

INTER-GOVERNMENTAL AGREEMENT



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

The Illinois Department of Transportation (IDOT), Aeronautics (Grantor), with its principal office #1 Langhorne Bond Drive, Springfield, Illinois 62707,
and City of Rochelle (Grantee), with its principal office Rochelle City Hall, 420 North 6th Street, Rochelle, Illinois 61068,
and payment address (if different than principal office) at 1201 West Gurler Road, Rochelle, IL 61068-1540
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, 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.

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1.2 Amount of Agreement. Grant Funds (check one) shall not exceed or are estimated to be **\$253,620.00**, of which **\$228,558.00**, 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 3-17-SBGP-133 & 139, the Federal awarding agency is Federal Aviation Administration, and the Federal Award date is _____. If applicable, the Catalog of Federal Domestic Assistance (CFDA) Name is Airport Improvement Program and Number is 20.106. The Catalog of State Financial Assistance (CSFA) Number is 494-60-0327. The State Award Identification Number is 327-11509.

1.4 Term. This Agreement shall be effective on the execution date and shall expire five years from the execution date 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.

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Agreement No. _____

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.

IDOT, Aeronautics

By: _____

Signature of Director, OIPI

By: _____

Signature of Designee

Date: _____

Printed Name: Vacant

Printed Title: Director, OIPI

Designee

By: _____

Signature of Philip C. Kaufmann, Chief Legal Counsel

By: _____

Signature of Designee

Date: _____

Printed Name: Philip C. Kaufmann

Printed Title: Chief Legal Counsel

Designee

By: _____

Signature of Director of OPP

By: _____

Signature of Designee

Date: _____

Printed Name: Vacant

Printed Title: _____

Designee

By: _____

Signature of Joanne Woodworth, Acting CFO

By: _____

Signature of Designee

Date: _____

Printed Name: Joanne Woodworth

Printed Title: Acting CFO

Designee

By: _____

Signature of Omar Osman, Acting Secretary of Transportation

By: _____

Signature of Designee

Date: _____

Printed Name: Omar Osman

Printed Title: Acting Secretary of Transportation

Designee

City of Rochelle

By: _____

Signature of Authorized Representative

Date: _____

Printed Name: _____

Printed Title: City Clerk

Email: _____

By: _____

Signature of Authorized Representative

Date: _____

Printed Name: _____

Printed Title: Mayor

Email: _____

**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; (iii) have a valid DUNS number; and (iv) have successfully completed the annual registration and prequalification through the Grantee Portal. 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 Part 7000.

“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 Part 7000.

“Award” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Budget” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“CFDA” or “Catalog of Federal Domestic Assistance” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“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 Part 7000.

“Consolidated Year-End 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 Part 7000.

“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 Part 7000.

“Disallowed Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“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.

“Financial Assistance” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Fixed-Rate” has the same meaning as in 44 Ill. Admin. Code Part 7000. “Fixed-Rate” is in contrast to fee-for-service, 44 Ill. Admin. Code Part 7000.

“GAAP” or “Generally Accepted Accounting Principles” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Grant Funds” means the Financial Assistance made available to Grantee through this Agreement.

“Indirect Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“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 Part 7000.

“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 Part 7000.

“Notice of Award” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“OMB” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Prior Approval” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“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 Part 7000.

“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 Part 7000.

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 Return of Grant Funds. 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. See 2 CFR 200.343(d); 2 CFR 200.305(b)(9); 30 ILCS 705/5.

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. See 2 CFR 200.305; 44 Ill. Admin. Code Part 7000.

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 be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in **PART TWO** or **PART THREE**. Any amount due shall be remitted annually in accordance with 2 CFR 200.305(b)(9) or to the Grantor, as applicable.

(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).

(c) A Grantee who is required to reimburse Grant Funds pursuant to an action brought under the Illinois 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**, **PART THREE**, or **Exhibit C**. 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 by reference. 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.

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**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) All Grantees must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations, in a format prescribed by Grantor. For Grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award.. For Grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of the Grantee's fiscal year end, as dictated in the applicable appendices, such as:

- (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.
- (iii) Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and
- (iv) Appendix V to Part 200 governs State/Local Governmentwide Central Service Cost Allocation Plans.

