

**INTER-GOVERNMENTAL AGREEMENT**



**BETWEEN  
THE STATE OF ILLINOIS, DEPARTMENT OF TRANSPORTATION  
AND  
CITY OF ROCHELLE, ILLINOIS**

The State of Illinois, Department of Transportation (Grantor), with its principal office at 2300 South Dirksen Parkway, Springfield, Illinois 62764

and City of Rochelle (Grantee), with its principal office at 420 North 6<sup>th</sup> Street, Rochelle, IL 61068-1575,

and payment address (if different than principal office) at \_\_\_\_\_

hereby enter into this Inter-Governmental Grant Agreement (Agreement), pursuant to the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* Grantor and Grantee are collectively referred to herein as "Parties" or individually as a "Party."

**PART ONE – THE UNIFORM TERMS**

**RECITALS**

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the State of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

**ARTICLE I**

**AWARD AND GRANTEE SPECIFIC INFORMATION AND CERTIFICATION**

1.1 DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that 010231009 is Grantee's correct DUNS number, that 36-6006075 is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration. Grantee is doing business as a (check one):

- |  |   |
|--|---|
| <input type="checkbox"/> Individual                            | <input type="checkbox"/> Pharmacy-Non Corporate   |
| <input type="checkbox"/> Sole Proprietorship                   | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery Corp.                             |
| <input type="checkbox"/> Partnership                           | <input type="checkbox"/> Tax Exempt   |
| <input type="checkbox"/> Corporation (includes Not For Profit) | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Medical Corporation                   | <input type="checkbox"/> P = partnership  |
| <input checked="" type="checkbox"/> Governmental Unit          | <input type="checkbox"/> C = corporation  |
| <input type="checkbox"/> Estate or Trust                       |   |
| <input type="checkbox"/> Pharmacy-Non Corporate                |   |

If Grantee has not received a payment from the State of Illinois in the last two years, Grantee must submit a W-9 tax form with this Agreement.

**Agreement No.** 18-1597-5955

1.2 Amount of Agreement. Grant Funds (check one)  shall not exceed or  are estimated to be **\$ 2,580,000.00**, of which **\$ 0.00**, are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this agreement.

1.3 Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is \_\_\_\_\_, the Federal awarding agency is \_\_\_\_\_, and the Federal Award date is \_\_\_\_\_. If applicable, the Catalog of Federal Domestic Assistance (CFDA) Name is \_\_\_\_\_ and Number is \_\_\_\_\_. The Catalog of State Financial Assistance (CSFA) Number is 494-81-1597.

1.4 Term. This Agreement shall be effective on March 30, 2018 and shall expire on March 30, 2020 unless terminated pursuant to this Agreement.

1.5 Certification. Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

**THE REST OF THIS PAGE IS LEFT INTENTIONALLY BLANK**

1.6 Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Check if under \$250,000. If under \$250,000 the Secretary's signature may be delegated.

**Illinois Department of Transportation**

**City of Rochelle**

**By:** \_\_\_\_\_  
Signature of Randall S. Blankenhorn, Secretary

**By:** \_\_\_\_\_  
Signature of Authorized Representative

**By:** \_\_\_\_\_  
Signature of Designee

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

Printed Title: \_\_\_\_\_

Email: \_\_\_\_\_

*Designee*

**By:** \_\_\_\_\_  
Signature of First Other Approver's Name & Title

**By:** \_\_\_\_\_  
Signature of Authorized Representative

**By:** \_\_\_\_\_  
Signature of Designee

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

Printed Title: \_\_\_\_\_

Email: \_\_\_\_\_

*Designee*

**By:** \_\_\_\_\_  
Signature of Second Other Approver's Name & Title

**By:** \_\_\_\_\_  
Signature of Designee

**Date:** \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

*Designee*

**By:** \_\_\_\_\_  
Signature of Third Other Approver's Name & Title

**By:** \_\_\_\_\_  
Signature of Designee

**Date:** \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

*Designee*

**By:** \_\_\_\_\_  
Signature of Fourth Other Approver's Name & Title

**By:** \_\_\_\_\_  
Signature of Designee

**Date:** \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Title: \_\_\_\_\_

*Designee*

**ARTICLE II  
REQUIRED REPRESENTATIONS**

2.1 Standing and Authority. Grantee warrants that:

(a) Grantee is validly existing and in good standing, if applicable, under the laws of the State in which it was incorporated, organized, or created.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is an agency under the laws of jurisdiction other than Illinois, Grantee warrants that it is also duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2 Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the Federal Internal Revenue Code (26 USC 1), the Illinois Revenue Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3 Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to \$25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4 Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. See 44 Ill. Admin. Code 7000.30(b)(1)(A).

2.5 Compliance with Registration Requirements. Grantee and its sub-grantees shall: (i) be registered with the Federal SAM; (ii) be in good standing with the Illinois Secretary of State, if applicable; and (iii) have a valid DUNS number. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

**ARTICLE III  
DEFINITIONS**

3.1 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

“2 CFR Part 200” means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

“Agreement” or “Grant Agreement” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Allocable Costs” means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

“Allowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Award” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Budget” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“CFDA” or “Catalog of Federal Domestic Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Close-out Report” means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

“Conflict of Interest” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Consolidated Financial Report” means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

“Cost Allocation Plan” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“CSFA” or “Catalog of State Financial Assistance” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Direct Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Disallowed Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“DUNS Number” means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Grantee’s organization. Assignment of a DUNS Number is mandatory for all organizations seeking an Award from the State of Illinois.

“FAIN” means the Federal Award Identification Number.

“FFATA” or “Federal Funding Accountability and Transparency Act” has the same meaning as in 31 USC 6101; P.L. 110-252.

“Fixed-Rate” has the same meaning as in 44 Ill. Admin. Code 7000.20. “Fixed-Rate” is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.20.

“GAAP” or “Generally Accepted Accounting Principles” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Grant Funds” has the same meaning as in 30 ILCS 705.

“Indirect Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Indirect Cost Rate” means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

“Indirect Cost Rate Proposal” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Net Revenue” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Net Revenue” is synonymous with “Profit.”

“Nonprofit Organization” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Notice of Award” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“OMB” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Prior Approval” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Profit” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Profit” is synonymous with “Net Revenue.”

“Program” means the services to be provided pursuant to this Agreement.

“Program Costs” means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

“Program Income” has the same meaning as in 44 Ill. Admin. Code 7000.20.

“Related Parties” has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

“SAM” means the federal System for Award Management (SAM); which is the Federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

“State” means the State of Illinois.

“Term” has the meaning set forth in Paragraph 1.4.

“Unallowable Costs” has the same meaning as in 44 Ill. Admin. Code 7000.20.

**ARTICLE IV  
PAYMENT**

4.1 Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2 Illinois Grant Funds Recovery Act. Any Grant Funds remaining that are not expended or legally obligated by Grantee at the end of the Agreement period, or in the case of capital improvement Awards at the end of the time period Grant Funds are available for expenditure or obligation, shall be returned to Grantor within forty-five (45) days in accordance with the Grant Funds Recovery Act (30 ILCS 705/1 *et seq.*). In the event of a conflict between the Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

4.3 Cash Management Improvement Act of 1990. Unless notified otherwise in **PART TWO** or **PART THREE**, Federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable Federal laws or regulations.

4.4 Payments to Third Parties. Grantee agrees that Grantor shall have no liability to Grantee when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith when it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.5 Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the Federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.6 Interest.

(a) All interest earned on Grant Funds held by a Grantee shall become part of the Grant Funds when earned and be treated accordingly for all purposes, unless otherwise provided in **PART TWO** or **PART THREE**. 30 ILCS 705/10.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR Part 200.305(b)(8) or prohibited from doing so by state law. All interest earned shall be considered Grant Funds and are subject to the same restrictions, unless there is an applicable Federal program rule that takes precedence.

(c) A Grantee who is required to reimburse Grant Funds pursuant to an action brought under the Grant Funds Recovery Act, and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986, 30 ILCS 210; See also 30 ILCS 705/10.

4.7 Timely Billing Required. Grantee must submit any payment request to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in **PART TWO** or **PART THREE**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.8 Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee must contain the following certification by an official authorized to legally bind the Grantee:

By signing this report [or payment request], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal or State award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

## ARTICLE V SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

5.1 Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including **Exhibit A** (Project Description) and **Exhibit B** (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State's Notice of Award is incorporated herein as an attachment. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in **PART TWO** (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in **PART THREE**.

5.2 Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. See 2 CFR 200.308.

5.3 Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in **Exhibit G**. Grantee shall adhere to the specific conditions listed therein.

**ARTICLE VI  
BUDGET**

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-Federal as well as the Federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein as an attachment.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

6.3. Discretionary Line Item Transfers. Unless prohibited from doing so in 2 CFR 200.308, transfers between approved line items may be made without Grantor's approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

6.4. Non-discretionary Line Item Transfers. Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars (\$1,000) of the Budget line item require Grantor approval as set forth in Paragraph 6.2.

6.5. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

**ARTICLE VII  
ALLOWABLE COSTS**

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) This Paragraph 7.2 applies only to:

- (i) A Grantee who charges, or expects to charge, any Indirect Costs; and
- (ii) A Grantee who is allowed to charge Indirect Costs under federal or state statutes, state administrative rules, and agency or program rules, regulations and policies.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations for approval no later than three months after the effective date of the Award, in a format prescribed by Grantor.

