those goals. Applicants could also identify process evaluation measures that describe how their organization will remain focused on implementing a quality program on time and within budget. Finally, Applicants should provide additional information regarding the outcome evaluation to detail the types of measures that will be used to document the success of the proposed project. Applicants should describe how they plan to measure the effectiveness of each activity and strategy, such as using incremental benchmarks for a multi-phased strategy to determine whether targets/milestones were met. The following factors may be used by the Applicant to evaluate performance:

- baseline data compared to new results;
- effectiveness of strategies and activities;
- monitoring plan and adjustments, as appropriate; and
- data for quarterly reports or annual update.

Evaluation Criteria: In reviewing the Evaluation or Monitoring Plan, FMCSA will consider the extent to which the Applicant thoroughly outlines how it will monitor the effective implementation of the strategies and document the project outcomes. The FMCSA may consider any or all of the following questions in its evaluation:

1. How well does the application describe an Evaluation/Monitoring Plan that assesses the overall performance of the proposed project?
2. How well does the application utilize iterative performance measures that are quantifiable, time-specific, and realistic?
3. How well does the application describe the performance measures that support the project outcome goals?

4. Does the application include data sources that are relevant to completing the evaluation? To what extent?

Organizational Capacity

In this section the Applicant demonstrates that it has the expertise to successfully implement the stated strategies and attain its stated goal(s). Organizational Capacity includes information related to the Applicant's organizational goals, mission statement, structure, and other information relevant to the proposed project. Providing a description of the scope of current activities as well as key elements of previous and/or other motor carrier or highway safety programs demonstrates the Applicant organization's ability to successfully implement program requirements and meet program expectations. It is also appropriate to reference any past performance descriptions and/or operating certifications/accreditations in this section.

Evaluation Criteria: In reviewing the Organizational Capacity, FMCSA will consider the extent to which the Applicant thoroughly documents its infrastructure and other organizational information to demonstrate an ability to perform the activities proposed in the application. This may include past performance during previous projects. The FMCSA may consider any or all of the following questions in its evaluation:

1. How well does the Applicant describe its organization, mission, and infrastructure?
2. How well does the Applicant describe its work on current or past activities for similar projects?
3. How well does the Applicant demonstrate its capability to successfully implement the proposed project?

The FMCSA may also consider the following questions, based on information contained in Agency records; Applicants may include proprietary information to support this section of their application:

4. How well has the Applicant performed in achieving its goals in prior awards from FMCSA?
5. How effectively has the Applicant utilized proposed funds in previous grants based on remaining, unexpended balances at the end of similar efforts in previous grants?
6. What is the actual or estimated amount of funds available for expenditure from previously issued grants for projects similar to those in the application?

Budget Narrative

This section describes the costs necessary to complete the proposed tasks and achieve the project goal. The Budget Narrative should thoroughly and clearly justify or explain each Budget Category (Object Class) and follow all guidelines and limitations as provided in the application package. The budget narrative must be clear, specific, detailed, and mathematically correct; it should correspond to the information and figures on the budget forms. A well-written Budget Narrative allows the Applicant and FMCSA to understand all costs included in the budget and to monitor the expenditure of funds and determine whether the budget items are allowable for reimbursement under Federal cost principles. Where

appropriate, costs per unit will be calculated and compared with national averages to determine cost-effectiveness. As appropriate, proposed costs will be compared with historical information to confirm reasonableness. The level of detail should be sufficient to justify the funding requested.

Evaluation Criteria: In reviewing the Budget Narrative, FMCSA will consider the extent to which the Applicant describes costs that are allocable, allowable, reasonable, and necessary. The FMCSA may consider any or all of the following questions in its evaluation:

1. How well does the application provide clear explanations of the costs associated with each Budget Category (Object Class)?
2. How well does the Budget Narrative support the funds requested on the application Budget forms?
3. How accurate are the mathematical computations in the Budget Narrative and in other budget forms?
4. How well does the application demonstrate a cost-effective approach that will provide a demonstrable impact on safety as the result of grant funds?
5. Does the application describe proposed project expenditures that are:
    i. Allowable under the cost principles established in this NOFA and all FMCSA cost eligibility policies;
    ii. Allocable specifically to the activities proposed by the application;
    iii. Reasonable in amount and quantity for the activities proposed;
    iv. Necessary to conduct the activities proposed?
6. If applicable, how accurately is an Indirect Cost Rate (IDCR) applied to the budget?
7. If applicable, how accurately are fringe benefits applied to the budget?

Funding Decisions

This is a discretionary grant program. Funding decisions may depend on the quality and completeness of the information provided. The FMCSA does not have an appeals process for unsuccessful applications for discretionary grant funds.

Section VI: Award Administration Information

Upon receipt and approval of the complete CVISN application package, FMCSA will award funding and enter into grant agreements as soon as administratively practicable. An award recipient may be required to submit a supplemental budget or project narrative based on a partial or modified grant award.

Funding amounts made available for reimbursement may be impacted by limitations placed on the spending authority and appropriations enacted for FMCSA.

Reporting responsibilities include quarterly program performance status using the Performance Progress Report (SF-PPR). The PPR should address any additional questions/factors as deemed appropriate by FMCSA.

Grantees must agree to the FMCSA Financial Assistance Agreement General Provisions and Assurances before grant funds will be awarded (see *http://www.fmcsa.dot.gov/documents/chief-counsel/2012/2012-FMCSA-Grant-Provisions.pdf*). These provisions require, but are not limited to, submission of quarterly financial (Federal Financial Report SF-425) and performance progress reports (PPR). For example, FMCSA anticipates that States will be required to provide the following information on a quarterly basis to support the CVISN program performance monitoring requirements regarding the number of:

- Sites equipped with e-screening functionality;
- Inspections resulting from e-screening decisions;
- Bypasses;
- New IRP transactions conducted electronically;
- New IFTA license transactions conducted electronically;
- Quarterly IFTA tax payments processed electronically;
- State FTE personnel supporting IRP transactions; and
- State FTE personnel supporting IFTA transactions.

Additional information on quarterly reports and other required forms and templates is available at *http://www.fmcsa.dot.gov/safety-security/safety-initiatives/mcsap/mcsapforms.htm*.

Section VII: Agency Contact

This grant program is managed by:

Office of Safety Programs, State Programs Division
Office of the Associate Administrator for Enforcement
-and -
Office of Analysis, Research, and Technology
Office of Research and Information Technology
Federal Motor Carrier Safety Administration
United States Department of Transportation

Please contact your FMCSA Division Office to obtain further information and guidance concerning project narrative requirements and development, as well as the Federal Motor Carrier Safety Regulations. For general information about CVISN funding and requirements, please contact FMCSA Headquarters.

For general information about CVISN funding and requirements, please contact FMCSA Headquarters:

For questions on:

Administrative process and procedures:
Julie Otto
CVISN Grant Administrative Manager
Email (preferred): julie.otto@dot.gov
Office: 202-366-0710

By Mail:
U.S. Department of Transportation
Federal Motor Carrier Safety Administration
1200 New Jersey Ave, SE, West Building
Washington, DC 20590
ATTN: Julie Otto (MC-ESS)

Technical and programmatic issues:
Jose Rodriguez
CVISN Program Manager
Email (preferred): jose.rodriguez@dot.gov
Office: 202-366-3517

By Mail:
U.S. Department of Transportation
Federal Motor Carrier Safety Administration
1200 New Jersey Ave, SE, West Building
Washington, DC 20590
ATTN: Jose Rodriguez (MC-RRT)

Section VIII: Other Information

The FMCSA Grant Programs Website: *http://www.fmcsa.dot.gov/safety-security/grants/grants.aspx.*

The FMCSA Grantee Resources Website: *http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx.*

APPENDIX A
GUIDANCE FOR DESIGNING PERFORMANCE-BASED PROJECTS

FMCSA seeks to award funding for performance-based programs. When applying for grant opportunities, Applicants should describe program goals, objectives, and outcomes before describing the specific tasks necessary to achieve them. By focusing on the outcome or impact of a program, the Applicant is better able to explain to FMCSA the need for financial assistance. When requesting grant funding for multiple projects within a single grant application, Applicants should discuss each project individually. That is, Applicants must provide clear and concise problem statements, proposed solutions, explanations of the resources necessary to achieve the desired outcomes, and expected timelines for each project, keeping all relevant information for individual efforts separated. Applicants should address all of the components of each project, in sequence, before addressing a different project. This approach allows FMCSA to fully evaluate the merits of each project individually.

The following provides general guidance on preparing a typical Project Narrative and Budget Narrative for a discretionary grant. Please note that each FMCSA announcement will provide specific guidance regarding the format of the application, the required elements, and evaluation criteria.

I. Project Narrative

The Project Narrative section of the application is where the Applicant describes what problem or need it intends to address with grant funds, the goals and objectives the project expects to accomplish, proposed tasks and timelines, and how the effectiveness of the project design will be measured. The Project Narrative should be succinct, self-explanatory, and well-organized so that reviewers can understand each component of the proposed project. Project Narrative sections are described below.

a. Problem Statement

This section documents the need for the proposed program and describes the unmet needs to be addressed, with data clearly presented and cited. The following is a sample crash-based Problem Statement:

[COUNTY] in the northwest corridor of I-99 in [STATE], is ranked XX among the XX counties in [STATE] for the number of fatal and injury crashes among large trucks and buses.[1] In the most recent five years for which data are documented (YEAR – YEAR), XX people have lost their lives due to crashes caused by [FACTOR].[2] The data also suggests that [FACTOR-2] is increasing as the proximate cause of crashes during the heaviest traffic times.

Data Source(s)
[1] Fatalities by State. Fatality Analysis Reporting System (FARS), *www.fars.nhtsa.dot.gov*
[2] 2008 Collision Statistics. 2010 Highway Safety Funding Guideline. Page XX.

The following is a sample of a non-enforcement-related Problem Statement:

The State of CDLandia currently conducts CDL knowledge and skills testing according to a modified version of the AAMVA 2.0 testing model. This version is no longer compliant with the Federal Motor Carrier Safety Regulations.[1]

Data Source(s)

[1] Commercial Driver's License Testing and Commercial Learner's Permit Standards Rule [76 FR 26854, May 9, 2011]

b. Goal(s) and Objective(s)

This section establishes the outcome-based goals and objectives of the grant activities and directly addresses the problem statement.

