

**Grant Agreement
for
Mesa AFRL
FAIN: HQ00051410058**

This Agreement is between the City of Mesa, Arizona, the Grantee, and Department of Defense, the Grantor, acting through the Office of Economic Adjustment (OEA). The Grantee will undertake community economic adjustment activities as described in the Application for Federal Assistance, dated September 11, 2014, at the estimated cost of \$168,991. The \$168,991 consists of \$151,311 from the Grantor and \$17,680 from non-Grantor sources.

1. Compliance by the Grantee

A. Overall Compliance: The Grantee's actions under this Grant shall comply with all applicable Federal, State, interstate, and local laws and regulations. The Grantee shall comply with the following: Part 33 of title 32, Code of Federal Regulations (CFR), "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments," and Part 28 of title 32, CFR, "New Restrictions on Lobbying."

B. Debarment and Suspension: The Grantee agrees to comply with Parts 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," and 1125, "Department of Defense Nonprocurement Debarment and Suspension," of title 2, CFR. The Grantee also agrees to communicate the requirement to comply with Parts 180 and 1125 to entities and persons at the next lower tier with whom the recipient enters into transactions that are "covered transactions" under Parts 180 and 1125.

C. Drug-Free Workplace: The Grantee agrees to comply with Subpart B, "Requirements for Recipients Other Than Individuals," of Part 26 of title 32, CFR, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)."

D. Hatch Act: The Grantee is advised that its employees may be subject to the Hatch Act (5 U.S.C. § 1501-1508). If doubt exists in particular cases, the Grantee should seek legal counsel.

E. Universal Identifier Requirements and Central Contractor Registration. The Grantee agrees to comply with the requirements of Part 25 of title 2, CFR, "Universal Identifier and Central Contractor Registration." The System for Award Management (SAM) has replaced the CCR system. The full text of this award term (as revised to reflect the SAM) is provided in Attachment B to this Agreement.

F. Trafficking Victims Protection Act of 2000: The Grantee agrees to comply with the requirements of Part 175 of title 2, CFR, "Award Term for Trafficking in Persons." The full text of this award term is provided in Attachment D to this Agreement.

G. Grant Terms and Conditions: The Grantee shall comply with the terms of this Agreement. The decision of the Grantor in interpreting the Terms and Conditions of this Agreement shall be final.

H. The Grantee shall ensure that every consultant and every contractor it employs under the Grant complies with the terms of this Agreement as though the consultant or contractor were a party to this Agreement.

2. Terms and Conditions

A. The Grant period is from October 1, 2014, through September 30, 2015.

B. The Grantee assures that \$17,680 or 10.5 percent of the total project costs shall be contributed by non-Grantor sources.

C. The Grantee agrees to comply with the requirements regarding support of salaries and wages in OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments," Attachment B., "Selected Items of Cost," Item 8.h., "Support of Salaries and Wages."

D. Any Grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor.

E. OEA may suspend or terminate this Agreement in whole, or in part, if the Grantee materially fails to comply with conditions of this Agreement. Suspension or termination may occur if the Grantee materially fails to comply with any term of this Agreement. The Grantee shall not incur new obligations for the terminated portions after receiving notice of the termination, and shall cancel as many outstanding obligations as possible. Additional enforcement remedies for non-compliance and termination provisions, in Part 33 of title 32, CFR, apply to this award.

F. The Grantee is the responsible authority, without recourse to the Grantor, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of the Grant.

G. Activities Prohibited

(1) Duplication of Work: The purpose and scope of work for which this Agreement is made shall not duplicate programs for which moneys have been received, are committed, or are applied for from other sources, public or private. Upon request of the Grantor, the Grantee shall submit full information about related programs that will be initiated within the Grant period.

(2) Other Funding Sources: Grantor's funds budgeted or granted for this program shall not be used to replace any financial support previously provided or assured from any other source.

(3) Funds for Attorney/Consultant Fees: The Grantee hereby agrees that no funds made available from this Grant shall be used, directly or indirectly, for paying attorneys' or consultants' fees in connection with securing grants or other services provided by the Grantor, for example, preparing the application for this assistance. However, attorneys' and consultants' fees incurred for meeting this Agreement's requirements may be eligible project costs and may be paid out of funds made available from this Agreement provided such costs are otherwise eligible.