- (i) Appendix VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for State and local governments.
- (ii) Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for institutions of higher education.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant Federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the Federal government. Grantor will accept that Indirect Cost Rate, up to any statutory, rule- based or programmatic limit. However, for Grantees to which Appendix III of 2 CFR Part 200 applies, the rate amount must not exceed 26% (see 2 CFR Part 200, Appendix III(C)(8)).

7.3 Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See 2 CFR 200.451.

7.4. Higher Education Cost Principles. The Federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

7.5. Government Cost Principles. The Federal cost principles that apply to State, local and Federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

7.6. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each State- and Federally-funded Program. Accounting records must contain information pertaining to State and Federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. See 2 CFR 200.302.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.5).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO, PART THREE** or **Exhibit G** of the requirement to submit Personnel activity reports. See 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement.

(d) **Budget Control.** Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.7 Federal Requirements. All Awards, whether funded in whole or in part with either Federal or State funds, are subject to Federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.6.

7.8 Profits. It is not permitted for any person or entity to earn a Profit from an Award. See, e.g., 2 CFR 200.400(g); see also 30 ILCS 708/60(a)(7).

7.9 Management of Program Income. Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

## ARTICLE VIII REQUIRED CERTIFICATIONS

8.1 Certifications. Grantee shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.* or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by Federal or State government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than \$5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC §1251 *et seq.*).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any Federal department or agency (45 CFR Part 76), or by the State (*See* 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

## ARTICLE IX CRIMINAL DISCLOSURE

9.1. **Mandatory Criminal Disclosures.** Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. See 30 ILCS 708/40. Additionally, if Grantee receives over \$10 million in total Grant Funds, funded by either State or Federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix II of 2 CFR Part 200, and 30 ILCS 708/40.

## ARTICLE X UNLAWFUL DISCRIMINATION

10.1. **Compliance with Nondiscrimination Laws.** Both Parties, their employees and subcontractors under subcontract made pursuant to this Agreement, remain compliant with all applicable provisions of State and Federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

- (a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;
- (b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);
- (c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (See also guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);
- (d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);
- (e) The Americans with Disabilities Act of 1990 (42 USC 12101 *et seq.*); and
- (f) The Age Discrimination Act (42 USC 6101 *et seq.*).

**ARTICLE XI  
LOBBYING**

11.1 Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2 Federal Form LLL. If any funds, other than Federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3 Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR Part 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4 Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5 Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6 Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

**ARTICLE XII  
MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING**

12.1 Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.333, unless a different retention period is specified in 2 CFR 200.333. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2 Accessibility of Records. Grantee, in compliance with 2 CFR 200.336, shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, Federal authorities, any person identified in 2 CFR 200.336, and any other person as may be authorized by Grantor (including auditors), by the State of Illinois or by Federal statute. Grantee shall cooperate fully in any such audit or inquiry.

12.3 Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4 Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable State and Federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. See 2 CFR 200.328 and 200.331. Additional monitoring requirements may be in PART TWO or PART THREE.

**ARTICLE XIII  
FINANCIAL REPORTING REQUIREMENTS**

13.1 Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.207. The first of such reports shall cover the first three months after the Award begins. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report. Additional information regarding required financial reports may be set forth in Exhibit G. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*; 2 CFR 207(b)(3) and 200.327.

13.2 Close-out Reports.

(a) Grantee shall submit a Close-out Report within 60 calendar days following the end of the period of performance for this Agreement. In the event that this Agreement is terminated prior to the end of the Term, Grantee shall submit a Close-out Report within 60 calendar days of such termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.343.

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.344.

### 13.3 Annual Financial Reports.

(a) This Paragraph 13.3 applies to all Grantees, unless exempted by **PART TWO** or **PART THREE**.

(b) Grantees shall submit Annual Financial Reports within 180 days after the Grantee's fiscal year ending on or after June 30. This deadline may be extended at the discretion of the Grantor.

(c) The Annual Financial Report must cover the same period the Audited Financial Statements cover. If no Audited Financial Statements are required, however, then the Annual Financial Report must cover the same period as the Grantee's tax return.

(d) Annual Financial Reports must include an in relation to opinion from the report issuer on the Cost and Revenue schedules included in the Annual Financial Report.

(e) Annual Financial Reports shall follow a format prescribed by Grantor.

(f) Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available.

13.4 Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding.

## **ARTICLE XIV PERFORMANCE REPORTING REQUIREMENTS**

14.1 Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO** or **PART THREE**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. In unusual circumstances where more frequent reporting is necessary some Grantees may be required to submit monthly Performance Reports; in such cases, Grantor shall notify Grantee of same in **PART TWO** or **PART THREE**. Pursuant to 2 CFR 200.328, periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.328. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2 Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, within 60 calendar days following the end of the period of performance. See 2 CFR 200.343.

14.3 Content of Performance Reports. Pursuant to 2 CFR 200.328(b)(2) all Performance Reports must include Program qualitative and quantitative information, including a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost if required; performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4 Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. See 2 CFR 200.301 and 200.210.

## **ARTICLE XV AUDIT REQUIREMENTS**

15.1 Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules set forth by the Governor's Office of Management and Budget. See 30 ILCS 708/65(c).

### 15.2 Audit Requirements.

(a) Single and Program-Specific Audits. If, during its fiscal year, Grantee expends \$750,000 or more in Federal Awards (direct federal and federal pass-through awards combined) Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit and reporting package (including data collection form and management letters) must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit). The audit (and package) must be submitted to Grantor within the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the audit period.

(b) Financial Statement Audit. If, during its fiscal year, Grantee expends less than \$750,000 in Federal Awards, Grantee is subject to the following audit requirements:

(i) If, during its fiscal year, Grantee expends more than \$300,000 in Federal and State Awards, singularly or in any combination, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS).

(ii) If, during its fiscal year, Grantee expends less than \$300,000 in Federal and State Awards, but the total revenue it receives is in excess of \$300,000, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS).

(iii) Grantee must submit its financial statement audit report(s) and any management letters issued by the auditor within the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 180 days after the end of the audit period.

15.3 Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by the Illinois Auditor General, or a Certified Public Accountant or Certified Public Accounting Firm licensed in the State of Illinois. For audits required to be performed subject to Generally Accepted Government Auditing Standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter.

15.4 Report Timing. Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available.

**ARTICLE XVI  
TERMINATION; SUSPENSION; NON-COMPLIANCE**

16.1 Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) calendar days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.339(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

(i) Pursuant to a funding failure under Paragraph 4.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;

(iii) For cause, which may render the Grantee ineligible for consideration for future grants from the Grantor or other State agencies; or

(iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2 Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3 Non-compliance. If Grantee fails to comply with applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.207. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.338. The Parties shall follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System.

16.4 Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee's non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 2 CFR 200.341.

16.5 Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

(i) Grantor expressly authorizes them in the notice of suspension or termination; and

(ii) The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.342.

16.6 Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.339(c).

## **ARTICLE XVII SUBCONTRACTS/SUB-GRANTS**

17.1 Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved.

17.2 Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by Federal and State laws and regulations, and the provisions of this Agreement.

## **ARTICLE XVIII NOTICE OF CHANGE**

18.1 Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, Federal employer identification number (FEIN), DUNS number, SAM registration status, Related Parties, or address. See 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2 Failure to Provide Notification. Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3 Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4 Circumstances Affecting Performance: Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee's ability to perform under this Agreement.

18.5 Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

## **ARTICLE XIX STRUCTURAL REORGANIZATION**

19.1 Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action or changes significantly affecting its overall structure and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. This 0 does not require Grantee to report on minor changes in the makeup of its governance structure. Nevertheless, **PART TWO** or **PART THREE** may impose further restrictions. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

## **ARTICLE XX AGREEMENTS WITH OTHER STATE AGENCIES**

20.1 Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

## **ARTICLE XXI CONFLICT OF INTEREST**

21.1 Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.112 and 44 Ill. Admin. Code 7000.40(b)(3).

21.2 Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person currently holding an elective office in this State including, but not limited to, a seat in the General Assembly. In addition, where the Grantee is not an instrumentality of the State of Illinois, as described in this Paragraph, Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person employed by an office or agency of the State of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13). An instrumentality of the State of Illinois includes, without limitation, State departments, agencies, boards, and State universities. An instrumentality of the State of Illinois does not include, without limitation, municipalities and units of local government and related entities. 2 CFR 200.64.

21.3 Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

## **ARTICLE XXII EQUIPMENT OR PROPERTY**

22.1 Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439(a). Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2 Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3 Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President’s Office of Management and Budget, the Governor’s Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State statutes and executive orders.

**ARTICLE XXIII  
PROMOTIONAL MATERIALS; PRIOR NOTIFICATION**

23.1 Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase “Funding provided in whole or in part by the [Grantor].” Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

23.2 Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

**ARTICLE XXIV  
INSURANCE**

24.1 Purchase and Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in PART TWO or PART THREE.

24.2 Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

**ARTICLE XXV  
LAWSUITS**

25.1 Independent Contractor. Neither Grantee nor any employee or agent of Grantee acquires any employment rights with Grantor by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee’s use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or State of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2 Liability. Neither Party shall be liable for actions chargeable to the other Party under this Agreement including, but not limited to, the negligent acts and omissions of Party’s agents, employees or subcontractors in the performance of their duties as described under this agreement, unless such liability is imposed by law. This agreement shall not be construed as seeking to enlarge or diminish any obligation or duty owed by one Party against the other or against a third party.