Effective Goals and Objectives are:

- Specific
- Measureable
- Action-oriented
- Realistic
- Time-phased

The FMCSA will consider the reasonableness of these goals and objectives in evaluating the application. Further, if FMCSA awards a grant based on these project goals and objectives, it will use these Applicant-established goals to evaluate performance for consideration of future grants.

Sample Goal: The State of Borderland requests Federal financial assistance through the FY 2013 BEG program to reduce the number of crashes involving unsafe trucks crossing U.S. international borders operated by foreign carriers and/or drivers. Grant funds will be used to support activities that provide targeted enforcement activities as the strategy to achieve this goal.

Sample Objectives:

1. To decrease fatalities involving vehicles entering the U.S. from a foreign country by ___%, from ____# during FY 2012 to ____# by September 30, 2013
2. To increase safety inspections of vehicles entering the US from a foreign country by ___%, from ____# during FY 2012 to ____# by September 30, 2013
3. To increase the knowledge of highway safety from a baseline of ____% to ____% among individuals attending one of the five safety enforcement education/publicity campaigns for compliance with CMV safety standards and regulations focusing on drivers of vehicles entering the US from a foreign country conducted during FY 2013

c. Work Plan: Proposed Tasks

This section describes the various tasks and program activities the Applicant proposes to carry out using grant funds to accomplish the objectives and mitigate the issues identified in the problem statement. This section should not be based upon specific dates, but based on award date plus duration of time needed to complete each task. Vague timeframes such as "Summer 2013" are not acceptable.

Project Strategy — The Applicant describes the strategy it plans to implement to achieve its Goals and Objectives.

Project Activity — The Applicant describes the activities to be performed to implement each Project Strategy, including time frames for each activity.

Note: The Applicant may implement more than one strategy to achieve the stated performance objective. In those instances, the strategy, project activity measure(s), Work Plan and Evaluation / Monitoring sections as well as the Budget Narrative should remain sequenced within the document to allow for easier review.

Sample Work Plan:

Strategy: Conduct Targeted Safety Enforcement Education Activities

Time Frame	**Proposed Activity/Milestone**	**Location**	**Responsible Party**	**Level of Effort**
Award + 90 days	Identify date and locations to begin safety enforcement targeted education campaign (*and provide day-to-day support for duration of project*)	Applicant agency	Project Assistant (1)	.5 FTE
Award + 90 days	Identify Educator, locations to provide education, and any other needed resources (*and provide oversight for duration of project*)	Applicant agency	Project Manager (1)	.5 FTE
Award + 120 days	Design questionnaires for pre/post surveys	Consultant agency	Consultant (1)	100 hours
Award + 200 days	Conduct safety enforcement education classes and pre/post tests	Truck driving schools, trucker associations	Educators (2)	2 @ 120 hours each
Award + 330 days	Evaluate results of pre/post tests for safety enforcement education classes, write report	Consultant agency location	Consultant (1)	1 @ 200 hours

d. Identification / Resolution of Challenges

This section should discuss any challenges that potentially could arise in the design or implementation of the activities described in the Work Plan. Applicants should be sure to include strategies that could be used to mitigate these challenges. This is a section that often is not included by Applicants; however, it is particularly useful for new grants and/or project designs for which it is unclear how well they will perform.

e. Evaluation / Monitoring Plan

In this section the Applicant should explain how it will monitor its program strategies to ensure they are being implemented as designed and achieving the desired results. The Evaluation Plan is the roadmap that will serve as a guide through each step of the evaluation. Each objective should have at least one strategy and each strategy should have at least one project activity measure. Project activity measures are specific, observable, and measurable characteristics or changes that show the progress a program is making towards achieving a specified goal or objective. Once the project activity measures are identified, the sources of data and how the data will be collected will need to be determined. Some data collection methods are more appropriate for process evaluation (such as a count of the number of times an activity is conducted), while other methods are more appropriate for outcome evaluation (such as measuring change in knowledge using pre- and post-survey results).

Project Activity Measure	The Applicant describes how it will quantifiably measure the activities, e.g., number of staff hours, details completed/performed, or other measures of the particular activities.
Evaluation / Monitoring	The Applicant describes how it will evaluate and monitor the effectiveness of each respective Project Activity Measure against the Work Plan and Project Strategy. Incremental benchmarks must be described and included for a multi-phased strategy.

Sample Monitoring / Evaluation Plan Outline

Objective: To conduct five (5) safety enforcement education/publicity campaigns for compliance with CMV safety standards and regulations focusing on drivers use of handheld cellular devices.

Proposed Strategy:	Project Activity Measure:	Data Source:	Communicating Results	Responsible Party/Agency
Media Campaign project activities are being conducted at the planned level (quantity and quality)	Number, length, type, and time of day media ads are aired	Logs; Amount of spending	To whom: Stakeholders, Funder How: Quarterly Report, Final Report, Website	Project Manager
Outreach/Education project activities are: a) being conducted at the planned level (quantity and quality) b) moving in the desired direction	Number of classes conducted, length of time for each class	Sign-in sheets	To whom: Stakeholders, Funder How: Quarterly Report, Final Report	Educator
	Survey results demonstrating increased knowledge / awareness	Pre- and post- tests conducted & analyzed	To whom: Stakeholders, Funder How: Final Report, Fact Sheet, Website	Consultant

f. Organizational Capacity

In this section the Applicant should demonstrate it has the expertise to successfully implement the stated strategies and attain its stated goal(s). The following is a sample outline for an Organizational Capacity statement:

The [FULL LEGAL NAME OF ORGANIZATION/AGENCY] [TYPE OF ORGANIZATION] was established in [YEAR] [FOR THE PURPOSE OF]. The location of the organization's headquarters and applicable operating sites [NAME, CITY, COUNTY, STATE]. Describe the organization's background or history and important milestones in relation to highway safety.

Describe the organization's [MISSION]. The agency/organization possesses a proven capability to assist FMCSA in achieving its mission to improve the safety of commercial motor vehicles and save lives by conducting [PROGRAM GOALS AND OBJECTIVES].

Describe the agency/organization's most important achievements, current and past, and/or operating certifications/accreditations.

II. Budget Narrative

This section describes the costs necessary to complete the proposed tasks and achieve the project goal(s). The Budget Narrative should thoroughly and clearly justify or explain each Budget Category (Object Class) and follow all guidelines and limitations as provided in the application

package. The budget narrative must be clear, specific, detailed, and mathematically correct; it should correspond to the information and figures on the budget forms. A well-written Budget Narrative allows the Applicant and FMCSA to understand all costs included in the budget and to monitor the expenditure of funds to determine whether the budget items are allowable for reimbursement under the Federal cost principles. As appropriate, proposed costs will be compared with historical information to confirm reasonableness. The level of detail should be sufficient to justify the funding requested.

The Budget Narrative provides justification for all budget line items as to the relevance of the proposed project costs. FMCSA Grant Budgets consist of three components:

- Budget Narrative – provides the methodology explaining the numbers
- SF-424A Form – breaks down the budget into object class categories
- Line-item budget – provides the detail behind each of the SF-424A object class categories and is project specific

The Budget Narrative is based on both the SF-424A Object Code Categories and the line item budget. For example:

Personnel: All personnel are permanent full-time State employees unless otherwise specified. Personnel could include one Project Manager, at a rate of X working on the proposed BEG project at 50% FTE and one Training Officer, at a rate of Y, fully dedicated to the BEG project to arrive at total dollars.

Travel: This estimate is based on 10 travel nights at $150 per night (lodging and per diem – government vehicle used) for two people to travel to 10 sites to provide BEG education activities: $3,000.

Supplies: Printing costs: $0.25 per test for 5,000 pre-test surveys and 5,000 post-test surveys to be conducted as part of the BEG education activities to measure change in knowledge: $2,500.

If multiple projects are proposed in one grant application, Applicants should group expenses separately for each project using the object class categories provided in Standard Form 424A - Budget Information. Applicants should ensure that detailed narratives are provided for each project in each proposal. Budget Narratives should describe how the Federal funds are to be used. For example, a project involving personnel would explain each position to be filled and how it applies to the project and Federal funds.

If there are more than four (4) projects proposed, Applicants should only submit the total for all projects on the SF-424A on Grants.gov and then provide the detailed breakdown of each project using the Excel version of the SF-424A form (located on the Grantee resources page at *http://www.fmcsa.dot.gov/about/GRANTS/grantee-resources.aspx*) as a supplemental form. Applicants may use as many supplemental forms as needed to provide a breakdown of each project. However, Applicants should ensure that when supplemental forms are combined, they tie to the total amount submitted through Grants.gov.

APPENDIX B
GUIDANCE FOR DEVELOPING AN OBJECT CLASS BUDGET

Guidance for completing Object Class Categories on Form 424-A, under Section B – Budget Categories:

6a. **Personnel**: Personnel is defined as wages and salaries paid to employees of the grantee organization who are directly involved in grant implementation. This includes overtime.

Helpful hints

- This line item should not include personnel hired by a sub-grantee, employees hired from a temporary staffing agency or specialized support provider, or consultant; those costs are included in the "Contractual" line item. For government grantees the budget including employees funded out of an interagency transfer of funds would be included in the Contractual line item
- If an organization is paying overtime to personnel the overtime and regular pay lines should be clearly delineated in a budget narrative
- Only include personnel for whom the grantee provides a W-2.

6b. **Fringe Benefits:** Fringe benefits are defined as cost of benefits paid to the personnel on the grant, including, but not limited to, the cost of employer's share of FICA, health insurance, workers' compensation, vacation, etc. This would include fringe benefits associated with overtime costs. Rates can be the summed actual rates for all employees or an organizational rate. Only Fringe Benefits associated with personnel paid out of direct costs would be placed here (also see Frequently Asked Questions, below).

6c. **Travel:** Program travel is defined as the travel costs that are reasonable and necessary to effectively manage and carry out grant activities expended by the type of personnel covered in 6a (Personnel).

Helpful hints

- Air travel, when necessary, should be obtained at the lowest possible customary standard (coach or equivalent fare)
- Travel costs may be charged on an actual basis, or on a per-diem, or mileage basis in lieu of actual costs
- Air and hotel costs associated with attending a conference associated with the defined project objectives and activities.