(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 and a copy of the cost policy statement used to negotiate that rate. Grantor will accept that Indirect Cost Rate, up to any statutory, rule- based or programmatic limit.

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. 2 CFR 200.303.

(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 2 CFR 200.205(a), 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 Financial Assistance, 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 (as amended)(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 Consolidated Year-End Financial Reports.

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

(b) Grantees shall submit Consolidated Year-End Financial Reports, according to the required audit (see ARTICLE XV), namely:

(i) For Grantees required to conduct a single audit (or program-specific audit), within the earlier of (a) 9 months after the Grantee's fiscal year ending on or after June 30, or (b) 30 calendar days following completion of the audit; or

(ii) For Grantees required to conduct a Financial Statement Audit or for Grantees not required to perform an audit, within 180 days after the Grantee's fiscal year ending on or after June 30.

These deadlines may be extended at the discretion of the Grantor, but only for rare and unusual circumstances such as a natural disaster.

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

(d) Consolidated Year-End Financial Reports must include an in relation to opinion from the report issuer on the financial statements included in the Consolidated Year-End Financial Report.

(e) Consolidated Year-End 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. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for failure to comply.

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. Pursuant to 2 CFR 200.207, specific conditions may be imposed requiring Grantee to report more frequently based on the risk assessment or the merit based review of the application. In such cases, Grantor shall notify Grantee of same in **Exhibit G**. 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 Grantee's 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 \$300,000 or more 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). Grantee may be subject to additional requirements in **PART TWO, PART THREE** or **Exhibit G** based on the Grantee's risk profile.

(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 Grantee's 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 or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). 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. Grantee shall follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

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.

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. Otherwise, Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for late reporting.

**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. To the extent permitted by Illinois law, 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 **Error! Reference source not found.** 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 or in part 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 shall obtain Prior Approval for the use of those funds (2 CFR 200.467) and 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 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 Illinois Grant Funds Recovery Act. In the event of a conflict between the Illinois 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.

26.14 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.

26.15 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.

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PROJECT DESCRIPTION

CSFA Number: 494-60-0327 NOSA/SAIN Number: 327-11509

GATA Registration Number: 676492

The GRANTOR and the GRANTEE desire to sponsor an Airport Improvement Program (AIP) project for the further development of a public airport, known or to be designated as the Rochelle Municipal Airport under Title 49, U.S.C., Subtitle VII, as amended (hereinafter referred to as "Act"), rules, regulations, and procedures promulgated pursuant to; the Illinois Aeronautics Act (620 ILCS 5); and the Intergovernmental Cooperation Act (5 ILCS 220). Project is more fully described below and in Exhibit C.

The GRANTEE has applied for State assistance in procuring State or federal funds and hereby designates the GRANTOR as required by the above legal authority to accomplish the Project described below; and

As applicable, the GRANTOR has filed a preapplication for federal funds, with the FAA on behalf of the GRANTEE and has appropriated certain monies for the Project; and

The GRANTEE hereby designates the GRANTOR, as its Agent, and the hereby accepts the designation to act as Agent for the GRANTEE.

Taxiway - Rehabilitate Access Taxiways: TH/1 & TH 1/1

RPJ-4617
3-17-SBGP-133 & 139

DELIVERABLES OR MILESTONES

Construction: Completion of construction activities as specified by the construction contract associated with the Project.

Preliminary and Construction Engineering: Completion of engineering work as specified by the GRANTEE's engineering agreement.

Right-of-Way: Demonstrate adequate right-of-way documentation and/or purchase of right-of-way.

Utilities: Completion of utility relocation or adjustment as specified by the GRANTEE's agreement with the utility.

Materials: Purchase and delivery of the materials specified by the material proposal.

PAYMENT

Grantee shall receive **\$78,450.00** under this Agreement.