**ARTICLE XXVI  
MISCELLANEOUS**

26.1 Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2 Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3 Exhibits and Attachments. **Exhibits A through G, PART TWO, PART THREE**, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4 Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5 Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6 Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7 No Waiver. No failure of either Party to assert any right or remedy hereunder will act as a waiver of either Party's right to assert such right or remedy at a later time or constitute a course of business upon which either Party may rely for the purpose of denial of such a right or remedy.

26.8 Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the State of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9 Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable Federal and State laws, including, without limitation, Federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10 Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable State and Federal statutes, Federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11 Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12 Precedence. In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between **PART ONE** and **PART TWO** or **PART THREE** of this Agreement, **PART ONE** shall control. In the event there is a conflict between **PART TWO** and **PART THREE** of this Agreement, **PART TWO** shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

26.13 Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.14 Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.16 Attorney Fees and Costs. Unless prohibited by law, if Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.**

**EXHIBIT A**

**PROJECT DESCRIPTION**

CSFA Number: 494-81-1597      NOSA/SAIN Number: 1597-5955

GATA Registration Number: 676492.00

The Project shall consist of the satisfactory completion of the Authorized Scope of Work indicated in the U. S. Department of Commerce, Economic Development Administration Grant (Project Number 06-01-06045):

The Project will construct an extension of the City of Rochelle's Short-Line Railroad ("Line"). The construction components include extending three existing industrial rail tracks 9,750 lineal feet south from the Line's current terminus at John's Creek in Rochelle, Illinois, including a new precast-concrete bridge structure over John's Creek. Also included in the project is an expansion of a current rail switchyard, with the addition of an additional 3,600 linear feet of industrial track. The rail improvements will be constructed in accordance with industrial track standards utilizing steel ties and 115-pound rail. The Project will include the necessary grading and drainage, sub-ballast and ballast construction, roadway crossing and signalization, site restoration, and all miscellaneous appurtenances.

**EXHIBIT B**

**DELIVERABLES OR MILESTONES**

Grantee shall before any construction work on the Project begins provide to the Grantor a full set of plans, specifications and detailed cost estimate for the project work. Plans shall be sealed by a Professional Engineer and where required a Structural Engineer licensed in the State of Illinois.

At the completion of the Project, the Grantee shall provide the Grantor with a full set of "As-Built" plans and a revised set of specifications if changes to the specifications were made.

**EXHIBIT C**

**PAYMENT**

Grantee shall receive \$ 2,580,000.00 under this Agreement.

Enter specific terms of payment here:

Grantee shall receive up to \$2,580,000.00 from the Grantor for authorized Project costs under this Agreement. Payments from the Grantor shall be made as a percentage reimbursement for Eligible Project costs of Project authorized work items completed and paid for by the Grantee. Project expenses that exceed the estimated Project cost that are not covered by the Federal Economic Development Administration Grant 06-01-06045 or the \$2,580,000.00 contribution from the Grantor shall be covered by the Grantee. Disbursements shall be made not more often than monthly, within ninety (90) days of receipt by Grantor of the Grantee's reimbursement request along with all required supporting documentation. Grantor shall notify Grantee within thirty (30) days of receipt of said documents if said documents are deficient in form and substance. Grantee shall have thirty (30) days from receipt of said notification to correct any deficiencies and resubmit said documents. Failure by Grantor to notify Grantee within thirty (30) days of receipt of said documents shall in no way be construed as an acceptance by Grantor of said documents. All estimated eligible Project costs comprising a requested disbursement shall be determined in accordance with sound accounting procedures.

This Project will be funded by a combination of Federal EDA Grant, local investment and this Agreement. The Grantor is not a party to the Federal EDA Grant and, as such, this Agreement does not include Federal funds and has no matching funding requirement. However, the Grantor will base its funding contribution to the Project as a reimbursement of a set percentage of those items of Project work as indicated below:

	Federal	State/Grantor	City of Rochelle	Total
Administration & Legal	\$9,773	\$0	\$10,227	\$20,000
Arhitect/Engineering Fees	\$219,896	\$0	\$230,104	\$450,000
Construction Insp/Mgmnt	\$183,246	\$0	\$191,754	\$375,000
Construction	\$3,007,686	\$2,580,000	\$567,314	\$6,155,000
<b>TOTALS</b>	<b>\$3,420,601</b>	<b>\$2,580,000</b>	<b>\$999,399</b>	<b>\$7,000,000</b>

The Grantee may adjust the distribution of payments as shown above from Federal EDA Grant and City of Rochelle local funds in any manner consistent with the requirements of the EDA Grant. Grantor reimbursements will be based on providing 41.9% of authorized expenditures for Construction up to the maximum Grantor contribution of \$2,580,000.

**EXHIBIT D**

**CONTACT INFORMATION**

**CONTACT FOR NOTIFICATION:**

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

**GRANTOR CONTACT**

Name: Samuel Tuck III, PE  
Title: Bureau Chief, Freight Rail Management  
Address: 69 W. Washington Street, Suite 2100, Chicago, Illinois 60602  
Phone: 312-793-3940  
TTY#: \_\_\_\_\_  
Fax#: 312-793-1251  
E-mail Address: Samuel.Tuck@illinois.gov

**GRANTEE CONTACT**

Name: Jason Anderson  
Title: Economic Development Director  
Address: 420 N. 6<sup>th</sup> Street, Rochelle, IL 61068  
Phone: 815-562-7595  
TTY#: \_\_\_\_\_  
Fax#: 815-562-3888  
E-mail Address: janderson@rochelleil.us

Additional Information:

**EXHIBIT E**

**PERFORMANCE MEASURES**

In addition to the supporting documentation required to accompany each reimbursement request as indicated in Exhibit C the Grantee shall provide the following reports:

\* Monthly Construction Progress Reports (these may be suspended during winter months if no construction activities are being performed).

\* Quarterly Reports in accordance with the requirements of the Grant Funds Recovery Act, 30 ILCS 705/1 et seq.

**EXHIBIT F****PERFORMANCE STANDARDS**

The Project shall be constructed free from deficiencies in accordance with the approved plans and specifications, complying with all building, zoning and other applicable governmental laws, ordinances, regulations, rules, permits, requirements, restrictive covenants, annexation agreements, development agreements, court orders, and decrees affecting the project. All railroad track and bridge work shall follow the recommendations of the American Railway Engineering and Maintenance of Way Association's (AREMA) Manual of Railway Engineering (current edition) and in full compliance with 49 CFR Parts 213 & 214. Roadway and related work will meet the requirements of the Illinois Department of Transportation's (IDOT) Standard Specifications for Road and Bridge Construction (current edition with current Supplemental Specifications and Recurring Special Provisions. New and or modified at grade crossings shall be authorized and approved by the Illinois Commerce Commission (ICC) and be constructed in full compliance with the approved designs and requirements set by the ICC.

Procurement. All procurement transactions without regard to dollar value shall be conducted in a manner that provides open and free competition in accordance with sound railroad industry practices. Except as authorized or required by the Federal EDA Grant funding this Project or as otherwise authorized in writing by Grantor, Grantee shall not execute any contract or otherwise obligate itself in any manner to any third party with respect to the Project; no such authorization shall be required with respect to nonprofessional services of a routine nature in the ordinary course of Grantee's business. No such authorization shall be granted by Grantor unless Grantee provides evidence satisfactory to Grantor that such third parties are ready, willing and able to provide bid guarantees and performance and payment bonds.

**EXHIBIT G**

**SPECIFIC CONDITIONS**

**I. Budgetary Controls (2 CFR 200.308)**

- i. Grantee shall submit quarterly IDOT BOBS 2832 form in addition to other required reports.

Corrective Action(s) needed to change status:

Implementation of new or enhanced system controls, mitigating controls or a combination of both.

Timeframe: One year from the implementation of corrective action.

**II. Cost Principles (2 CFR 200.400)**

- i. Grantee shall submit quarterly IDOT BOBS 2832 form in addition to other required reports.

Corrective Action(s) needed to change status:

Implementation of additional controls for reviewing and approval expenditures.

Timeframe: One year from the implementation of additional controls.

**III. Audit (2 CFR 200.500)**

- i. Grantee shall submit quarterly IDOT BOBS 2832 form in addition to other required reports.

Corrective Action(s) needed to change status:

Completion of corrective action plan implementation.

Timeframe: When corrective action plan is complete.

**IV. Procurement Standards (2 CFR 200.317-326)**

- i. Grantee shall submit quarterly IDOT BOBS 2832 form in addition to other required reports.

Corrective Action(s) needed to change status:

Implementation of new or enhanced controls over procurement activities.

Timeframe: One year from the implementation of corrective action.

**V. Fraud, Waste, and Abuse**

- i. Grantee shall submit quarterly IDOT BOBS 2832 form in addition to other required reports.