6d. **Equipment:** Equipment is defined as non-expendable personal property that has a useful life of more than one year and a per-unit cost of $5,000 or more (Federal); however, State governments use their own definition of equipment for State grantees

Helpful hints

- The only type of equipment that may be acquired with Federal funds is

equipment necessary for the operation of the grant

- Shipping, delivery, accessories purchased as part of the equipment purchase, and installation, if necessary, are a normal part of the cost of equipment and should be included in the budgeted amount
- Generally, computers, faxes, printers, cell phones and other electronic equipment all have a per-unit cost below $5,000 and thus would be considered supplies unless otherwise defined as equipment by State law.

6e. **Supplies:** Supplies are defined as all consumable materials costing less than $5,000 per unit or an organization's equipment threshold, whichever is less.

Helpful hints

- Goods such as copy paper, pens and pencils, computers, computer supplies, cell phones, faxes, radar guns, ticket writing devices, uniforms needed to perform activities associated with the grant implementation are generally categorized as supplies
- Training materials
- Promotional items are not allowed unless pre-approved by FMCSA General Law per 2 CFR 225 Appendix B, 1. f. (3), (formerly OMB-A87).

6f. **Contractual:** Contractual costs are defined as costs for consultants, vendors, sub-awards, inter-agency transfer of funds, and temporary staffing agencies or specialized support providers. Please note the following exception: Departments within the same government entity that submit a collaborative application may include all costs within each Object Class Category rolled up into one total as long as each Department includes a separate budget breakdown using different columns on the same SF-424A, or by submitting a separate SF-424A for each Department.

Helpful hints

- Fuel provided by a vendor under contract to the grantee organization is a contractual cost
- Vehicle Maintenance provided by a vendor under contract to the grantee organization is a contractual cost
- Evaluation services provided by another entity is considered a contractual cost.

6g. **Construction:** Construction costs are defined as costs associated with the actual construction of a building, parking lot, or similar structures (i.e., bricks and mortar). FMCSA does not generally provide for construction costs in its financial assistance programs.

6h. **Other:** Includes those direct costs that do not fit any of the aforementioned categories such as rent for buildings used to conduct grant activities, utilities, computer software, communication costs, leased equipment, transportation expenses such as bus tokens, tuition for training, conference registration fees, memberships, postage, printing, etc.

Helpful hints

- If claiming "other" direct costs, Applicant should clearly delineate what those costs are.

6i. **Total Direct Charges -** Show the totals of Lines 6a to 6h in each column.

6j. **Indirect Charges**: Enter the total request up to the amount allowed by your approved and current indirect cost rate letter/agreement**.** Grantee must have an approved indirect cost rate letter from their Cognizant Agency to be reimbursed for indirect costs. The Federal agency that awards the most in direct awards to an organization is, in most cases, the Cognizant Agency. For further information contact agency grant management personnel.

6k. **Total:** Enter the total of amounts on Lines 6i and 6j.

Additional Guidance

- Personnel Supplies should be included in Supplies
- Vehicles purchased should be included in Equipment
- Leased equipment including cars and SUVs should be included in Other, not Equipment
- Mileage costs should be included in Travel, not Equipment
- Maintenance and Repairs provided by a contract or inter-agency transfer of funds to another State agency should be included in Contractual or Other
- Fuel expenses may be dealt with in different ways. If a grantee charges mileage fuel then it should be included in the rate and should be in Travel. If a grantee has a methodology to track actual fuel consumption bought through a contract then the grantee may bill directly and that charge would go under contractual. Finally, if fuel is bought, as needed, through a credit card that can be direct charged the costs may be documented as either Supplies or Other.

Frequently Asked Questions about the Fringe Benefit amount to be placed in Object Class Budget Line 6b

1. How can Fringe benefits associated with salaries and wages of personnel working directly on a grant be calculated?

Fringe benefits can be calculated using two different methods:

Direct/Actual – An applicant may *sum up all the actual fringe benefits* for each person charged to the award. Sum up means fringe benefits are identified to individual employees and charged in the same manner as salary and wages are recorded. Typical examples of fringe benefits included in a fringe benefit package are group insurance (e.g., life, health, dental), retirement, social security payroll tax, Medicare tax, unemployment compensation tax, annual leave, sick leave, and transportation allowance. Examples of fringe benefits that would not be included are unused leave, entertainment, and interest associated with late pension contributions, and contributions.

Approved Rate(s) by a Cognizant Agency – An applicant may also choose to use *approved fringe benefit rate(s)*. Approved rates simplify the fringe benefit calculations as they are applied

to the total salary and wages of classes of employees charged to the award (e.g., uniformed v. non-uniformed employees). For example, organization X has an approved fringe benefit rate of 38 percent and a total personnel budget (line 6a) of $1,000,000. The fringe benefit amount placed in line 6b would be $380,000. If the $1,000,000 was split $700,000 for uniformed employees with an approved rate of 48% and $300,000 for non-uniformed employees with a rate of 30% the amount placed in 6b would be $336,000 ($700,000 x .48) plus $90,000 ($300,000 x .30) totaling $426,000.

2. How does an organization obtain an approved fringe benefit rate?

Fringe benefit rates are obtained in different ways depending on the type of organization:

State Agencies may be covered by State-wide rates through the established State-wide Cost Allocation Plan (SWCAP) process through the U.S. Department of Health and Human Services (DHHS). DHHS is the Cognizant Agency for all State governments in the SWCAP process. It is important to note that while every State is required to have an approved SWCAP they will only be provided an approved fringe benefit rate if they submit one for approval in their SWCAP proposal. Alternatively, if a State does not elect to have a State-wide fringe benefit rate, Departments/Agencies may obtain approval of department-wide rate(s) from their Cognizant Agency as part of the indirect cost rate process. It is the responsibility of the State Agency to include a proposed fringe benefit computation to their Cognizant agency in order for it to be reviewed, approved and included on your approved indirect cost rate agreement/letter.

Local governments also have two methods of obtaining an approved rate. Local governments that have completed a Local Cost Allocation Plan (LOCAP) which includes a local government-wide rate on file for review by their Cognizant agency may provide that plan to FMCSA Grants Management Office for review and approval of the fringe benefit rate(s) for inclusion in FMCSA grant application budgets and invoicing. Federal agencies are provided this leeway as the Federal government does not currently have a list developed identifying which Federal agency is Cognizant to which local government for this purpose. The second method is the same as the process used by State agencies. Local government departments may request approved rate(s) by submitting proposed fringe benefit rate(s) with their indirect cost rate proposal.

Not for Profit Entities, Hospitals, and Educational Institutions may obtain approved rates through the indirect cost rate processes described above.

3. How do grantees determine their Cognizant agency for requesting an indirect cost rate agreement/letter that also includes a fringe benefit rate?

The Federal agency that provides a grantee's State government Department with the most direct Federal assistance is considered the Cognizant agency. Direct Federal assistance means that the Department that submitted the application for funding is the entity that ultimately receives the grant award. Please note: If another entity received the award and provides "pass-through" funding to your Department it is **not** considered direct Federal assistance.

4. Will FMCSA monitor the cost allowability of fringe benefit submissions during application review?

Yes and No. One of the advantages to an applicant organization having an approved rate is that the allowability of its use has already been officially sanctioned by the Federal government for use in budget submissions to all Federal agencies. Similarly, for local governments that have a LOCAP approved rate from FMCSA the cost allowability will have been pre-approved for use in all FMCSA grant application budget submissions. FMCSA will have to review components of fringe benefit budgets for compliance with Federal cost principles for cost allowability whenever the sum of actual fringe benefits for each employee method is used.

5. Will FMCSA monitor a grantee's fringe benefits when they submit invoices for reimbursement of expenses?

Yes. As the steward of Federal funds, FMCSA will review and approve grantee invoices for payment. The level of monitoring for approved rates is less complicated in that it consists of ensuring that the correct rate(s) and base were used in the calculation included on the invoice. When an actual fringe benefit method is used FMCSA will need to verify that the components adhere to the benefit package proposed in the application budget submission and approved in the Notice of Grant Agreement.

<u>Specifics for three major types of grantees</u>

State Grantees

1. Actual fringe benefits summed and charged to grant
2. Approved rates
    - Statewide fringe benefit rate provided as a percentage approved by the U.S. Department of Health and Human Services in the document known as a (SWCAP) State-wide Cost Allocation Plan
    - Department wide fringe benefit rate provided as a percentage requested by States as part of their indirect costs proposal and approved by their Cognizant agency.

Local Grantees

1. Actual fringe benefits summed and charged to grant
2. Approved rate
    - Department wide fringe benefit rate provided as a percentage requested by a local agency as part of their indirect costs proposal and approved by their Cognizant agency
3. LOCAP rate
    - City or County-wide fringe benefit rate provided as a percentage as part of a local cost allocation plan known as a LOCAP kept on file for inspection by awarding agencies.

Not for Profit Entities

1. Actual fringe benefits summed and charged to grant
2. Fringe Benefit rate approved by a Cognizant agency as part of an indirect cost proposal.

Scenarios

1. No Approved Rate

When an entity uses a fringe benefit rate without an approved rate they should be instructed to charge the benefits as true costs summed up for the employees on the grant. An entity may propose a fringe benefit rate to their Cognizant agency and FMCSA will include that amount as a placeholder in the approved budget but will not authorize reimbursement until a rate is approved.

2. Monitoring Responsibilities when Actual Expenses are Used

The administrative circulars guidance related to allowability apply when actual expenses are charged. The FMCSA Grant Manager must look at the actual components used to come up with the amount charged to the grant. The FMCSA Grant Manager will examine the components such as payroll taxes, life insurance, and leave to determine if the charges are reasonable, necessary, and allocable to the grant. In addition, the consistency rule applies in that the fringe benefit package charged to the grant must mirror the fringe benefit package available to personnel with salaries not paid through the grant. In other words, Grantees must treat Federally-funded activities in the same manner as their own funded activities.

APPENDIX C
KEY CONTACTS FORM INSTRUCTIONS

Each Applicant must submit a Key Contacts Form as part of their application for FMCSA grants. The form should be filled in completely. All fields marked with an asterisk (*) symbol are mandatory. Please use the following instructions when completing the Key Contacts Form:

Applicant Organization Name: In the "Applicant Organization Name" field at the top of the Key Contacts Form please use the same organization name used in the SF-424.

Contact 1 Project Role: For Contact 1 Project Role, please include the contact information for the person in the organization who is authorized to sign the grant application on behalf of the organization. This individual is typically the head of the organization or a designee (e.g., Colonel, Director, Commissioner, etc.)