(4) The Grantee is prohibited from using funds provided from this Grant or personnel employed in the administration of this program for political activities, sectarian or religious activities, lobbying, political patronage, or nepotism activities.

H. Personnel Approvals

The Grantor reserves the right to approve or disapprove the selection of professional-level employees hired under this grant. If requested by the Grantor, resumes, in sufficient detail to reveal the experience, education, and other general and special qualifications for the position, must be submitted to the Grantor for its consent prior to employment of a candidate. Changes in key positions, where specified in the Application and/or this agreement, will require prior written approval from the Grantor.

I. Use of Consultants/Contractors

(1) Procurement of consultant or contractor services shall be in accordance with all standards and procedures set forth in Part 33 of title 32, CFR. The following terms, which are drawn from the Department of Defense Grant and Agreement Regulations, Parts 21 through 37 of title 32, CFR, are intended merely to highlight some of these standards and are, therefore, not inclusive.

(2) All procurement transactions, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition.

(3) Formal advertising, with adequate purchase description, sealed bids, and public openings, shall not be required for small purchase procurements under \$100,000 in the aggregate unless otherwise required by State or local law or regulation. If small purchase procedures are used, price or rate quotations shall be obtained.

(4) The Grantee shall maintain a code or standards of conduct which shall govern the performance of its officers, employees, or agents in contracting with and expending Federal Grant funds. Grantee's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from a contractor or potential contractors. To the extent permissible by State or local law, rules, or regulations, such standards shall provide for penalties, sanctions, or other disciplinary actions to be applied for violations of such standards by either the Grantee's officers, employees, or agents, or by contractors.

J. Separate Bank/Fund Accounts

(1) The Grantee is not required to establish a separate bank account but may do so. The Grantee, however, must maintain accounting records to adequately identify the source and application of Grant funds. Other considerations, such as FDIC coverage, shall be in accordance with the provisions of Part 33 of title 32, CFR.

(2) Interest earned on Grant funds shall be reported to the Grantor and used to reduce the Federal share of this Grant. Grantees shall promptly, but no less often than quarterly, remit to the Grantor any interest earned on advances the Grantor provided. The Grantee may retain interest on any Grant funds not to exceed \$100 per year for administrative expenses.

K. Grant Payments

(1) A Standard Form (SF) 270, "Request for Advance or Reimbursement," shall be submitted when requesting funds.

(2) All financial information on the SF 270 shall be shown as: Column (a)--Salaries and Benefits; Column (b)--Operating Expenses; Column (c)--Contracts.

(3) Grant payments will be made by electronic funds transfer.

(4) Grant funds for contractual services will be disbursed on a reimbursement basis only. Advances of up to 90 days may be requested for operational support. When Grant payments are cash advances, the amount requested will be limited to that actually required.

(5) Grantee's payments to contractors/consultants shall be contingent upon the Grantee's acceptance of deliverables.

(6) Requests for Federal funds (SF 270's) for payment of consultant/contractor deliverables should be submitted to the Grantor after Grantee's acceptance of the deliverables.

L. Reimbursement for Travel

Reimbursement for travel (transportation, food, and lodging) in the performance of Grant activities shall be consistent with those normally allowed in like circumstances in the non-Federally sponsored activities of the Grantee. Grantees may follow their own established rate but any travel allowance policies in excess of Federal limits must receive prior approval from the Grantor.

M. Office Equipment

All requests to purchase equipment (including software) with an estimated acquisition cost of more than \$5,000 shall be submitted to the Grantor for prior approval.

N. Expenses and Purchases Excluded

(1) Grant funds may not be used for marketing or entertainment expenses.

(2) Grant funds may not be used for capital assets, such as the purchase of vehicles, improvements and renovation of space, and repair and maintenance of privately owned vehicles.

O. Grantee Contributions

Contributions to this project by non-Grantor sources are expected to be paid out at the same general rate as Grant funds.

P. Grantee Reporting

(1) The Grantee shall provide interim performance reports and a final performance report. The performance reports will contain information on the following:

(a) A comparison of actual accomplishments to the objectives established for the period.