Corrective Action(s) needed to change status:

Implementation of a fraud awareness program including information on how to report fraud, waste and abuse without fear of retaliation. Timeframe: One year from the implementation of corrective action.

Grantor may remove (or reduce) a Specific Condition included in this Exhibit G by providing notice in writing to the Grantee.

**PART TWO – THE GRANTOR-SPECIFIC TERMS**

In addition to the uniform requirements in **PART ONE**, the Grantor has the following additional requirements for its Grantee:

**RENEWAL**

This Agreement may not be renewed.

**AUDIT**

Grantee shall permit, and shall require its contractors and auditors to permit, the Grantor, and any authorized agent of the Grantor, to inspect all work, materials, payrolls, audit working papers, and other data and records pertaining to the Project; and to audit the books, records, and accounts of the Grantee with regard to the Project. The Grantor may, at its sole discretion and at its own expense, perform a final audit of the Project. Such audit may be used for settlement of the grant and Project closeout. Grantee agrees to implement any audit findings contained in the Grantor's authorized inspection or review. final audit, the Grantee's independent audit, or as a result of any duly authorized inspection or review.

**ETHICS**

A. Code of Conduct

1. Personal Conflict of Interest – The Grantee shall maintain a written code or standard of conduct which shall govern the performance of its employees, officers, board members, or agents engaged in the award and administration of contracts supported by state or federal funds. Such code shall provide that no employee, officer, board member or agent of the Grantee may participate in the selection, award, or administration of a contract supported by state or federal funds if a conflict of interest, real or apparent 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 which employs, or is about to employ, any of the above.

The conflict of interest restriction for former employees, officers, board members and agents shall apply for one year.

The code shall also provide that Grantee's employees, officers, board members, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts. The Grantor may waive the prohibition contained in this subsection, provided that any such present employee, officer, board member, or agent shall not participate in any action by the Grantee or the locality relating to such contract, subcontract, or arrangement. The code shall also prohibit the officers, employees, board members, or agents of the Grantee from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

2. Organizational Conflict of Interest – The Grantee will also prevent any real or apparent organizational conflict of interest. An organizational conflict of interest exists when the nature of the work to be performed under a proposed third party contract or subcontract may, without some restriction on future activities, result in an unfair competitive advantage to the third party contractor or Grantee or impair the objectivity in performing the contract work.

**PROCUREMENT PROCEDURES/ EMPLOYMENT OF GRANTOR PERSONNEL**

1. Procurement of Goods or Services – Federal Funds – For purchases of products or services with any Federal funds that costs more than \$3,000.00 but less than the simplified acquisition threshold fixed at 41 U.S.C. 403(11), (currently set at \$100,000.00) the Grantee shall obtain price or rate

quotations from an adequate number (at least three) of qualified sources. Procurement of products or services with any Federal funds for \$100,000 or more will require the Grantee to use the Invitation for Bid process or the Request for Proposal process. In the absence of formal codified procedures of the Grantee, the procedures of the Grantor will be used. The Grantee may only procure products or services from one source with any Federal funds if: (1) the products or services are available only from a single source; or (2) the Grantor authorizes such a procedure; or (3) the Grantor determines competition is inadequate after solicitation from a number of sources.

2. Procurement of Goods or Services – State Funds -- For purchases of products or services with any State of Illinois funds that cost more than \$20,000.00, (\$10,000.00 for professional and artistic services) but less than the small purchase amount set by the Illinois Procurement Code Rules, (currently set at \$50,000.00 and \$20,000.00 for professional and artistic services) the Grantee shall obtain price or rate quotations from an adequate number (at least three) of qualified sources. Procurement of products or services with any State of Illinois funds for \$50,000.00 or more for goods and services and \$20,000.00 or more for professional and artistic services) will require the Grantee to use the Invitation for Bid process or the Request for Proposal process. In the absence of formal codified procedures of the Grantee, the procedures of the Grantor will be used. The Grantee may only procure products or services from one source with any State of Illinois funds if: (1) the products or services are available only from a single source; or (2) the Grantor authorizes such a procedure; or, (3) the Grantor determines competition is inadequate after solicitation from a number of sources.

The Grantee shall include a requirement in all contracts with third parties that the contractor or consultant will comply with the requirements of this Agreement in performing such contract, and that the contract is subject to the terms and conditions of this Agreement.

3. Employment of Grantor Personnel -- The Grantee will not employ any person or persons currently employed by the Grantor for any work required by the terms of this Agreement.

#### DISPUTE RESOLUTION

In the event of a dispute in the interpretation of the provisions of this Agreement, such dispute shall be settled through negotiations between the Grantor and the Grantee. In the event that agreement is not consummated at this negotiation level, the dispute will then be referred through proper administrative channels for a decision and ultimately, if necessary, to the Secretary of the Illinois Department of Transportation. The Grantor shall decide all claims, questions and disputes which are referred to it regarding the interpretation, prosecution and fulfillment of this Agreement. The Grantor's decision upon all claims, questions and disputes shall be final and conclusive.

### PART THREE – THE PROJECT-SPECIFIC TERMS

In addition to the uniform requirements in **PART ONE** and the Grantor-Specific Terms in **PART TWO**, the Grantor has the following additional requirements for this Project:

#### BILLING SCHEDULE

The Grantee may submit payment requests to Grantor upon the completion and payment of approved items of work as described in Exhibit C "Payment". It is expected that Grantee submit payment requests monthly or as otherwise approved by Grantor. Payment requests more often than monthly will not be accepted unless authorized in advance by Grantor. During winter or other periods of limited construction activity payment requests may be made at periods exceeding monthly. This paragraph constitutes "another billing schedule" as provided for in paragraph 4.7 of Part 1, Article IV.

#### NO LITIGATION

Except as noted at the end of this paragraph there are no actions, suits or proceedings pending or, to the best of Grantee's knowledge, threatened against or affecting Grantee or the project before any court, governmental, administrative, regulatory, adjudicatory or arbitrational body or agency of any kind including, without limitation, environmental Protection laws, rules or regulations, which would materially and adversely affect the Project or Grantee's ability to perform its obligations under this Agreement . Without limitation of the foregoing there are no pending, or, to the best of Grantee's knowledge, threatened proceedings or actions to revoke, attack, challenge the validity, rescind or modify the zoning or annexation of the project or any permits heretofore issued with respect hereto, asserting such zoning or permits do not permit the development of the project as contemplated hereby. Grantee has not received notice of any of the foregoing actions, suits or proceedings.

Litigation Exceptions: NONE

#### NO DEFAULT

The consummation of the transactions herein contemplated and performance of this Agreement will not result in the breach of, or constitute a default under any instrument or agreement to which Grantee is a party or by which Grantee or the Project is bound.

#### PERMITS AND LICENSES

All permits, certificates and licenses required for or in connection with the construction and operation of the Project have been or will be duly and validly issued. Such permits and licenses are in full force and effect other than any permits or licenses which can only be issued upon completion of the Project. Grantee has no reason to believe that such permits and licenses will not be issued upon completion of the Project.

#### TITLE

Grantee is the sole owner and holder of good and marketable title to the Project free and clear of all liens securing indebtedness for money granted subject only to the exceptions set forth below as "Permitted Exceptions to Title":

Permitted Exceptions to Title: NONE

#### INSPECTION

(a) Grantee will permit and cooperate with Grantor in arranging for inspections during normal business hours of the project by any representative of Grantor. Grantee acknowledges and agrees to the following: (i) all such inspections and any reports made in connection therewith shall be made at Grantor's expense for the sole benefit of Grantor; (ii) neither Grantor, nor any of its representatives, agents or contractors assume any responsibility or liability (except to Grantor) by reason of such inspections, reports or the furnishing of any such reports to Grantee; (iii) Grantee will not rely upon any such inspections or reports for any purpose whatsoever, except that the Project has been or is being completed in compliance with the approved plans and specifications; and (iv) such inspections and the furnishing of any such reports to Grantee will not constitute a waiver of any of the provisions of this Agreement or any of the obligations of Grantee hereunder.

(b) Grantee will permit and cooperate with Grantor in arranging for inspections of all of books and records of Grantee and any contractor which relate to any item or task intended to receive funds directly or indirectly pursuant to this Agreement.

(c) Representatives of Grantor shall report to Grantor and Grantee any deficiencies and delays not otherwise excused by the terms and conditions hereof. Grantee shall investigate such alleged deficiencies and delays and correct them at Grantee's sole expense within a reasonable time or respond in writing to Grantor, setting forth the basis on which Grantee believes the report of such deficiencies and/or delays is inaccurate. The Grantee shall not use any amounts disbursed pursuant to this Agreement to pay for a replacement or correction required under this provision.

(d) Grantee shall provide to Grantor, within thirty (30) days following any track inspection, copies of any and all track inspection reports completed by the Federal Railroad Administration (FRA) or other appropriate governmental authorities until the Use and Maintenance requirement described below has been fulfilled.

#### USE AND MAINTENANCE

Grantee shall sufficiently maintain the Project, without the use of Grantor or Federal funds to meet the minimum standards of FRA Class I Track Safety Standards to permit safe operation of rail freight for a minimum period of five (5) years following completion of the Project.