Contact 2 Project Role: For Contact 2 Project Role, please provide the contact information for the person in the organization who will have daily oversight over implementing the program. This role is typically performed by the project/program manager (e.g., Unit Commander, Project Coordinator, etc.)

Contact 3 Project Role: For Contact 3 Project Role, please provide the contact information for the person responsible for monitoring grant program finances. This individual should be able to provide clarification on financial information such as budget details, Single Audits, invoice support documentation, and so forth. This role is typically performed by a grant, finance, or administrative/program specialist.

Additional contact information may be provided at the discretion of the Applicant.

APPENDIX D

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

FINANCIAL ASSISTANCE AGREEMENT
GENERAL PROVISIONS AND ASSURANCES

***last updated* February 2012**

Section 1. Grant Authority

a. Contract Authority.

The Federal Motor Carrier Safety Administration (FMCSA) authorizing legislation, The Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU), Pub. L. 109-59, 119 Stat.1144 (2005), granted FMCSA contract authority. Pursuant to SAFETEA-LU, Pub. L. 109-59, §4101, 119 Stat. 1144, 1725 (2005), the Secretary of Transportation's approval of the grant funds made available imposes a contractual obligation upon the United States for payment of the Government's share of costs in carrying out the grant objectives.

b. Lapse in Appropriations and/or Authorization.

Except in limited circumstances, the absence of FMCSA appropriations and/or authorization prevent the continuation of Federal supervision and support to the performance of a grant. In the absence of such supervision or support, the Recipient may only continue to proceed with its work if (1) the performance of such grant is not incurring obligations from the lapsed appropriations; (2) if continued grant management supervision or support is not critical to the grantee's continued performance of the work; (3) and FMCSA has approved the continuation of such work. FMCSA will make such determinations in accordance with the Executive Office of the President, Office of Management and Budget, Memorandum "Planning for Agency Operations During a Lapse in Government Funding"(April 7, 2011), and any amendments or updated guidance thereto.

Section 2. Effective Date.

Recipient acknowledges that Federal funds are obligated on the effective date of the Grant Agreement. The effective date is the date that the Grant Agreement contains the authorized signatures of both parties to this agreement. Where the dates accompanying the signatures differ from party to party, the effective date of the Grant Agreement shall be the most recent of these dates.

Section 3. Electronic Signatures.

The Recipient understands that electronic signatures are binding. An electronic signature to the Grant Agreement commits the Recipient to these Provisions and Assurances, as well as all requirements denoted in **Section 4.**

Section 4. General Requirements.

a. Obligation of Recipient to Comply.

The Recipient understands that by signing the Grant Agreement, the Recipient is agreeing to carry out the approved project plan and the approved budget and to comply with all applicable Federal laws and requirements imposed by the FMCSA concerning special requirements of law, program requirements, and other administrative requirements. This includes, but is not limited to: (1) 49 U.S.C. Chapter 311 (2006), as applicable and denoted in the Notice of Grant Agreement; (2) SAFETEA-LU, Pub. L. No.109–59, § § 4101-4134, 119 Stat. 1144, 1715-1745 (2005), as applicable and denoted in the Notice of Grant Agreement; (3) U.S. Department of Transportation (DOT) regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" (common grant management rule), 49 C.F.R. Part 18, applies to projects with governmental bodies; (4) U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations," 49 C.F.R. Part 19, applies to Projects with institutions of higher education and private nonprofit organizations and also applies to grants and cooperative agreements with private for-profit organizations; (5) 2 C.F.R. § § 220, 225, 230; and (6) OMB Circular A-102 and 2 C.F.R. §215 (OMB Circular A-110).

b. Application of Federal. State, and Local Laws and Regulations.

i. Federal Laws and Regulations.

The Recipient understands that Federal laws, regulations, policies, and related administrative practices applicable to this Agreement on the date the Agreement was executed may be modified from time to time. The Recipient agrees that the most recent of such Federal requirements will govern the administration of this Agreement at any particular time, except if there is sufficient evidence in this Agreement of a contrary intent. Likewise, new Federal laws, regulations, policies and administrative practices may be established after the date the Agreement has been executed and may apply to this Agreement. To achieve compliance with changing Federal requirements, the Recipient agrees to include in all sub-assistance agreements and third party contracts financed with FMCSA assistance, specific notice that Federal requirements may change and the changed requirements will apply to the Project as required. All limits or standards set forth in this Agreement to be observed in the performance of the Project are minimum requirements.

ii. State or Territorial Law and Local Law.

Except to the extent that a Federal statute or regulation preempts State or territorial law, nothing in this Agreement shall require the Recipient to observe or enforce compliance with any provision thereof, perform any other act, or do any other thing in contravention of any applicable State or territorial law; however, if any of the provisions of this Agreement violate any applicable State or territorial law, or if compliance with the provisions of this Agreement would require the Recipient to violate any applicable State or territorial law, the Recipient agrees to notify the FMCSA immediately in writing in order that FMCSA and the Recipient may make appropriate arrangements to proceed with the Project as soon as possible.

c. Subgrantees

State Recipients shall follow State law and procedures when awarding and administering subgrants to local and Indian tribal governments in accordance with 49 C.F.R. §18.37(a). Other grantees awarding subgrants to local and Indian tribal governments shall follow 49 C.F.R. §18.37(b). The Recipient understands that 49 C.F.R. Part 19 shall be applied to institutions of higher education, hospitals or other non-profit organization subgrantees in accordance with 49 C.F.R. § 19.5.

Section 5. Ethics.

a. Written Code of Ethics.

The Recipient agrees to maintain a written code or standards of ethical conduct that shall govern the performance of its officers, employees, board members, or agents engaged in the award and administration of contracts supported by Federal funds. The code or standards shall provide that the Recipient's officers, employees, board members, or agents may neither solicit nor accept gratuities, favors or anything of monetary value from present or potential contractors, subgrantees, or regulated entities. The Recipient may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. As permitted by State or local law or regulations, such code or standards shall provide for penalties, sanctions, or other disciplinary actions for violations by the Recipient's officers, employees, board members, or agents, or by contractors or sub-grantees or their agents.

b. Personal Conflict of Interest.

The Recipient's code or standards must provide that no employee, officer, board member, or agent of the Recipient may participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when any of the parties set forth below has a financial or other interest in the firm selected for award:

i. The employee, officer, board member, or agent;

ii. Any member of his or her immediate family;

iii. His or her partner; or

iv. An organization that employs, or is about to employ, any of the above.

c. Organizational Conflicts of Interest.

The Recipient's code or standards of conduct must include procedures for identifying and preventing real and apparent organizational conflicts of interests. An organizational conflict of interest exists when the nature of the work to be performed under a proposed third party contract, may, without some restrictions on future activities, result in an unfair competitive advantage to the contractor or impair the contractor's objectivity in performing the contract work.

Section 6. Hatch Act.

The Recipient agrees to comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7321-7326), which limit the political activities of an individual whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the United States or a Federal agency. The Hatch Act specifically exempts employees of educational institutions, and the Hatch is not applicable to private, nonprofit organizations unless the statutes through which the nonprofit organizations derive their federal funding contain a provision stating that the recipient organizations are deemed to be state or local government agencies for purposes of the Hatch Act.

Section 7. Limitation on Use of Federal Funds for Lobbying for Grants in Excess of $100,000.

By signing this agreement the Recipient declares that it is in compliance with 31 U.S.C. Sec. 1352, which prohibits the use of Federally appropriated funds to influence a Federal employee, officer, or Member of Congress in connection with the making or modification of any Federal grant, loan, contract, or cooperative agreement. Unless the payment of funds is otherwise reported to FMCSA, signing this agreement constitutes a declaration that no funds, including funds not Federally appropriated, were used or agreed to be used to influence this grant. Recipients of subgrants in excess of $100,000 must make the same declarations to the Recipient. With respect to the payment of funds not Federally appropriated by the recipient and subgrantees, the Recipient must report to the FMCSA the name and address of each person paid or performing services for which payment is made, the amount paid, and the activity for which the person was paid.

Section 8. Contracting.

a. Federal Standards.

The Recipient agrees to comply with the Procurement Standards requirements set forth at 49 C.F.R. § 18.36 or 49 C.F.R. §§ 19.40 through 19.48 inclusive, whichever may be applicable, and with applicable supplementary U.S. DOT or FMCSA directives or regulations. If determined necessary for proper Project administration, FMCSA reserves the right to review the Recipient's technical specifications and requirements.

b. Buy American Act.

The Recipient agrees to conform with the Buy American Act (41 U.S.C. §§ 10a-d), as required by Section 708 of the Transportation, Treasury, Housing and Urban Development, the Judiciary, and Independent Agencies Appropriations Act, 2006 (Public Law 109-115 (November 30, 2005)). As required by Section 709 of the appropriations act, the Recipient represents that it has never been convicted of violating the Buy American Act, and agrees that it will not make funding received under the appropriations act available to any person or entity that has been convicted of violating the Buy American Act.

Section 9. Notification Requirement.

a. With respect to any procurement for goods and services (including construction services) having an aggregate value of $500,000 or more, the Recipient agrees to:

i. Specify in any announcement of the awarding of the contract for such goods or services the amount of Federal funds that will be used to finance the acquisition; and

ii. Express the said amount as a percentage of the total costs of the planned acquisition.

Section 10. Debarment and Suspension.

The Recipient agrees to obtain certifications on debarment and suspension from its third party contractors and subgrantees and otherwise comply with U.S. DOT regulations, Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-Free Workplace (Grants), 49 C.F.R. Part 32.

Section 11. Notification of Third Party Contract Disputes or Breaches.

The Recipient agrees to notify FMCSA of any current or prospective major dispute, breach, or litigation pertaining to any third party contract. If the Recipient seeks to name FMCSA as a party to litigation for any reason, the Recipient agrees first to inform FMCSA before doing so. This provision applies to any type of litigation whatsoever, in any forum.

Section 12. Participation by Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals.

FMCSA encourages the Recipient to utilize small business concerns owned and controlled by socially and economically disadvantaged individuals (as that term is defined for other DOT agencies in 49 C.F.R. Part 26) in carrying out the Project.

Section 13. Records Retention.

a. Requirement to Retain Records.