(b) The reasons for slippage if established objectives were not met.

(c) Additional pertinent information when appropriate.

(d) An accounting, by the budget line items approved for this project, of expenses incurred during the reporting period, including the amount of Grant funds on hand at the beginning and end, and non-Grantor share of contributions over the term.

(e) The final performance report must contain a summary of activities for the entire Grant period. All required deliverables should be submitted with the final performance report.

(2) The final SF 425, "Federal Financial Report," shall be submitted to the Grantor within 90 days after the end date of the Grant. Any Grant funds actually advanced and not needed for Grant purposes shall be returned immediately to the Grantor.

(3) The "Schedule of Reports" in Attachment A provides reporting periods and dates due.

Q. Reporting Subaward and Executive Compensation Information

The Grantee agrees to comply with the requirements of Part 170 of title 2, CFR, "Reporting Subaward and Executive Compensation Information." The full text of this award term is provided in Attachment C to this Agreement.

R. Contractor Deliverables

(1) A disclaimer statement will appear on the title page of any study prepared under this Grant. It will read:

“This study was prepared under contract with the City of Mesa, Arizona, with financial support from the Office of Economic Adjustment, Department of Defense. The content reflects the views of the City of Mesa and does not necessarily reflect the views of the Office of Economic Adjustment.”

(2) The contractor identification will appear on the title page of the study funded by this grant.

(3) Any final study shall be submitted electronically. The document will be dated the month and year that it is submitted to the Grantor.

S. Audits

(1) The Grantee agrees to comply with OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” and the Single Audit Act, 31 U.S.C. § 7502(h).

(2) This award is not for Research and Development, and is made under Catalog of Federal Domestic Assistance (CFDA) title: Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation CFDA Number 12.607.

(3) The Grantee shall ensure audits are properly performed, and furnish the required data collection forms and audit reporting packages to the Federal Audit Clearinghouse (FAC). The Grantee shall upload audit reports into the FAC through the Internet Data Entry System (IDES) at <https://harvester.census.gov/fac/collect/ddeindex.html#>.

(4) The Grantee shall provide any audit with findings related to this award, with copies of the reporting package (including corrective action plans), management letters issued by an auditor, and audit working papers, to the Grantor.

(5) The Grantor will seek to issue a management decision to the Grantee within 6 months of receipt of an audit report with findings, and the Grantee shall take timely and corrective action to comply with the management decision.

(6) The Department of Defense reserves the right to conduct an independent follow-up audit.

3. Special Condition

The purpose and scope of this award is to undertake community economic adjustment activities related to the closure of Air Force Research Laboratory Mesa. Changes in the specific activities described in the application and the terms and conditions of this award are allowable only if approved by the Grantor.

THE TERMS OF THIS GRANT ARE AGREED TO BY:

Patrick O'Brien
Patrick J. O'Brien
Director
Office of Economic Adjustment

9/19/2014 12:07:30 PM
DATE

William J. Jabjiniak
Director
Economic Development
City of Mesa

DATE

Schedule of Reports
for
Mesa AFRL
FAIN: HQ00051410058

October 1, 2014 through September 30, 2015

<u>Interim Performance Reports</u>	<u>Due Date</u>
10/01/2014 through 12/31/2014	01/31/2015
01/01/2015 through 03/31/2015	04/30/2015
04/01/2015 through 06/30/2015	07/31/2015
07/01/2015 through 09/30/2015	12/31/2015
 <u>Final Performance Report</u>	
10/01/2014 through 09/30/2015	12/31/2015
 <u>Final Federal Financial Report (SF 425)</u>	
10/01/2014 through 09/30/2015	12/31/2015
 <u>Deliverables</u>	12/31/2015

System for Award Management (SAM) (previously identified as the Central Contractor Registration) and Universal Identifier Requirements

A. Requirement for registration in the System for Award Management (SAM)

Unless you are exempted from this requirement under 2 CFR § 25.110, you as the recipient must maintain the currency of your information in SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

C. Definitions

For purposes of this award term:

1. *System for Award Management (SAM)*, previously identified as the *Central Contractor Registration (CCR)*, means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).