#### CHARGES

Grantee will pay, or cause to be paid, all taxes, assessments and other similar charges which are assessed, levied, confirmed, imposed or which become a lien upon or against the Project or any portion thereof, or which become payable with respect thereto or with respect to the use or possession of the Project before the same become delinquent.

#### LIENS

The Project and the material shall be kept free and clear of liens and encumbrances, unless bonded or insured in a manner satisfactory to Grantor, of every nature or description, other than liens of Grantor and the exceptions described in the attached "Permitted Exceptions to Title" and as permitted in writing by Grantor.

#### CONVEYANCE; OTHER FINANCING

During the term of the Agreement and until the end of the minimum Use and Maintenance period, neither the Project, nor any portion thereof or interest therein, will be sold, conveyed, transferred, assigned, hypothecated, encumbered, or disposed of except as described in the "Permitted Exceptions to Title" nor will an agreement for any of the foregoing be entered into, except as described in the "Permitted Exceptions to Title", without Grantor's prior written consent.

#### BUY AMERICA

In performance of its obligations pursuant to this Agreement, Grantee shall comply with all applicable provisions of the Steel Products Procurement Act, 30 ILCS 565/1 et seq. Reimbursement requests submitted by Grantee shall include a certification of compliance with the Steel Products Procurement Act for all items of material procured covered by the Act.

#### HAZARDOUS SUBSTANCES

Grantee hereby represents, warrants and covenants to Grantor that:

(a) The Project and the use and operation thereof are currently in compliance and will remain in compliance with all applicable environmental, health and safety laws and regulations.

(b) Grantee (i) has not received any notice of any hazardous or toxic or other waste substances or materials in, under or upon the project or of any violation of any environmental protection laws or regulations with respect to the Project; or (ii) does not know of any basis for any such notice or violation with respect to the Project. Grantee covenants and agrees that no waste, petroleum products, pesticides or toxic or hazardous substances or materials, within the definition of any applicable statute or regulation, shall be used or stored upon the Project (except those products used in the ordinary course of Grantee's business which are used in full and complete compliance with any and all applicable laws, ordinances or regulations relating to the use or storage thereof) and the Grantee shall protect, defend, indemnify and hold Grantor harmless from and against any and all loss, cost (including attorneys' fees and expenses), liability and damage whatsoever because of or in any way resulting from any violation or claimed violation of any of the covenants or agreements set forth in the section or any applicable statute or regulation for the protection of the environment which occurs upon the project, or by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation, without regard to fault on the part of Grantee.

(c) There are no pending or, to the best of Grantee's knowledge, threatened actions, suits or proceedings (or notices of potential actions, suits or proceedings) by any governmental agency or any other entity regarding any environmental, health or safety law, waste disposal or "super lien" or similar governmental actions, or proceedings that would affect or impair the value or usefulness of the Project. Grantee has not received notice of any of such actions, suits or proceedings. Grantee will promptly notify Grantor of any notices, or any pending or threatened action, suit or proceeding in the future, and Grantee will promptly cure and have dismissed with prejudice any such actions, suits and proceedings to the satisfaction of Grantor.

(d) The business and all operations conducted on the Project have and will lawfully dispose of their wastes.

(e) Grantee assumes all obligations of compliance with all environmental requirements imposed by federal, state and local authorities that affect the project or any business or other activity conducted thereon or therewith. In the event any governmental or quasi-governmental agency having jurisdiction over Grantee or the project determines that there is a violation of any applicable statute or regulation relating to the environment, then, in the event Grantee disagrees with such determination, Grantee shall be entitled to defend or contest such claim for a period of up to sixty (60) days after notice of such determination before Grantor shall have the right (but not the obligation) to cure any such alleged violation. Any fees, costs and expenses imposed upon or incurred by Grantor at any time and from time to time in correcting or curing or attempting to correct or cure an alleged violation or on account of any breach of any of the covenants, representations or warranties contained in this section shall be immediately due and payable by Grantee to Grantor upon demand for reimbursement for same, and shall (together with interest thereon at the rate of interest allowed by Statute from the date such fees, costs and expenses are so imposed upon or incurred by Grantor) become part of the indebtedness secured by this Agreement. Grantee hereby covenants and agrees to protect, defend, indemnify and hold harmless Grantor from any and all such costs and expenses. Notwithstanding anything herein to the contrary, Grantee covenants and agrees to cure any alleged violation in the event such alleged violation constitutes an emergency situation or in the event Grantor determines, in its sole reasonable discretion, that such alleged violation materially impairs that value of the Project.

**CONDITIONS FOR MAKING GRANT**

The obligation of Grantor to make any portion of the Grant shall be subject to the following conditions, in addition to such matters and conditions as are otherwise required hereunder, all in form and substance acceptable to Grantor. Grantor shall have received a duly executed copy of each of the following, in form and substance acceptable to Grantor and its counsel:

- (a) this Agreement;
- (b) UCC Financing Statement(s) naming Grantee, as debtor in favor of Grantor, as secured party, together with a description of any and all applicable collateral delineated hereunder;
- (c) Performance Bond by Grantee or by Grantee's contractor; and
- (d) Such other opinions, documents, certificates, certifications and approvals required hereunder or as Grantor or its counsel may reasonably request.

**INDEMNITY**

If any loss, damage, destruction, injury or death occurs to any person or property as a result of or in the course of the performance by Grantee of its obligations under this Agreement, whether intentional or unintentional, Grantee agrees to indemnify and hold harmless Grantor from any and all liability of Grantor which may result from any such loss, damage, destruction, injury or death including, without limitation, all related costs and reasonable attorneys' fees and expenses. Grantee shall not be obligated to indemnify and hold harmless Grantor from liability for injury or death proximately caused by the negligence of an employee or agent of Grantor. If any claim for indemnity is asserted by the Grantor, Grantor shall give prompt notice thereof to Grantee and Grantee shall assume the defense thereof, with full power to litigate, compromise, or settle same in its sole discretion, it being understood that the Grantor will not settle or consent to a settlement of any claim for which indemnity will be sought hereunder without the prior consent of Grantee.

**SUBROGATION**

Grantor shall be subrogated to claims and liens of all parties whose claims or liens are discharged or paid, directly or indirectly, with the proceeds of this Agreement. Grantee shall do nothing to interfere with or prejudice the Grantor's right to recover damages or seek other relief against a third party and shall furnish all reasonable assistance and cooperation to the Grantor in connection with the Grantor's action against such third party, including assistance in the prosecution of suit and the execution of instruments of assignment in favor of Grantor.

**SURVIVAL**

Grantee covenants, warrants and represents to State that all representations and warranties of Grantee contained in this Agreement shall be true from the time of Grantee's execution of this Agreement until expiration of the term of this Agreement and the Use and Maintenance requirement described above has been fulfilled. All Grantee's warranties, representations, undertakings and covenants contained in this Agreement shall survive the termination or cancellation of this Agreement.

**REFERENCE TO LEGISLATION**

Wherever in this Agreement reference is made to a standard mandated or defined in a state or federal statute, rule or regulation, such standard shall be deemed to include and be modified herein by any amendments, revisions or other modifications enacted or promulgated in connection therewith, including without limitation, the opinions, rulings and decisions of any state or federal court. Without limitation of the foregoing, any such reference herein shall not prevent a more rigorous standard from applying to Grantee as a result of such amendment, revision or modification.

**WAIVER**

Except as otherwise specifically provided in the Agreement, and notwithstanding anything to the contrary that may be contained in this Agreement, Grantee waives any and all notice or demand which Grantee might be entitled to receive by virtue of any applicable statute or law. In addition, Grantee waives presentment, demand and protest and notice of presentment, protest, default, dishonor, non-payment, maturity, release, compromise, settlement, extension or renewal of any or all agreements, instruments or documents at any time held by Grantor on which Grantee may in any way be liable.

**AUTHORITY OF GRANTEE'S AGENTS**

Until Grantor is notified by Grantee to the contrary in writing by registered or certified mail directed to Grantor's principal place of business, the signature upon this Agreement or upon any of the other agreements of any partner, manager, employee or agent of Grantee, or any other person designated in writing to Grantor by any of the foregoing, shall bind Grantee and be deemed to be the duly authorized act of Grantee.