During the course of the Project and for three years after the final voucher, the Recipient agrees to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Project as FMCSA may require. Reporting and record-keeping requirements are set forth in (1) 49 C.F.R. Part 18 for governmental Recipients and (2) 49 C.F.R. Part 19 for hospitals, educational institutions, private non-profit and for-profit Recipients. Project closeout does not alter these requirements.

b. Access to Recipient Records.

The Recipient will give FMCSA, the Secretary of Transportation, the Comptroller General of the United States, or any of their duly authorized representatives, 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.

c. Access to Records in Negotiated Agreements.

The Recipient will include in all negotiated contracts (except those of $10,000 or less) awarded by Recipient a provision to the effect that the Recipient, FMCSA, the Secretary of Transportation, the Comptroller General of the United States, or any of their duly authorized representatives, and, if appropriate the State, through any authorized representative, shall have access to any books documents, papers and records of the contractor which are directly pertinent to the program for the purpose of making audits, examinations, excerpts, and transcriptions.

i. Financial records, supporting documents, statistical records, and all other records pertinent to this instrument shall be retained for a period of three years, with the following exception:

1. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained in their entirety until all litigation claims, or audit findings involving the records have been resolved.

2. Records for nonexpendable property, if any, acquired with Federal funds shall be retained for three years after its final disposition.

3. When records are transferred to or maintained by FMCSA, the 3-year retention requirement is not applicable to the recipient. The retention period starts from the date of the submission of the final expenditure report.

Section 14. Audit and Inspection.

a. Inspector General Act of 1978.

Under the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3 § 1 et seq., an audit of the award may be conducted at any time.

b. Single Audit Act Amendments of 1996.

The Recipient agrees to undergo 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."

c. Audit Requirements.

A Recipient that is: (a) a State, local government or Indian tribal government agrees to comply with the audit requirements of 49 C.F.R. § 18.26 and OMB Circular A-133, and any revision or supplement thereto; (b) an institution of higher education or nonprofit organization agrees to comply with the audit requirements of 49 C.F.R. § 19.26 and OMB Circular A-133, and any revision or supplement thereto; (c) a private for-profit organization agrees to comply with the audit requirements of OMB Circular A-133.

It is imperative that Recipients submit required OMB Circular A-133 audits within the time limits specified in the Circular. The Recipient agrees to submit the data collection form and copies of the reporting package required under OMB Circular A-133 to the Federal Audit Clearinghouse Bureau of the Census, 1201 East 10th Street Jefferson, IN 47132.

The Recipient agrees to obtain any other audits required by FMCSA. Project closeout will not alter the Recipient's audit responsibilities. Audit costs for Project administration and management are allowable under this Project to the extent authorized by OMB Circular A-87, Revised; OMB Circular A-21, Revised; or OMB Circular A-122, Revised.

The Recipient agrees to permit FMCSA, the Secretary of Transportation and the Comptroller General of the United States, or their authorized representatives, to inspect all Project work, materials, payrolls, and other data, and to audit the books, records, and accounts of the Recipient and its contractors pertaining to the Project. The Recipient agrees to require each third party contractor whose contract award is not based on competitive bidding procedures as defined by the Secretary to permit the Secretary of Transportation and the Comptroller General of the United States, or their duly authorized representatives, to inspect all work, materials, payrolls, and other data and records involving that contract, and to audit the books, records, and accounts involving that contract as it affects the Project.

Section 15. Responsibility for Reporting Fraudulent Activity, Waste and Abuse.

The Recipient understands that the Federal government may pursue administrative, civil, or criminal action under a variety of statutes relating to fraud and making false statement or claims.

The Recipient agrees to contact the DOT, the Office of Inspector General (OIG), if the Recipient becomes aware of the existence (or apparent existence) of fraudulent activity, waste, or abuse.

The OIG has authority within the DOT to conduct criminal investigations. The DOT OIG maintains a post office box and a toll-free hotline for receiving information from individuals concerning fraud, waste, or abuse under DHS grants and cooperative agreements. The hotline is available 24 hours a day, 7 days a week. http://www.oig.dot.gov/Hotline. The identity of the caller is kept confidential, and callers are not required to give their names.

Examples of fraud, waste, and abuse that should be reported include, but are not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements, whether by organizations or individuals. Other examples include theft of grant funds for personal use; using funds for non-grant-related purposes; theft of federally owned property or property acquired or leased under a grant; charging inflated building rental fees for a building owned by the Recipient; submitting false financial reports; and submitting false financial data in bids submitted to the Recipient (for eventual payment under the grant).

Section 16. Budget and Finance.

The Recipient agrees to carry out the Project in accordance with the Approved Project Budget, written approval of which the Recipient shall secure from FMCSA prior to being reimbursed under this Agreement. In accordance with 49 C.F.R. § 18.30 and 49 CFR § 19.25, the Recipient must obtain prior, written approval from FMCSA before making any revisions to the approved project budget (1) that would require any transfer of funds between budget lines cumulatively greater than ten percent of the total approved project budget, or (2) that involve expenditures for items or services not approved in the original project plan, or (3) that would result in the need for additional funding. This includes revisions to the indirect cost rate. Any written approval may be obtained from the Associate Administrator or his/her designated representative, of the respective FMCSA Office.

The Recipient may, without prior approval from FMCSA, make any reasonable and necessary modification to the project budget provided that such deviations do not cumulatively exceed ten percent of the total approved project amount and provided that such deviations only involve the transfer of funds between expenditure items or categories authorized by FMCSA in the approved budget.

The Recipient agrees to establish and maintain for the Project either a separate set of accounts or accounts within the framework of an established accounting system, in a manner consistent with 49 C.F.R. § 18.20, or 49 C.F.R. § 19.21, as amended, whichever is applicable. Consistent with the provisions of 49 C.F.R. § 18.21, or 49 C.F.R. § 19.22, as amended, whichever is applicable, the Recipient agrees to record in the Project Account, and deposit in a financial institution all

Project payments received by it from FMCSA pursuant to this Agreement and all other funds provided for, accruing to, or otherwise received on account of the Project (Project Funds). The Recipient is encouraged to use financial institutions owned at least 50 percent by minority group members. All costs charged to the Project, including any approved services contributed by the Recipient or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. All matches shall be supported by appropriate records. The Recipient also agrees to maintain accurate records of all Program Income derived from Project implementation. The Recipient agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible, and, to the extent feasible, kept separate from documents not pertaining to the Project.

Section 17. Payments.

a. Request by the Recipient for Payment.

The Recipient's request for payment of the Federal share of allowable costs shall be made to FMCSA and will be acted upon by FMCSA as set forth in this section. Each payment made to the Recipient must comply with Department of the Treasury regulations, "Rules and Procedures for Funds Transfers," 31 C.F.R. Part 205. To receive a Federal assistance payment, the Recipient must:

i. Have demonstrated or certified that it has made a binding commitment of non-Federal funds, if applicable, adequate when combined with Federal payments, to cover all costs to be incurred under the Project to date. A Recipient required by Federal statute or this Agreement to provide contributory matching funds or a cost share agrees:

1. To refrain from requesting or obtaining Federal funds in excess of the amount justified by the contributory matching funds or cost share that has been provided; and

2. To refrain from taking any action that would cause the proportion of Federal funds made available to the Project at any time to exceed the percentage authorized under this Agreement. The requirement for contributory matching funds or cost share may be temporarily waived only to the extent expressly provided in writing by FMCSA.

ii. Have submitted to FMCSA all financial and progress reports required to date under this Agreement; and

iii. Have identified the source(s) of financial assistance provided under this Project, if applicable, from which the payment is to be derived.

b. Reimbursement Payment by FMCSA.

i. If the reimbursement method is used, the Recipient agrees to:

1. Complete and submit Standard Form 3881,"Payment Information Form - ACH Payment Vendor Payment System," to FAA-ESC; and

2. Complete and submit, on a quarterly, basis Standard Form 270, "Request for Advance or Reimbursement," to FMCSA.

ii. Upon receipt of a payment request and adequate accompanying information (invoices in accordance with applicable cost principles), FMCSA will authorize payment by direct deposit provided the Recipient: (i) is complying with its obligations under this Agreement, (ii) has satisfied FMCSA that it needs the requested Federal funds during the requisition period, and (iii) is making adequate and timely progress toward Project completion. If all these circumstances are present, FMCSA may reimburse allowable costs incurred by the Recipient (or to be incurred during the requisition period) up to the maximum amount of FMCSA's share of the total Project funding. FMCSA will employ a payment term of 20 days. The clock will start running for payment on receipt of the invoice by the Federal Aviation Administration.

c. Other Payment Information.

The Recipient agrees to adhere to and impose on its subgrantees all applicable foregoing "Payment by FMCSA" requirements of this Agreement. If the Recipient fails to adhere to the foregoing "Payment by FMCSA" requirements of this Agreement, FMCSA may revoke the portion of the Recipient's funds that has not been expended.

d. Allowable Costs.

i. The Recipient's expenditures will be reimbursed only if they meet all requirements set forth below:

1. Conform with the Project description and the approved Project Budget and all other terms of this Agreement;

2. Be necessary in order to accomplish the Project;

3. Be reasonable for the goods or services purchased;

4. Be actual net costs to the Recipient (i.e., the price paid minus any refunds, rebates, or other items of value received by the Recipient that have the effect of reducing the cost actually incurred);

5. Be incurred (and be for work performed) after the effective date of this Agreement, unless specific authorization from FMCSA to the contrary is received in writing (pre-award costs);

6. Unless permitted otherwise by Federal statute or regulation, conform with Federal guidelines or regulations and Federal cost principles as set forth below:
    a. For Recipients that are governmental organizations, the cost principles of 2 C.F.R. § 225 apply (OMB Circular A-87, Revised, "Cost Principles for State and Local Governments" apply;

    b. For Recipients that are institutions of higher education, the cost principles of 2 C.F.R. §220 (OMB Circular A-21, Revised, "Cost Principles for Educational Institutions" apply;

    c. For Recipients that are private nonprofit organizations, the cost principles of 2 C.F.R. § 230 (OMB Circular A-122, Revised, "Cost Principles for Nonprofit Organizations" apply); and

    d. For Recipients that are for-profit organizations, the standards of the Federal Acquisition Regulation, 48 C.F.R. Chapter I, Subpart 31.2, "Contracts with Commercial Organizations" apply.

