

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION
FINANCIAL ASSISTANCE AGREEMENT GENERAL PROVISIONS
AND ASSURANCES

January, 2010

Section 1. General Requirements

a. Obligation of Recipient to Comply.

The Recipient will comply with all applicable Federal laws and requirements imposed by the Federal Motor Carrier Safety Administration (FMCSA) concerning special requirements of law, program requirements, and other administrative requirements. This includes but is not limited to (1) U.S. 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; (2) 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. 49 C.F.R. Part 19 also applies to grants and cooperative agreements with private for-profit organizations; and OMB Circulars A-87, A-21.

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

1. 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.

2. 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.

Section 2. Ethics

a. Written Code of Ethics.

The Recipient agrees to maintain a written code or standards of 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.

1. 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:

- (a) The employee, officer, board member, or agent;
- (b) Any member of his or her immediate family;
- (c) His or her partner; or
- (d) An organization that employs, or is about to employ, any of the above.

2. 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.

b. 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 employees whose principal employment activities are funded in whole or in part with Federal Funds.

c. 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 subrecipients, 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 3. 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.

c. Notification Requirement.

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:

1. 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;
2. express the said amount as a percentage of the total costs of the planned acquisition.

d. 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.

e. 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.

f. 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 4. Records Retention.

a. Requirement to Retain Records.

During the course of the Project and for three years thereafter, 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 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.

1. 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:

2. 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.
3. Records for nonexpendable property, if any, acquired with Federal funds shall be retained for three years after its final disposition.
4. 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 5. 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.

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 6. 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. 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 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. The Recipient may, without prior approval from FMCSA, make any reasonable and necessary modification to the project budget provided that such cumulative deviations do not 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. Any written approval may be obtained from the Associate Administrator or his/her designated representative, of the respective FMCSA Office.

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 7. 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:

1. 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:

A. 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;

B. 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.

2. Have submitted to FMCSA all financial and progress reports required to date under this Agreement; and;
3. 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.

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.

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.

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;
6. Unless permitted otherwise by Federal statute or regulation, conform with Federal guidelines or regulations and Federal cost principles as set forth below:
 1. For Recipients that are governmental organizations, the standards of OMB Circular A-87, Revised, "Cost Principles for State and Local Governments" apply;
 2. For Recipients that are institutions of higher education, the standards of OMB Circular A-21, Revised, "Cost Principles for Educational Institutions" apply;
 3. For Recipients that are private nonprofit organizations, the standards of OMB Circular A-122, Revised, "Cost Principles for Nonprofit Organizations" apply; and;
 4. 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.

d. Disallowed Costs.

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

1. Any Project costs incurred by the Recipient before the obligation 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;
2. Any costs incurred by the Recipient that are not included in the latest approved Project Budget, and;

3. 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 8. 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 Agency Technical Representative, 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:

1. An account of significant progress (findings, events, trends, etc.) made during the reporting period.
2. 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.
3. An outline of work and activities planned for the next reporting period.
4. 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 Technical Representative, 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 9. 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 10. Executive Order on Equal Opportunity Related to Contracts.

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

1. 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.

2. 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.

3. 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 11. Property.

The Recipient understands and agrees that the Federal Government retains a Federal interest in any Project property, which includes any real property, equipment, and supplies financed with Federal assistance, until and to the extent that the Federal Government relinquishes its Federal interest in that Project property. With respect to any Project property financed with Federal assistance under the Grant Agreement or Cooperative Agreement, the Recipient agrees to comply with the following provisions of this General Provisions and Assurances except to the extent FMCSA determines otherwise in writing:

a. Use of Project Property.

The 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 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 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. General.

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.

c. Maintenance.

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

d. Records.

The 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.

e. Incidental Use.

The Recipient agrees that:

1. General.

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

f. Encumbrance of Project Property.

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

1. Written Transactions.

The 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.

2. Oral Transactions.

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

3. Other Actions.

The 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.

g. Transfer of Project Property.

The Recipient understands and agrees as follows:

1. Recipient Request.

The 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).

2. Federal Government Direction.

The 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.

3. Leasing Project Property to Another Party.

If the Recipient leases any Project property to another party, the 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 Recipient and lessee, or another similar document. Upon request by FMCSA, the Recipient agrees to provide a copy of any relevant documents.

h. Disposition of Project Property.

With prior FMCSA approval, the 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 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.

1. Project Property Whose Useful Life Has Expired. When the useful life of Project property has expired, the Recipient agrees to comply with FMCSA's disposition requirements.

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

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

B. Calculating the Fair Market Value of Prematurely Withdrawn Project Property. The 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 Recipient agrees that the fair market value of Project property prematurely withdrawn from use will be calculated as follows:

i. Equipment and Supplies. The 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. As authorized by 49 C.F.R. § 18.32(b), a State may use its own disposition procedures, provided that those procedures comply with the laws of that State.

ii. Real Property. The 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.

iii. Exceptional Circumstances. The 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 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 Recipient with respect to the preservation of Project property withdrawn from appropriate use.

i. 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:

1. 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
2. Returning to the Federal Government an amount equal to the remaining Federal interest in the withdrawn Project property.

j. Insurance Proceeds.

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

1. Apply those insurance proceeds to the cost of replacing the damaged or destroyed Project property taken out of service, or
2. Return to the Federal Government an amount equal to the remaining Federal interest in the damaged or destroyed Project property.

k. Transportation - 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.

l. 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.

m. 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 Section 19 of this Master Agreement, 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 12. 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 13. 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 14. 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.

1. 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.

2. 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.

3. 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.

1. 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:

A. 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.

B. 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:

C. 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

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

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

1. 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:

"This material is based upon work supported by the Federal Motor Carrier Safety Administration under a grant/cooperative agreement, dated _____.
(fill-in appropriate identification of grant/cooperative agreement)

2. All Recipient publications must also contain the following:

"Any opinions, findings, and conclusions or recommendations expressed in 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."

3. 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 15. 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 16. Background Screening.

FMCSA reserves the right to perform individual background screening on key individuals of organizational units associated with the application at the beginning on the award 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 17. 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 18. Liability and Indemnification.

The Recipient agrees to indemnify, save and hold harmless, and defend the United States against 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 19. 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 this Agreement, 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 in 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 award of the grant, lack of payment vouchers from the Recipient, lack of plans to expend funds based on this grant, or other such determination made by FMCSA. If the recipient accedes to de-obligation, a grant amendment/modification must be in place.

Section 20. 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 21. 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 22. Entire Agreement and Modifications.

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. Modifications to this Agreement may be made only in writing, signed by the each party's authorized representative, and specifically referred to as a modification to this Agreement.

Section 23. Use of Information Obtained.

1. Information obtained under this agreement may only be used by the recipient in order to accomplish the project plan under this agreement.
2. 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.
3. 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 24. 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.

e. Laptop Encryption

All laptops used by recipients, grantees, and contractors in carrying out the project plan, which contain data pertaining to this agreement, must be encrypted to the

same standards utilized by FMCSA.

Section 25. 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.