STATE OF ILLINOIS	UNIFORM GRANT BUDGET TEMPLATE	AGENCY IDOT	
Organization Name: City of Rochelle	DUNS# 010231009	NOFO #18-1597-001	
CSFA Number: 494-81-1597	CSFA Description: State Rail Grant Program	Fiscal Year: 2018	
<b>SECTION A -- STATE OF ILLINOIS FUNDS</b>			
<b>Revenues</b>		<b>TOTAL REVENUE</b>	
(a). State of Illinois Grant Amount Requested		\$	2,580,000.00
<b>BUDGET SUMMARY STATE OF ILLINOIS FUNDS</b>			
<b>Budget Expenditure Categories</b>	<b>OMB Uniform Guidance Federal Awards Reference 2 CFR 200</b>	<b>TOTAL EXPENDITURES</b>	
1. Personnel (Salaries & Wages)	200.430	\$	-
2. Fringe Benefits	200.431	\$	-
3. Travel	200.474	\$	-
4. Equipment	200.439	\$	-
5. Supplies	200.94	\$	-
6. Contractual Services & Subawards	200.318 & 200.92	\$	-
7. Consultant (Professional Services)	200.459	\$	-
8. Construction		\$	2,580,000.00
9. Occupancy (Rent & Utilities)	200.465	\$	-
10. Research & Development (R&D)	200.87	\$	-
11. Telecommunications		\$	-
12. Training & Education	200.472	\$	-
13. Direct Administrative costs	200.413 (c)	\$	-
14. Miscellaneous Costs		\$	-
15. A. <u>Grant Exclusive Line Item(s)</u>		\$	-
B. <u>Grant Exclusive Line Item(s)</u>		\$	-
16. Total Direct Costs (lines 1-15)	200.413	\$	2,580,000.00
17. Indirect Costs* (see below)	200.414	\$	-
Rate: _____ % Base: _____			
<b>18. Total Costs State Grant Funds (16 &amp; 17)</b>		\$	2,580,000.00

**SECTION - A (continued) Indirect Cost Rate Information**

If your organization is requesting reimbursement for indirect costs on line 17 of the Budget Summary, please select one of the following options.

1)  Our Organization receives direct Federal funding and currently has a Negotiated Indirect Cost Rate Agreement (NICRA) with our Federal Cognizant Agency. A copy of this agreement will be provided to the State of Illinois' Indirect Cost Unit for review and documentation before reimbursement is allowed. This NICRA will be accepted by all State of Illinois Agencies up to any statutory, rule-based or programmatic restrictions or limitations.

*NOTE: (If this option is selected, please provide basic Negotiated Indirect Cost Rate Agreement information in area designated below)*

Your Organization may not have a Federally Negotiated Indirect Cost Rate Agreement. Therefore, in order for your Organization to be reimbursed for Indirect Costs from the State of Illinois, your Organization must either:

- A. Negotiate an Indirect Cost Rate with the State of Illinois' Indirect Cost Unit with guidance from your State Cognizant Agency on an annual basis.
- B. Elect to use the de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely on State of Illinois Awards.
- C. Use a Restricted Rate designated by programmatic or statutory policy. (See Notice of Funding Opportunity for Restricted Rate Programs)

2a)  Our Organization currently has a Negotiated Indirect Cost Rate Agreement with the State of Illinois that will be accepted by all State of Illinois Agencies up to any statutory, rule-based or programmatic restrictions or limitations. Our Organization is required to submit a new Indirect Cost Rate Proposal to the Indirect Cost Unit within six (6) months after the close of each fiscal year (2 CFR 200 Appendix IV (C)(2)(c)).

*NOTE: (If this option is selected, please provide basic Indirect Cost Rate information in area designated below)*

2b)  Our Organization currently does not have a Negotiated Indirect Cost Rate Agreement with the State of Illinois. Our Organization will submit our initial Indirect Cost Rate Proposal (ICRP) immediately after our Organization is advised that the State award will be made and, in no event, later than three (3) months after the effective date of the State award (2 CFR 200 Appendix IV (C)(2)(b)). The initial ICRP will be sent to the State of Illinois' Indirect Cost Unit.

*NOTE: (Check with your State of Illinois Agency for information regarding reimbursement of indirect costs while your proposal is being negotiated)*

3)  Our Organization has never received a Negotiated Indirect Cost Rate Agreement from either the Federal government or the State of Illinois and elects to charge the de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely on State of Illinois awards (2 CFR 200.414 (c)(4)(f) & (200.68)).

*NOTE: (Your Organization must be eligible, see 2 CFR 200.414 (f), and submit documentation on the calculation of MTDC within your Budget Narrative under Indirect Costs)*

4)  For Restricted Rate Programs (check one) -- Our Organization is using a restricted indirect cost rate that:

\_\_\_\_\_ Is included as a "Special Indirect Cost Rate" in our NICRA (2 CFR 200 Appendix IV (5)) Or;

\_\_\_\_\_ Complies with other statutory policies (please specify):

The Restricted Indirect Cost Rate is \_\_\_\_\_%

5)  No reimbursement of Indirect Cost is being requested. (Please consult your program office regarding possible match requirements)

**Basic Negotiated Indirect Cost Rate Agreement information if Option (1) or (2a) is selected**

Period Covered by the NICRA: From: <u>07/01/2017</u> To: <u>06/30/2018</u> (mm/dd/yyyy)
Approving Federal/State agency (please specify): <u>Illinois Emergency Management Agency</u>
The Indirect Cost Rate is <u>10</u> % The Distribution Base is: <u>MTDC</u>

STATE OF ILLINOIS	UNIFORM GRANT BUDGET	AGENCY IDOT	
Organization Name: City of Rochelle	TEMPLATE DUNS# 010231009	NOFO # 18-1597-001	
CSFA Number: 494-81-1597	CSFA Description: State Rail Grant Program	Fiscal Year: 2018	
<b>SECTION B -- NON STATE OF ILLINOIS FUNDS</b>			
<b>Revenues</b>			<b>TOTAL REVENUE</b>
Grantee Match Requirement _____ % <i>(Agency to populate)</i>			
(b). -Cash		\$	999,399.00
(c). -Non-cash		\$	-
(d). Other Funding & Contributions		\$	3,420,601.00
<b>NON-STATE Funds Total</b>		\$	4,420,000.00
<b>BUDGET SUMMARY NON-STATE OF ILLINOIS FUNDS</b>			
<b>Budget Expenditure Categories</b>	<b>OMB Uniform Guidance Federal Awards Reference 2 CFR 200</b>		<b>TOTAL EXPENDITURES</b>
1. Personnel (Salaries & Wages)	200.430	\$	-
2. Fringe Benefits	200.431	\$	-
3. Travel	200.474	\$	-
4. Equipment	200.439	\$	-
5. Supplies	200.94	\$	-
6. Contractual Services & Subawards	200.318 & 200.92	\$	20,000.00
7. Consultant (Professional Services)	200.459	\$	825,000.00
8. Construction		\$	3,575,000.00
9. Occupancy (Rent & Utilities)	200.465	\$	-
10. Research & Development (R&D)	200.87	\$	-
11. Telecommunications		\$	-
12. Training & Education	200.472	\$	-
13. Direct Administrative costs	200.413 (c)	\$	-
14. Miscellaneous Costs		\$	-
15. A. <u>Grant Exclusive Line Item(s)</u>		\$	-
B. <u>Grant Exclusive Line Item(s)</u>		\$	-
16. Total Direct Costs (lines 1-15)	200.413	\$	4,420,000.00
17. Indirect Costs* (see below)	200.414	\$	-
Rate: _____ %			
Base: _____			
<b>18. Total Costs NON -State Grant Funds (16 &amp; 17)</b>		\$	4,420,000.00

<b>CERTIFICATION</b>	<b>STATE OF ILLINOIS UNIFORM GRANT BUDGET TEMPLATE</b>	<b>AGENCY: IDOT</b>
<b>Organization Name: City of Rochelle</b>	<b>CSFA Description: State Rail Grant Program</b>	<b>NOFO # 18-1597-001</b>
<b>CSFA Number: 494-81-1597</b>	<b>DUNS# 010231009</b>	<b>Fiscal Year(s) : 2018</b>

(2 CFR 200.415)

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate and that any false, fictitious, or fraudulent information or the omission of any material fact, could result in the immediate termination of my grant award(s).

City of Rochelle

Institution/Organization

  
Signature

Mr. Chet Olson

Name of Official

Mayor

Title

Chief Financial Officer (or equivalent)

2/16/18  
Date of Execution

Institution/Organization

Signature

Name of Official

Title

Executive Director (or equivalent)

Date of Execution

**Note: The State awarding agency may change required signers based on the grantee’s organizational structure. The required signers must have the authority to enter into contractual agreements on behalf of the organization.**

**FFATA Data Collection Form (if needed by agency)**

Under FFATA, all subrecipients who receive \$25,000 or more must provide the following information for federal reporting. Please fill out the following form accurately and completely.