7. Be satisfactorily documented; and

8. Be treated uniformly and consistently under accounting principles and procedures approved and prescribed by FMCSA for the Recipient, and those approved or prescribed by the Recipient for its subgrantees and contractors.

e. Indirect Costs.

Indirect costs will not be reimbursed without documentation of an approved indirect cost rate from the recipient's cognizant agency. If a recipient intends to request reimbursement of indirect costs, the Recipient must submit the proper documentation before vouchers are submitted for reimbursement. The recipient must indicate in its budget that it will be seeking indirect costs, and a provisional indirect cost rate will suffice until a final rate can be determined.

The Recipient must obtain prior approval from the Grant Manager to shift direct costs to indirect costs in order to recover indirect costs at a negotiated indirect cost rate higher than the place holder indirect cost rate if the cumulative amount of such transfer exceeds or is expected to

exceed 10 percent of the total approved budget in accordance with 49 C.F.R. § 18.30 and 49 CFR § 19.25.

The grantee may not request additional grant funds to recover indirect costs that it cannot recover by shifting direct costs to indirect costs. After this Grant Agreement has been signed, any request for changes to the indirect cost rate requires an amendment and must be approved by the Grant Manager if the change to the indirect cost rate would cause the cumulative amount of a budget transfer to exceed 10 percent of the total approved budget in accordance with 49 C.F.R. § 18.30 and 49 CFR § 19.25.

f. Pre-Award Costs.

A Recipient may be reimbursed for obligations incurred before the effective date of the award if:

i. The Recipient receives prior written approval from the FMCSA before the reimbursement vouchers are submitted;

ii. The costs are necessary to conduct the project; and

iii. The costs would be allowable under the grant, if awarded.

If a specific expenditure would otherwise require prior approval before making the expenditure (i.e. pursuant to 2 C.F.R. §225, Appendix B, special equipment over $5,000), then the Recipient must obtain FMCSA written approval before incurring the cost.

Recipient understands that the incurrence of pre-award costs in anticipation of an award is taken at the Recipient's risk and imposes no obligation on FMCSA to make the award or to increase the amount of the approved budget if (1) there is no award subsequently made; (2) an award is made for less than anticipated and is inadequate to cover the pre-award costs incurred; or (3) there are inadequate appropriations.

g. Disallowed Costs.

In determining the amount of Federal assistance FMCSA will provide, FMCSA will exclude:

i. Any Project costs incurred by the Recipient before the effective date of this Agreement, or amendment or modification thereof, whichever is later, unless otherwise permitted by Federal law or regulation, or unless an authorized representative of FMCSA states in writing to the contrary;

ii. Any costs incurred by the Recipient that are not included in the latest approved Project Budget; and

iii. Any costs attributable to goods or services received under a contract or other arrangement that is required to be, but has not been, concurred in or approved in writing by FMCSA.

The Recipient agrees that reimbursement of any cost under the "Payment by FMCSA," part of this Agreement does not constitute a final FMCSA decision about the allowability of that cost and does not constitute a waiver of any violation by the Recipient of the terms of this Agreement. The Recipient understands that FMCSA will not make a final determination about the allowability of any cost until an audit of the Project has been completed. If FMCSA determines that the Recipient is not entitled to receive any part of the Federal funds requested, FMCSA will notify the Recipient stating the reasons thereof. Project closeout will not alter the Recipient's obligation to return any funds due to FMCSA as a result of later refunds, corrections, or other transactions. Nor will Project closeout alter FMCSA's right to disallow costs and recover funds on the basis of a later audit or other review. Unless prohibited by law, FMCSA may offset any Federal assistance funds to be made available under this Project as needed to satisfy any outstanding monetary claims that the Federal Government may have against the Recipient. Exceptions pertaining to disallowed costs will be assessed based on their applicability, as set forth in the applicable Federal cost principals or other written Federal guidance.

Section 18. Reports.

a. Performance Progress Reports.

The Recipient will submit, at a minimum, quarterly performance progress reports and a final performance progress report at the completion of the award (within 90 days after) to the agency point of contact listed in the award document. Recipient must submit all performance progress report forms required by FMCSA. These reports will cover the period: January 1-March 31, April 1-June 30, July 1-September 30, and October 1-December 31. The Recipient shall furnish one (1) copy of a quarterly performance progress report to the Grant Manager, on or before the thirtieth (30th) calendar day of the month following the end of the quarter being reported. Each quarterly report shall set forth concise statements concerning activities relevant to the Project, and shall include, but not be limited to, the following:

i. An account of significant progress (findings, events, trends, etc.) made during the reporting period;

ii. A description of any technical and/or cost problem(s) encountered or anticipated that will affect completion of the grant within the time and fiscal constraints as set forth in this Agreement, together with recommended solutions or corrective action plans (with dates) to such problems, or identification of specific action that is required by the FMCSA, or a statement that no problems were encountered;

iii. An outline of work and activities planned for the next reporting period; and

iv. Provide status update/resolution for all outstanding findings from program reviews and/or audits.

b. Quarterly Financial Status Reports.

The Recipient shall furnish one (1) copy of a quarterly financial status report to the Grant Manager, and one (1) copy to the Grants Officer, on or before the thirtieth (30th) calendar day of the month following the end of the quarter being reported. The Recipient shall use SF 425, Federal Financial Report, to report the status of funds for all non-construction projects or programs. The Recipient shall report outlays and program income, if any, on an accrual basis. However, if the Recipient's accounting records are not normally kept on an accrual basis, the Recipient shall not be required to convert its accounting system, but shall develop such accrual information through an analysis of the documentation on hand. The Recipient shall certify to the expenditure of its proposed cost share for the period being reported, in the "Remarks" block.

Section 19. Non-Discrimination.

The Recipient 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) Sections 504 and 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §§794, 794d), which prohibit discrimination on the basis of disabilities; (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) the Public Health Service Act of 1912 (42 U.S.C. §290dd-2), 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*. relating to nondiscrimination in the sale, rental or financing of housing; (i) the requirements of any other nondiscrimination statute(s) which may apply to the application.

Section 20. Executive Order on Equal Opportunity Related to Contracts.

a. The Recipient will comply with all Federal statutes and Executive Orders relating to Equal Employment Opportunity.

i. The Recipient agrees to incorporate in all contracts having a value of over $10,000, the provisions requiring compliance with Executive Order 11246, as amended, and implementing regulations of the United States Department of Labor at 41 CFR 60, the provisions of which, other than the standard EEO clause and applicable goals for employment of minorities and women, may be incorporated by reference.

ii. The Recipient agrees to ensure that its contractors and subcontractors, regardless of tier, awarding contracts and/or issuing purchase orders for material, supplies, or equipment over $10,000 in value will incorporate the required EEO provisions in such contracts and purchase orders.

Section 21. Employment Policies.

The Recipient further agrees that its own employment policies and practices will be without discrimination based on race, color, religion, sex, national origin, disability or age; and that it has an affirmative action plan (AAP) consistent with the Uniform Guidelines on Employee Selection Procedures, 29 CFR 1607, and the Affirmative Action Guidelines, 29 CFR 1608. The applicant/recipient shall provide the AAP to FMCSA for inspection or copy upon request.

Section 22. Property.

In general, title to equipment and supplies acquired by a Recipient with DOT funds vests in the Recipient upon acquisition, subject to the property management requirements of 49 CFR parts 18 and 19, whichever applicable.

A Recipient that is a State, local, or Indian tribal government agrees to comply with the property management standards of 49 C.F.R. §§ 18.31 through 18.34, including any amendments thereto, and with other applicable Federal regulations and directives. A Recipient that is an institution of higher education or private nonprofit entity, agrees to comply with the property management standards of 49 C.F.R. §§ 19.30 through 19.37, including any amendments thereto, and with other applicable Federal regulations and directives. Any exception to the requirements of 49 C.F.R. §§ 18.31 through 18.34, or the requirements of 49 C.F.R. §§ 19.30 through 19.37, requires the express approval of the Federal Government in writing. A Recipient that is a for-profit entity agrees to comply with property management standards satisfactory to FMCSA.

With respect to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement, the Recipient agrees to comply with the 49 C F.R. Part 18 or 49 C.F.R. Part 19, as applicable, as well as the Grant Provisions and Assurances that follow, unless FMCSA determines otherwise in writing.

Under this Section, local governments, Indian tribal governments, research institutions, hospitals, and nonprofit organizations, as well as for profit organizations, will be collectively referred to as a "Non-State Recipient" in circumstances the responsibilities of the State Recipient will be distinguished from the responsibilities of the Non-State Recipient.

a. Use of Project Property.

The State Recipient agrees to use Project property for the purpose for which it was acquired under the period of performance of the Grant. State recipients acknowledge that the FMCSA may ensure that the purpose of the grant is being satisfied. State recipients acknowledge that FMCSA may request a copy of the State statute and procedures in determining whether a State is in compliance with its own State procedures, and to assist the FMCSA in determining the allocability, reasonableness, and allowability of costs.

The Non-State Recipient agrees to use Project property for appropriate Project purposes (which may include joint development purposes that generate program income, both during and after the

award period, beginning on the effective date, and used to support public transportation activities) for the duration of the useful life of that property, as required by FMCSA. Should the Recipient unreasonably delay or fail to use Project property during the useful life of that property, the Recipient agrees that it may be required to return the entire amount of the Federal assistance expended on that property. The Non-State Recipient further agrees to notify FMCSA immediately when any Project property is withdrawn from Project use or when any Project property is used in a manner substantially different from the representations the Recipient has made in its Application or in the Project Description for the Grant Agreement or Cooperative Agreement for the Project.

b. Maintenance.

The State Recipient agrees to maintain Project property in accordance with State law and procedures.

The Non-State Recipient agrees to maintain Project property in good operating order, in compliance with any applicable Federal regulations or directives that may be issued.

c. Records.

The State Recipient agrees to maintain records in accordance with State law and procedures.

The Non-State Recipient agrees to keep satisfactory records pertaining to the use of Project property, and submit to FMCSA upon request such information as may be required with this agreement.

d. Incidental Use.

Any incidental use of Project property will not exceed that permitted under applicable Federal laws, regulations, and directives.

e. Encumbrance of Project Property.

The State Recipient agrees to maintain satisfactory continuing control of Project property in accordance with State law and procedures. The State Recipient understands that an encumbrance of project property may not interfere with the purpose for which the equipment was purchased.