2. *Data Universal Numbering System (DUNS) number* means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866–705–5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).

3. *Entity*, as it is used in this award term, means all of the following, as defined at Subpart C of Part 25 of title 2, CFR:

- a. A Governmental organization, which is a State, local government, or Indian Tribe;
- b. A foreign public entity;

- c. A domestic or foreign nonprofit organization;
- d. A domestic or foreign for-profit organization; and
- e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. *Subaward*:

- a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, *see* Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
- c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. *Subrecipient* means an entity that:

- a. Receives a subaward from you under this award; and
- b. Is accountable to you for the use of the Federal funds provided by the subaward.

Reporting Subawards and Executive Compensation

A. Reporting of first-tier subawards.

1. Applicability.

Unless you are exempt as provided in paragraph D. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111–5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. Where and when to report.

i. You must report each obligating action described in paragraph A.1 of this award term to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. What to report.

You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov>.

B. Reporting Total Compensation of Recipient Executives.

1. Applicability and what to report.

You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(a) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

(b) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.*

You must report executive total compensation described in paragraph B.1 of this award term:

i. As part of your registration profile at <http://www.sam.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

C. *Reporting of Total Compensation of Subrecipient Executives.*

1. *Applicability and what to report.*

Unless you are exempt as provided in paragraph D of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. in the subrecipient's preceding fiscal year, the subrecipient received—

(a) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

(b) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.*

You must report subrecipient executive total compensation described in paragraph C.1 of this award term:

- i. To the recipient.
- ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

D. *Exemptions*

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Subawards, and
- ii. The total compensation of the five most highly compensated executives of any subrecipient.

E. *Definitions.*

For purposes of this award term:

- 1. *Entity* means all of the following, as defined in Part 25 of title 2, CFR:
 - i. A Governmental organization, which is a State, local government, or Indian tribe;
 - ii. A foreign public entity;
 - iii. A domestic or foreign nonprofit organization;
 - iv. A domestic or foreign for-profit organization;

v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. *Executive* means officers, managing partners, or any other employees in management positions.

3. *Subaward*:

i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. *Subrecipient* means an entity that:

i. Receives a subaward from you (the recipient) under this award; and
ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR § 229.402(c)(2)):

i. *Salary and bonus.*

ii. *Awards of stock, stock options, and stock appreciation rights.*

Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. *Earnings for services under non-equity incentive plans.*

This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. *Change in pension value.*

This is the change in present value of defined benefit and actuarial pension plans.

v. *Above-market earnings on deferred compensation which is not tax-qualified.*

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

Trafficking Victims Protection Act of 2000 (TVPA)

A. The Grantee, Grantee's employees, subrecipients under this award, and subrecipients' employees may not—

i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

ii. Procure a commercial sex act during the period of time that the award is in effect; or

iii. Use forced labor in the performance of the award or subawards under the award.

B. The Grantor may unilaterally terminate this award, without penalty, if the Grantee or a subrecipient that is a private entity —

i. Is determined to have violated a prohibition in paragraph A. of this award term; or

ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph A. of this award term through conduct that is either—

(a) Associated with performance under this award; or

(b) Imputed to the Grantee or the subrecipient using the standards and due process imputed the conduct of an individual to an organization that are provided in Part 180 of title 2, CFR, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by the Grantor at Part 376 of title 2, CFR.

(c) The Grantee must inform the Grantor immediately of any information the Grantee receives from any source alleging a violation of a prohibition in paragraph A. of this award term.

(d) The Grantor's right to terminate unilaterally that is described in paragraph B. of this section:

i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

ii. Is in addition to all other remedies for noncompliance that are available to the Grantor under this award.

(e) The Grantee must include the requirements of paragraph A. of this award term in any subaward you make to a private entity.

(f) Definitions. For purposes of this award term:

“Employee” means either:

i. An individual employed by the Grantee or a subrecipient who is engaged in the performance of the project or program under this award; or

ii. Another person engaged in the performance of the project or program under this award and not compensated by the Grantee including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

“Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

“Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR § 175.25.

ii. Includes:

(a) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR § 175.25(b).

(b) A for-profit organization.

“Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