4-digit extension if applicable			
<b>Subrecipient DUNS:</b>			
<b>Subrecipient Parent Company DUNS:</b>			
<b>Subrecipient Name:</b>			
<b>Subrecipient DBA Name:</b>			
<b>Subrecipient Address:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Subrecipient Principal Place of Performance:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Contract Number (if known):</b>	<b>Award Amount:</b>	<b>Project Period:</b>	
		<b>From: To:</b>	
<b>State of Illinois Awarding Agency and Project Detail Description:</b>			
<b>Under certain circumstances, subrecipient must provide names and total compensation of its top 5 highly compensated officials. Please answer the following two questions and follow the instructions:</b>			
<p><b>Q1.</b> In your business or organization's previous fiscal year, did your business or organization (including parent organization, all branches and all affiliates worldwide) receive (1) 80% or more of your annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants and/or cooperative agreements and (2) \$25,000,000 or more in annual gross revenue from U.S. federal contracts, subcontracts, loans, grants, subgrants and/or cooperative agreements?</p> <p><input type="checkbox"/></p> <p>Yes    If yes, must answer Q2 below</p> <p><input type="checkbox"/></p> <p>No    If no, you are not required to provide data.</p>			
<p><b>Q2.</b> Does the public have access to information about the compensation of the senior executives in your business or organization (including parent organization, all branches, and all affiliates worldwide) through periodic reports filed under section 13(a) or 15(d) of the Security Exchange Act of 1934 (5 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue code of 1986 (i.e., on IRS Form 990)?</p> <p><input type="checkbox"/></p> <p>Yes</p> <p><input type="checkbox"/></p> <p>No    If no, you must provide the data. Please fill out the rest of this form.</p>			
<b>Please provide names and total compensation of the top five officials:</b>			
<b>Name:</b>			<b>Amount:</b>
<b>Name:</b>			<b>Amount:</b>
<b>Name:</b>			<b>Amount:</b>
<b>Name:</b>			<b>Amount:</b>
<b>Name:</b>			<b>Amount:</b>

## Section C - Budget Worksheet & Narrative

1). **Personnel (Salaries & Wages)** (2 CFR 200.430) --List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project and length of time working on the project . Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization. Include a description of the responsibilities and duties of each position in relationship to fulfilling the project goals and objectives in the narrative space provided below. Also, provide a justification and description of each position (including vacant positions). Relate each position specifically to program objectives. Personnel cannot exceed 100% of their time on all active projects.

Name	Position	Computation				Cost
		Salary or Wage	Basis (Yr./Mo./Hr.)	% of Time	Length of time	
						\$ -
						\$ -
						\$ -
						\$ -
					<i>State Total</i>	\$ -
						\$ -
					<i>NON-State Total</i>	\$ -
<b>Personnel Narrative (State):</b>						
						<i>State Total</i> \$ -
<b>Personnel Narrative (Non-State) i.e. "Match" or "Other Funding"</b>						
						<i>NON-State Total</i> \$ -
						<b>Total Personnel</b> \$ -

## Section C - Budget Worksheet & Narrative

2). **Fringe Benefits** (2 CFR 200.431)--Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in category (1) direct salaries and wages, and only for the percentage of time devoted to the project. Provide the fringe benefit rate used and a clear description of how the computation of fringe benefits was done. Provide both the annual (for multiyear awards) and total. If a fringe benefit rate is not used, show how the fringe benefits were computed for each position. The budget justification should be reflected in the budget description. Elements that comprise fringe benefits should be indicated.

Name	Position	Computation		Cost
		Base	Rate	
				\$ -
				\$ -
				\$ -
				\$ -
			<i>State Total</i>	\$ -
				\$ -
			<i>NON-State Total</i>	\$ -
<b>Fringe Benefits Narrative (State):</b>				
			<i>State Total</i>	\$ -
<b>Fringe Benefits Narrative (Non-State) i.e. "Match" or "Other Funding"</b>				
			<i>NON-State Total</i>	\$ -
			<b>Total Fringe Benefits</b>	\$ -

## Section C - Budget Worksheet & Narrative

3). **Travel** (2 CFR 200.474)-- Travel should include: origin and destination, estimated costs and type of transportation, number of travelers, related lodging and per diem costs, brief description of the travel involved, its purpose, and explanation of how the proposed travel is necessary for successful completion of the project. In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and unit cost involved. Identify the location of travel, if known; or if unknown, indicate "location to be determined." Indicate source of Travel Policies applied, Applicant or State of Illinois Travel Regulations. **NOTE:** Dollars requested in the travel category should be for staff travel only. Travel for consultants should be shown in the consultant category along with the consultant's fee. Travel for training participants, advisory committees, review panels and etc., should be itemized the same way as indicated above and placed in the "Miscellaneous" category.

Purpose of Travel	Location	Computation					Cost
		Items	Cost Rate	Basis	Quantity	# of Trips	
							\$ -
							\$ -
							\$ -
							\$ -
						<i>State Total</i>	\$ -
							\$ -
						<i>NON-State Total</i>	\$ -

<b>Travel Narrative (State):</b>          <div style="text-align: right; padding-right: 20px;"><i>State Total</i> \$ -</div>
--

<b>Travel Narrative (Non-State) i.e. "Match" or "Other Funding"</b>          <div style="text-align: right; padding-right: 20px;"><i>NON-State Total</i> \$ -</div>
---

**Total Travel** \$ -

## Section C - Budget Worksheet & Narrative

4). **Equipment** (2 CFR 200.439) -- Provide justification for the use of each item and relate them to specific program objectives. Provide both the annual (for multiyear awards) and total for equipment. Equipment is defined as an article of tangible personal property that has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. An applicant organization may classify equipment at a lower dollar value but cannot classify it higher than \$5,000. (Note: Organization's own capitalization policy for classification of equipment can be used). Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

Item	Computation			Cost
	Quantity	Cost		
			\$	-
			\$	-
		<i>State Total</i>	\$	-
			\$	-
		<i>NON-State Total</i>	\$	-
<b>Equipment Narrative (State):</b>				
			<i>State Total</i>	\$ -
<b>Equipment Narrative (Non-State) i.e. "Match" or "Other Funding"</b>				
			<i>NON-State Total</i>	\$ -
			<b>Total Equipment</b>	\$ -

## Section C - Budget Worksheet & Narrative

5). **Supplies** (2 CFR 200.94) --List items by type (office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation		Cost
	Quantity/ Duration	Cost	
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
		<i>NON-State Total</i>	\$ -
<b>Supplies Narrative (State):</b>			
			<i>State Total</i> \$ -
<b>Supplies Narrative (Non-State) i.e. "Match" or "Other Funding"</b>			
			<i>NON-State Total</i> \$ -
			<i>Total Supplies</i> \$ -

## Section C - Budget Worksheet & Narrative

**6. Contractual Services (2 CFR 200.318) & Subawards (200.92)** -- Provide a description of the product or service to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole contracts in excess of \$150,000 (See 2 CFR 200.88). NOTE : this budget category may include **subawards**. Provide separate budgets for each subaward or contract, regardless of the dollar value and indicate the basis for the cost estimates in the narrative. Describe products or services to be obtained and indicate the applicability or necessity of each to the project.

*Please also note the differences between subaward, contract, and contractor (vendor):*

- 1) Subaward (200.92) means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal/State award, including a portion of the scope of work or objectives. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal/State program.
- 2) Contract (200.22) means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward.
- 3) "Vendor" or "Contractor" is generally a dealer, distributor or other seller that provides supplies, expendable materials, or data processing services in support of the project activities.

Name of Organization	Contract or Subaward	Description of Activities	Cost
<i>To be determined</i>	Contract	Administrative and legal expenses	\$ 20,000
			\$ -
		<i>State Total</i>	\$ -
			\$ -
		<i>NON-State Total</i>	\$ 20,000
<b>Contractual Services Narrative (State):</b>			
Contractual services include administrative and legal services necessary to complete the project.			
		<i>State Total</i>	\$ -
<b>Contractual Services Narrative (Non-State) i.e. "Match" or "Other Funding"</b>			
		<i>NON-State Total</i>	\$ 20,000
<b>Total Contractual Services</b>			<b>\$ 20,000</b>

## Section C - Budget Worksheet & Narrative

7). **Consultant Services and Expenses** (2 CFR 200.459) -- **Consultant Services (Fees):** For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project. **Consultant Expenses:** List all expenses to be paid from the grant to the individual consultant in addition to their fees (i.e., travel, meals, lodging, etc.) Consultant-- Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisitions Policy is used.

Consultant Services (Fees)	Service Provided	Computation			Cost
		Fee	Basis	Quantity	
<b>Fehr Graham</b>	Design Engineering Services	450000	Flat Fee		\$ 450,000
	Construction Engineering and Inspection	\$ 375,000			\$ 375,000
<b>State Total</b>					<b>\$ -</b>
<b>NON-State Total</b>					<b>\$ 825,000</b>

Consultant Expenses	Location	Computation					Cost
		Items	Cost Rate	Basis	Quantity	# of Trips	
							\$ -
							\$ -
<b>State Total</b>							<b>\$ -</b>
<b>NON-State Total</b>							<b>\$ 825,000</b>

**Consultant Narrative (State):**

*Fehr Graham will provide design engineering, construction engineering, construction contractor procurement services, construction oversight and inspection services for this project. Construction engineering and inspection service will be procured and paid for in a manner that qualifies them to be eligible under the Illinois State Rail Grant.*

**State Total** \$ -

**Consultant Narrative (Non-State) i.e. "Match" or "Other Funding"**

*Funding for consultant services will be provided by an EDA grant and by City funds.*

**NON-State Total** \$ 825,000

**Total Consultant** \$ 825,000

## Section C - Budget Worksheet & Narrative

8). **Construction**-- Provide a description of the construction project and an estimate of the costs. As a rule, construction costs are not allowable unless with prior written approval. In some cases, minor repairs or renovations may be allowable. Consult with the program office before budgeting funds in this category. Estimated construction costs must be supported by documentation including drawings and estimates, formal bids, etc. As with all other costs, follow the specific requirements of the program, the terms and conditions of the award, and applicable regulations.