The Non-State Recipient agrees to maintain satisfactory continuing control of Project property as follows:

i. Written Transactions.

The Non-State Recipient agrees that it will not execute any transfer of title, lease, lien, pledge, mortgage, encumbrance, third party contract, subagreement, grant anticipation note, alienation, innovative finance arrangement (such as a cross border lease, leveraged lease, or otherwise), or

any other obligation pertaining to Project property, that in any way would affect the continuing Federal interest in that Project property.

ii. Oral Transactions.

The Non-State Recipient agrees that it will not obligate itself in any manner to any third party with respect to Project property.

iii. Other Actions.

The Non-State Recipient agrees that it will not take any action adversely affecting the Federal interest in or impair the Recipient's continuing control of the use of Project property.

iv. Purpose

The Non-State Recipient agrees that no use under this section will interference with the purpose for which the equipment was purchased.

f. Transfer of Project Property.

The State Recipient agrees to transfer Project property in accordance with State law and procedures.

The Non-State Recipient understands and agrees as follows:

i. Non-State Recipient Request.

The Non-State Recipient may transfer any Project property financed with Federal assistance authorized under 49 U.S.C. chapter 53 to a public body to be used for any public purpose with no further obligation to the Federal Government, provided the transfer is approved by the FMCSA Administrator and conforms with the requirements of 49 U.S.C. §§ 5334(h)(1) and (2).

ii. Federal Government Direction.

The Non-State Recipient agrees that the Federal Government may direct the disposition of, and even require the Recipient to transfer, title to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement.

iii. Leasing Project Property to Another Party.

If the Non-State Recipient leases any Project property to another party, the Non-State Recipient agrees to retain ownership of the leased Project property, and assure that the lessee will use the Project property appropriately, either

through a written lease between the Non-State Recipient and lessee, or another similar document. Upon request by FMCSA, the Non-State Recipient agrees to provide a copy of any relevant documents.

g. Disposition of Project Property.

The State Recipient may use its own disposition procedures, provided that those procedures comply with the laws of that State, as authorized by 49 C.F.R. § 18.32(b).

The Non-State Recipient agrees to dispose of Project property as follows:

With prior FMCSA approval, the Non-State Recipient may sell, transfer, or lease Project property and use the proceeds to reduce the gross project cost of other eligible capital public transportation projects to the extent permitted by 49 U.S.C. § 5334(h)(4). The Non-State Recipient also agrees that FMCSA may establish the useful life of Project property, and that it will use Project property continuously and appropriately throughout the useful life of that property.

i. Project Property with Expired Useful Life. When the useful life of Project property has expired, the Non-State Recipient agrees to comply with FMCSA's disposition requirements.

ii. Project Property Prematurely Withdrawn from Use. For Project property withdrawn from appropriate use before its useful life has expired, the Recipient agrees as follows:

1. Notification Requirement. The Non-State Recipient agrees to notify FMCSA immediately when any Project property is prematurely withdrawn from appropriate use, whether by planned withdrawal, misuse, or casualty loss.

2. Calculating the Fair Market Value of Prematurely Withdrawn Project Property. The Non-State Recipient agrees that the Federal Government retains a Federal interest in the fair market value of Project property prematurely withdrawn from appropriate use. The amount of the Federal interest in the Project property shall be determined by the ratio of the Federal assistance awarded for the property to the actual cost of the property. The Non-State Recipient agrees that the fair market value of Project property prematurely withdrawn from use will be calculated as follows:

A. Equipment and Supplies. The Non-State Recipient agrees that the fair market value of Project equipment and supplies shall be calculated by straight-line depreciation of that property, based on the useful life of the equipment or supplies as established or approved by FMCSA. Information on straight line

depreciation may be found in the Internal Revenue Code. The fair market value of Project equipment and supplies shall be the value immediately before the occurrence prompting the withdrawal of the equipment or supplies from appropriate use. In the case of Project equipment or supplies lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of that equipment or supplies immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage.

B. Real Property. The Non-State Recipient agrees that the fair market value of real property shall be determined either by competent appraisal based on an appropriate date approved by the Federal Government, as provided by 49 C.F.R. Part 24, or by straight line depreciation, whichever is greater.

3. Exceptional Circumstances. The Non-State Recipient agrees that the Federal Government may require the use of another method to determine the fair market value of Project property. In unusual circumstances, the Non-State Recipient may request that another reasonable valuation method be used including, but not limited to, accelerated depreciation, comparable sales, or established market values. In determining whether to approve such a request, the Federal Government may consider any action taken, omission made, or unfortunate occurrence suffered by the Non-State Recipient with respect to the preservation of Project property withdrawn from appropriate use.

h. Financial Obligations to the Federal Government.

The Recipient agrees to remit to the Federal Government the Federal interest in the fair market value of any Project property prematurely withdrawn from appropriate use. In the case of fire, casualty, or natural disaster, the Recipient may fulfill its obligations to remit the Federal interest by either:

i. Investing an amount equal to the remaining Federal interest in like-kind property that is eligible for assistance within the scope of the Project that provided Federal assistance for the Project property prematurely withdrawn from use; or

ii. Returning to the Federal Government an amount equal to the remaining Federal interest in the withdrawn Project property.

i. Insurance Proceeds.

If the Recipient receives insurance proceeds as a result of damage or destruction to the Project property, the Recipient agrees to:

i. Apply those insurance proceeds to the cost of replacing the damaged or destroyed Project property taken out of service, or

ii. Return to the Federal Government an amount equal to the remaining Federal interest in the damaged or destroyed Project property.

j. Transportation of Hazardous Materials.

The Recipient agrees to comply with applicable requirements of U.S. Pipeline and Hazardous Materials Safety Administration regulations, "Shippers - General Requirements for Shipments and Packagings," 49 C.F.R. Part 173, in connection with the transportation of any hazardous materials.

k. Misused or Damaged Project Property.

If any damage to Project property results from abuse or misuse occurring with the Recipient's knowledge and consent, the Recipient agrees to restore the Project property to its original condition or refund the value of the Federal interest in that property, as the Federal Government may require.

l. Responsibilities after Project Closeout.

The Recipient agrees that Project closeout by FMCSA will not change the Recipient's Project property management responsibilities as stated in these Grant Provisions and Assurances, and as may be set forth in subsequent Federal laws, regulations, and directives, except to the extent the Federal Government determines otherwise in writing.

Section 23. Davis-Bacon Act Requirements.

The Recipient agrees to comply, as applicable, with the provisions of the Davis Bacon Act (40 U.S.C. §3145 and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701 *et seq*.) regarding labor standards for federally-assisted construction sub-agreements.

Section 24. Environmental Requirements.

The Recipient agrees to comply, as applicable, 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).

Section 25. Government Rights (Unlimited).

FMCSA shall have unlimited rights for the benefit of the Government in all other work developed in the performance of this Agreement, including the right to use same on any other Government work without additional cost to FMCSA. The rights to any inventions made by a recipient under an FMCSA financial assistance award are determined by the Bayh-Dole Act, Pub. L. 96-517, as amended, and codified in 35 U.S.C. § 200, et seq., except as otherwise provided by law.

a. Patent Rights.

If any invention, improvement, or discovery of the Recipient or any of its third party contractors is conceived or first actually reduced to practice in the course of or under this Project, and that invention, improvement, or discovery is patentable under the laws of the United States of America or any foreign country, the Recipient agrees to notify FMCSA immediately and provide a detailed report. The rights and responsibilities of the recipient, third party contractors and FMCSA with respect to such invention, improvement, or discovery will be determined in accordance with applicable Federal laws, regulations, policies, and any waiver thereof.

If the Recipient secures a patent with respect to any invention, improvement, or discovery of the Recipient or any of its third party contractors conceived or first actually reduced to practice in the course of or under this Project, the Recipient agrees to grant to FMCSA a royalty-free, non-exclusive, and irrevocable license to use and to authorize others to use the patented device or process for Federal Government purposes.

The Recipient agrees to include the requirements of the "Patent Rights" section of this Agreement in its third party contracts for planning, research, development, or demonstration under the Project.

b. Data Rights.

The term "subject data" used in this section means recorded information, whether or not copyrighted, that is developed, delivered, or specified to be delivered under this Agreement. The term includes graphic or pictorial delineations in media such as drawings or photographs; text in specifications or related performance or design-type documents; machine forms such as punched cards, magnetic tape, or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to: computer software, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog

item identifications, and related information. The term does not include financial reports, cost analyses, and similar information incidental to Project administration. The following restrictions apply to all subject data first produced in the performance of this Agreement:

i. Except for its own internal use, the Recipient may not publish or reproduce such data in whole or in part, or in any manner or form, nor may the Recipient authorize others to do so, without the written consent of FMCSA, until such time as FMCSA may have either released or approved the release of such data to the public.

ii. As authorized by 49 C.F.R. § 18.34, or 49 C.F.R. § 19.36, as applicable, FMCSA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

1. Any work developed under a grant, cooperative agreement, sub-grant, sub-agreement, or third party contract, irrespective of whether or not a copyright has been obtained; and

2. Any rights of copyright to which a Recipient, subgrantee, or a third party contractor purchases ownership with Federal assistance.

When FMCSA provides assistance to a Recipient for a Project involving planning, research, or development, it is generally FMCSA's intent to increase the body of knowledge, rather than to limit the benefits of the Project to those parties that have participated therein. Therefore, unless FMCSA determines otherwise, the Recipient understands and agrees that, in addition to the rights set forth in preceding portions of this section of this Agreement, FMCSA may make available to any FMCSA Recipient, subgrantee, third party contractor, or third party subcontractor, either FMCSA's license in the copyright to the "subject data" derived under this Agreement or a copy of the "subject data" first produced under this Agreement. In the event that such a Project which is the subject of this Agreement is not completed, for any reason whatsoever, all data developed under that Project shall become subject data as defined herein and shall be delivered as FMCSA may direct.

Unless prohibited by State law, the Recipient agrees to indemnify, save and hold harmless FMCSA, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the Recipient of proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under this Agreement. The Recipient shall not be required to indemnify FMCSA for any such liability arising out of the wrongful acts of employees or agents of FMCSA.

Nothing contained in this section on rights in data, shall imply a license to FMCSA under any patent or be construed as affecting the scope of any license or other right otherwise granted to FMCSA under any patent.

The requirements of this section of this Agreement do not apply to material furnished to the Recipient by FMCSA and incorporated in the work carried out under this Agreement, provided

that such incorporated material is identified by the Recipient at the time of delivery of such work.

Unless FMCSA determines otherwise, the Recipient agrees to include the requirements of this section of this Agreement in its third party contracts for planning, research, development, or demonstration under the Project.

c. Acknowledgment or Support and Disclaimer.

i. An acknowledgment of FMCSA support and a disclaimer must appear in any recipient publication, whether copyrighted or not, based on or developed under the Agreement, in the following terms:

1. "This material is based upon work supported by the Federal Motor Carrier Safety Administration under a grant/cooperative agreement, dated ____."

2. *(fill-in appropriate identification of grant/cooperative agreement);*

3. All Recipient publications must also contain the following:

A. "Any opinions, findings, and conclusions or recommendations expressed this publication are those of the author(s) and do not necessarily reflect the view of the Federal Motor Carrier Safety Administration and/or the U.S. Department of Transportation."

B. The Recipient agrees to cause to be erected at the site of any construction, and maintain during construction, signs satisfactory to FMCSA identifying the Project and indicating that FMCSA is participating in the development of the Project.

Section 26. Drug Free Workplace.

By signing this agreement, the Recipient certifies that it is in compliance with the Drug-Free Workplace Act (41 U.S.C. Sec. 701 et seq.) and implementing regulations (49 CFR Part 32), which require, in part, that recipients prohibit drug use in the workplace, notify the FMCSA of employee convictions for violations of criminal drug laws occurring in the workplace, and take appropriate personnel action against a convicted employee or require the employee to participate in a drug abuse assistance program.

Section 27. Background Screening.

FMCSA reserves the right to perform individual background screening on key individuals of organizational units associated with the application at the effective date and at another interval thereafter for the life of the award. If in performance of a grant award requires recipient organization personnel to have unsupervised physical access to a Federally controlled facility for

more than 180 days or access to a Federal information system, such personnel must undergo the personal identity verification credential process under Homeland Security Presidential Directive 12.

Section 28. Site Visits.

FMCSA, through its authorized representatives, has the right, at all reasonable times, to make site visits to review Project accomplishments and management control systems and to provide such technical assistance as may be required. If any site visit is made by FMCSA on the premises of the Recipient, subgrantee or subcontractor under this Agreement, the Recipient shall provide and shall require its subgrantees or subcontractors to provide, all reasonable facilities and assistance for the safety and convenience of FMCSA representatives in the performance of their duties. All site visits and evaluations shall be performed in such a manner as will not unduly delay work being conducted by the Recipient, subgrantee or subcontractor.

Section 29. Liability.

The Recipient agrees to be liable for all fines, claims, damages, losses, judgments, and expenses arising out of, or from, any act or omission of Recipient, its officers, employees, or (members, participants, agents, representatives, as appropriate) arising out of or in any way connected to activities authorized pursuant to this Agreement. This provision shall survive the expiration or termination of this Agreement.

Section 30. Right of FMCSA to Terminate Agreement.

a. General Right to Suspend or Terminate Assistance Agreement.

Upon written notice, the Recipient agrees that FMCSA may suspend or terminate all or part of the financial assistance provided herein if the Recipient has violated the terms of the Grant Agreement or these Provisions and Assurances, or if FMCSA determines that the purposes of the statute under which the Project is authorized would not be adequately served by continuation of Federal financial assistance for the Project. Any failure to make reasonable progress on the Project or other violation of this Agreement that significantly endangers substantial performance of the Project shall provide sufficient grounds for FMCSA to terminate this Agreement. The recipient agrees to give the Federal Motor Carrier Safety Administration at least 90 days notice of its intention to terminate this agreement.

b. Financial Obligations of the Government.

In general, termination of any financial assistance under this Agreement will not invalidate obligations properly incurred by the Recipient and concurred by FMCSA before the termination date, to the extent those obligations cannot be cancelled. However, if FMCSA determines that the Recipient has willfully misused Federal assistance funds by failing to make adequate progress, failing to make reasonable use of the Project property, facilities, or equipment, or failing to adhere to the terms of this Agreement, FMCSA reserves the right to require the

Recipient to refund the entire amount of FMCSA funds provided under this Agreement or any lesser amount as may be determined by FMCSA.

c. De-obligation of Funds.

FMCSA reserves the right to unilaterally de-obligate any remaining grant or cooperative agreement funds due to the time elapsed since the effective date, lack of payment vouchers from the Recipient, lack of plans to expend funds based on this grant, failure to provide quarterly progress reports, or other such determination made by FMCSA. If the recipient accedes to de-obligation, a grant amendment/modification must be in place.

Section 31. Project Completion, Settlement, and Closeout.

a. Project Completion.

Within 90 days of the Project completion date or termination by FMCSA, the Recipient agrees to submit a final SF 425, Federal Financial Report, a certification or summary of Project expenses, and third party audit reports, as applicable.

b. Remittance of Excess Payments.

If FMCSA has made payments to the Recipient in excess of the total amount of FMCSA funding due, the Recipient agrees to promptly remit that excess and interest as may be required by the "Payment by FMCSA" section of this Attachment.

c. Project Closeout.

Project closeout occurs when all required Project work and all administrative procedures described in 49 C.F.R. Part 18, or 49 C.F.R. Part 19, as applicable, have been completed, and when FMCSA notifies the Recipient and forwards the final Federal assistance payment, or when FMCSA acknowledges the Recipient's remittance of the proper refund. Project closeout shall not invalidate any continuing obligations imposed on the Recipient by this Agreement or by the FMCSA's final notification or acknowledgment.

Section 32. Severability.

If any provision of this Agreement is held invalid, all remaining provisions of this Agreement shall continue in full force and effect to the extent not inconsistent with such holding.

Section 33. Entire Agreement and Amendments.

This Agreement constitutes the entire agreement between the parties. All prior discussions and understandings concerning such scope and subject matter are superseded by this Agreement. Any modification not specifically permitted by this agreement requires an Amendment. These modifications may be made only in writing, signed by the each party's authorized representative, and specifically referred to as an Amendment to this Agreement. Electronic signatures are binding.

Section 34. Use of Information Obtained.

Information obtained under this agreement may only be used by the recipient in order to accomplish the project plan under this agreement.

Any information obtained or exchanged between FMCSA and the grant recipient, in order to carry out each party's responsibility under this agreement and project plan, shall not be released by the recipient to any third party without the written permission of FMCSA.

Recipient shall ensure that all of its employees authorized to access FMCSA data and information systems sign and submit information technology user agreements provided by FMCSA.

Section 35. Miscellaneous Provisions.

a. Prohibition on Human Trafficking.

The Recipient agrees to comply, as applicable, with the provisions of Section 7104(g) of the Trafficking Victims Protection Act of 2000, 22 U.S.C. § 7104 as amended.

b. Wild and Scenic Rivers Act of 1968.

The Recipient agrees to comply, as applicable, 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.

c. Fly America Act.

The Recipient shall comply with the provisions of the Fly America Act, 49 U.S.C. § 40118.

d. Criminal and Prohibited Activities.

The Recipient will adhere to the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812, which provides for the imposition of civil penalties against persons who make false, fictitious, or fraudulent claims to the Federal Government for money. Recipient will also adhere to the False Statements Act, 18 U.S.C. §§ 287 and 1001 which provides that whoever makes or presents any false, fictitious or fraudulent statements, representations, or claims against the United States shall be subject to imprisonment of not more than 5 years and shall be subject to a fine in the amount

provided by 18 U.S.C. § 287. Recipient shall also adhere to the False Claims Act, 31 U.S.C. § 3729, which provides that suits under this act can be brought by the Government or a person on behalf of the Government, for false claims under the Federal assistance programs. Recipient shall also adhere to the Copeland "Anti-Kickback" Act, 18 U.S.C. § 874 and 40 U.S.C. § 3145, which prohibits a person or organization engaged in a Federally supported project from enticing an employee working on the project from giving up a part of his compensation under an employment contract.

Section 36. Laptop Encryption.

All laptops used by Recipients, subgrantees, and contractors in carrying out the Recipient's project plan, which contain FMCSA-related data, including sensitive information and Personally Identifiable Information (PII), must be encrypted to the same standards utilized by FMCSA. The FMCSA encryptions standards prescribe whole disk encryption (FDE), which requires software or hardware to encrypt all data on a disk, including the partition tables, whole physical disk, master boot record, and available files. FMCSA requires that each Recipient who utilizes FMCSA sensitive information or PII complete installation of FDE on all laptop computers as soon as practicable, but no later than September 30, 2013.

Section 37. Commercial Vehicle Information Systems and Networks (CVISN) provisions.

The following provisions apply where applicable.

a. Compliance with the National ITS Architecture.

The recipient will ensure that CVISN Core and Expanded deployment activities, such as hardware procurement, software and system development, infrastructure modifications, etc., are consistent with the National ITS and CVISN Architectures and available standards and shall promote interoperability and efficiency to the extent practicable and required by law.

b. Interoperability.

For implementing CVISN Core capabilities, the recipient will complete interoperability tests and ensure architectural conformance throughout the life of the project. Perform pairwise and end-to-end tests to demonstrate conformance with the standards and interoperability, verify that interfaces between selected products/systems meet the applicable standards, verify dataflow and data usage among the products/systems.

c. Independent Evaluation.

The FMCSA may conduct an independent evaluation of the effectiveness of the project in achieving Federal and State program goals. The independent evaluation will be conducted using existing Federal resources. Participants of projects that are selected for independent evaluations shall cooperate with the independent evaluators and participate in evaluation planning and progress review meetings to ensure a mutually acceptable, successful implementation of the independent evaluation. The FMCSA may contract with one or more independent evaluation contractor(s) to evaluate the projects.

d. Dedicated Short Range Communications.

If applicable, the State shall also require that its contractors only install Dedicated Short Range Communications (DSRC) equipment that is interoperable and compatible at layers 1 and 2 of the Open Systems Interconnect Reference Model with equipment in operation on the North American Preclearance and Safety System and the Heavy Vehicle Electronic License Plate Inc.'s PrePass™ System deployments as well as the International Border Crossing Operational Tests, based upon on ASTM Draft 6, dated February 23, 1996.

Section 38. Certification.

The Recipient certifies that the statements it made in the grant application are true and correct and Recipient understands that any false statements made as part of these certifications can be prosecuted.