Purpose	Description of Work	Cost
---------	---------------------	------

**EXAMPLES**

<i>Construction</i>	<i>Site work and public rail construction</i>	\$ 6,155,000
	<i>State Total</i>	\$ 2,580,000
	<i>NON-State Total</i>	\$ 3,575,000

<p><b>Construction Narrative (State):</b>                  City of Rochelle proposes expansion of the City of Rochelle Railroad, a municipally-owned short-line railroad to facilitate expansion of rail-served industry; spur private investment; increase local tax revenue; and add well-paying jobs for the community and region.</p>	<p><i>State Total</i> \$ 2,580,000</p>
---	--

<p><b>Construction Narrative (Non-State) i.e. "Match" or "Other Funding"</b>                  Other funding for this budget item will be provided by an EDA grant and City match.</p>	<p><i>NON-State Total</i> \$ 3,575,000</p>
---	--

**Total Construction** \$ 6,155,000

## Section C - Budget Worksheet & Narrative

9). **Occupancy -Rent and Utilities** (2 CFR 200.465) -- List items and descriptions by major type and the basis of the computation. Explain how rental and utility expenses are allocated for distribution as an expense to the program/service. For example, provide the square footage and the cost per square foot rent and utility, and provide a monthly rental and utility cost and how many months to rent. **NOTE:** This budgetary line item is to be used for direct program rent and utilities, all other indirect or administrative occupancy costs should be listed in the indirect expense section of the Budget worksheet and narrative. Maintenance and repair costs may be included here if directly allocated to program.

Description	Computation				Cost
	Quantity	Basis	Cost	Length of time	
					\$ -
					\$ -
					\$ -
				<i>State Total</i>	\$ -
					\$ -
				<i>NON-State Total</i>	\$ -
<b>Occupancy Narrative (State):</b>					<i>State Total</i> \$ -
<b>Occupancy Narrative (Non-State) i.e. "Match" or "Other Funding"</b>					<i>NON-State Total</i> \$ -
<b>Total Occupancy</b>					<b>\$ -</b>



## Section C - Budget Worksheet & Narrative

11). **Telecommunications** -- List items and descriptions by major type and the basis of the computation. Explain how telecommunication expenses are allocated for distribution as an expense to the program/service. NOTE: This budgetary line item is to be used for direct program telecommunications, all other indirect or administrative telecommunication costs should be listed in the indirect expense section of the Budget worksheet and narrative.

Description	Computation				Cost
	Quantity	Basis	Cost	Length of time	
					\$ -
					\$ -
					\$ -
				<i>State Total</i>	\$ -
					\$ -
				<i>NON-State Total</i>	\$ -

**Telecommunications Narrative (State):**

	<i>State Total</i> \$ -
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**Telecommunications Narrative (Non-State) i.e. "Match" or "Other Funding"**

	<i>NON-State Total</i> \$ -
--	-----------------------------

**Total Telecommunications** \$ -

## Section C - Budget Worksheet & Narrative

12). **Training and Education** (2 CFR 200.472) -- Describe the training and education cost associated with employee development. Include rental space for training (if required), training materials, speaker fees, substitute teacher fees, and any other applicable expenses related to the training. When training materials (pamphlets, notebooks, videos, and other various handouts) are ordered for specific training activities, these items should be itemized below.

Description	Computation				Cost
	Quantity	Basis	Cost	Length of time	
					\$ -
					\$ -
					\$ -
				<i>State Total</i>	\$ -
					\$ -
				<i>NON-State Total</i>	\$ -
<b>Training &amp; Education Narrative (State):</b>					
				<i>State Total</i>	\$ -
<b>Training &amp; Education Narrative (Non-State) i.e. "Match" or "Other Funding"</b>					
				<i>NON-State Total</i>	\$ -
<b>Total Training &amp; Education</b>					<b>\$ -</b>

## Section C - Budget Worksheet & Narrative

**13). Direct Administrative Costs** - (2 CFR 200.413 (c) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met: (1) Administrative or clerical services are integral to a project or activity; (2) Individuals involved can be specifically identified with the project or activity; (3) Such costs are explicitly included in the budget or have the prior written approval of the State awarding agency; and (4) The costs are not also recovered as indirect costs.

Name	Position	Computation				Cost
		Salary or Wage	Basis (Yr./Mo./Hr.)	% of Time	Length of time	
						\$ -
						\$ -
					<i>State Total</i>	\$ -
						\$ -
					<i>NON-State Total</i>	\$ -

<b>Direct Administrative Narrative (State):</b>          	<i>State Total</i> \$ -
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<b>Direct Administrative Narrative (Non-State) i.e. "Match" or "Other Funding"</b>          	<i>NON-State Total</i> \$ -
--	-----------------------------

**Total Direct Administrative Costs** \$ -

## Section C - Budget Worksheet & Narrative

14). **Other or Miscellaneous Costs** --This category contains items not included in the previous categories. List items by type of material or nature of expense, break down costs by quantity and cost per unit if applicable, state the necessity of other costs for successful completion of the project and exclude unallowable costs (eg. Printing, Memberships & subscriptions, recruiting costs, etc.)

Description	Computation				Cost
	Quantity	Basis	Cost	Length of time	
					\$ -
					\$ -
					\$ -
					\$ -
				<i>State Total</i>	\$ -
					\$ -
				<i>NON-State Total</i>	\$ -

<b>Other Costs Narrative (State):</b>	
	<i>State Total</i> \$ -

<b>Other Cost Narrative (Non-State) i.e. "Match" or "Other Funding"</b>	
	<i>NON-State Total</i> \$ -

**Total Other Costs** \$ -

## Section C - Budget Worksheet & Narrative

**15. GRANT EXCLUSIVE LINE ITEM:** Costs directly related to the service or activity of the program that is an integral line item for budgetary purposes. To use this budgetary line item, an applicant must have Program approval. (Please cite reference per statute for unique costs directly related to the service or activity of the program).

Description	Computation				Cost
	Quantity	Basis	Cost	Length of time	
					\$ -
					\$ -
					\$ -
					\$ -
				<i>State Total</i>	\$ -
					\$ -
				<i>NON-State Total</i>	\$ -
<b><u>GRANT EXCLUSIVE LINE ITEM Narrative (State):</u></b>					
					<i>State Total</i> \$ -
<b><u>GRANT EXCLUSIVE LINE ITEM Narrative (Non-State) i.e. "Match" or "Other Funding"</u></b>					
					<i>NON-State Total</i> \$ -
<b><i>Total <u>GRANT EXCLUSIVE LINE ITEM</u></i></b>					\$ -

## Section C - Budget Worksheet & Narrative

**16. Indirect Cost** (2 CFR 200.414) --Provide the most recent indirect cost rate agreement information with the itemized budget. The applicable indirect cost rate(s) negotiated by the organization with the cognizant negotiating agency must be used in computing indirect costs (F&A) for a program budget. The amount for indirect costs should be calculated by applying the current negotiated indirect cost rate(s) to the approved base(s). After the amount of indirect costs is determined for the program, a breakdown of the indirect costs should be provided in the budget worksheet and narrative below.

Description	Computation		Cost
	Base	Rate	
			\$ -
			\$ -
		<i>State Total</i>	\$ -
			\$ -
		<i>NON-State Total</i>	\$ -
<b>Indirect Cost Narrative (State):</b>			
			<i>State Total</i> \$ -
<b>Indirect Cost Narrative (Non-State) i.e. "Match" or "Other Funding"</b>			
			<i>NON-State Total</i> \$ -
			<b>Total Indirect Costs</b> \$ -

## Section C - Budget Worksheet & Narrative

**Budget Narrative Summary**--When you have completed the budget worksheet, transfer the totals for each category to the spaces below to the uniform template provided (SECTION A & B). Verify the total costs and the total project costs. Indicate the amount of State requested funds and the amount of non-State funds that will support the project.

<i>Budget Category</i>	<i>State</i>	<i>NON-State</i>	<i>Total</i>
<i>1. Personnel</i>	\$ -	\$ -	-
<i>2. Fringe Benefits</i>	\$ -	\$ -	-
<i>3. Travel</i>	\$ -	\$ -	-
<i>4. Equipment</i>	\$ -	\$ -	-
<i>5. Supplies</i>	\$ -	\$ -	-
<i>6. Contractual Services</i>	\$ -	\$ 20,000	20,000
<i>7. Consultant (Professional Services)</i>	\$ -	\$ 825,000	825,000
<i>8. Construction</i>	\$ 2,580,000	\$ 3,575,000	6,155,000
<i>9. Occupancy (Rent &amp; Utilities)</i>	\$ -	\$ -	-
<i>10. Research &amp; Development (R&amp;D)</i>	\$ -	\$ -	-
<i>11. Telecommunications</i>	\$ -	\$ -	-
<i>12. Training &amp; Education</i>	\$ -	\$ -	-
<i>13. Direct Administrative Costs</i>	\$ -	\$ -	-
<i>14. Other or Misc. Costs</i>	\$ -	\$ -	-
<i>15. GRANT EXCLUSIVE LINE ITEM</i>	\$ -	\$ -	-
<i>16. Indirect Costs</i>	\$ -	\$ -	-
 <i>State Request</i>	 \$ 2,580,000		
 <i>Non-State Amount</i>		 \$ 4,420,000	
<b>TOTAL PROJECT COSTS</b>		<b>\$</b>	<b>7,000,000</b>