The **GRANTOR** shall accept and disburse all federal, State, and municipal funds, as applicable under this grant, used or to be used in payment of the costs of said Project Status Report, as attached, or in reimbursement to either of the parties hereto for costs previously incurred and shall expire ten years after the execution date of this Agreement. The IDOT Program Letter attached to this Agreement is the formal notification to the Grantor of the Project's inclusion in the state's multi-modal program. In accordance with 2CFR 200 and FAA guidance, pre-award professional service costs incurred by the **GRANTEE** as of the Retainer Agreement execution date (herewith attached), or single project Engineering Agreement execution date, pursuant to the startup of the projects listed in the Request for Qualifications (RFQ), may be considered for participation and/or reimbursement under this Agreement after review, determination of eligibility, and acceptance by the **GRANTOR** and the FAA.

Funds from the United States or the State of Illinois have been or will be tendered in connection with this Project. It is estimated that the total Project costs will be approximately \$78,450.00 of which will be obligated by the State and paid directly to the **GRANTEE** in the following funding breakdown:

90.00%	Federal	<u>\$70,605.00</u>
5.00%	State	<u>\$3,922.50</u>
5.00%	Local (Grantee)	<u>\$3,922.50</u>

The amount of \$166,064.18 will be obligated and paid by the State of Illinois to the lowest bid contractor per the IDOT Letting process in the following funding breakdown:

90.00%	Federal	<u>\$149,457.76</u>
5.00%	State	<u>\$8,303.21</u>
5.00%	Local (Grantee)	<u>\$8,303.21</u>

For documentation purposes only, the amount of approximately \$3,000.00, based on timesheets, will be collected as an administrative fee by the **GRANTOR** from the Federal Grant.

All Parties specifically agree that they shall pay the above defined percentages of all project costs. In addition, the **GRANTEE** shall pay such additional project costs which exceed the sum of the **GRANTOR's** funds and the Federal funds, as are herein committed for this Project.

In accordance with 49 USC § 47111, the **GRANTOR** will not make payments totaling more than 90% of the project cost until all conditions necessary for financial closeout of the project are satisfied.

The **GRANTOR** hereby agrees to participate as stated above to the extent allowed under Sections 34 and 34a of the Illinois Aeronautics Act (620 ILCS 5/34 & 34a).

Payments to the Contractor or Consulting Engineer shall be made either by the **GRANTOR** or **GRANTEE** in accordance with the provisions and requirements of the contract entered into by the Contractor or Consulting Engineer for this project. Whenever such payments are made directly to the **GRANTEE**, the **GRANTEE** must pay the consultant within five (5) business days upon receipt of said payment. If the **GRANTEE** fails to pay the consultant as directed herein, such payment must be returned to the **GRANTOR**, unless an extension or other arrangement is approved, in writing, by the **GRANTOR**.

Following the Project Completion Date and the **GRANTOR's** financial closure of the project, the **GRANTOR** shall credit or reimburse to the **GRANTEE** any excess funds provided by the **GRANTEE**.

The Project Status Report is the schedule of anticipated Project costs per the Budget requirement of Article VI.

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: Rhonda Baskett
Title: Special Programs Manager
Address: #1 Langhorne Bond Drive, Springfield, Illinois 62707
Phone: (217) 785-4255
TTY#: _____
Fax#: (217) 785-4533
E-mail Address: Rhonda.Baskett@illinois.gov

GRANTEE CONTACT

Name: Mr. Michael Hudetz
Title: Airport Manager
Address: 1201 West Gurler Road, Rochelle, Illinois 61068-1540
Phone: (815) 562-8619
TTY#: _____
Fax#: (815) 562-8546
E-mail Address: mhudetz@rochelleil.us

Additional Information:

EXHIBIT E

PERFORMANCE MEASURES

Key Performance Measures under the AIP: AIP provides funding to airports for infrastructure improvements such as safety, security and capacity projects.

- Eliminate airport conditions that cause aircraft accidents and security breaches.
- Reduce the number of people exposed to high levels of noise.
- Maintain airfield pavement in fair or better condition.
- Updated measures as issued by the FAA.

The GRANTEE will submit to the GRANTOR a complete and detailed final invoice with applicable supporting documentation of all incurred costs, less previous payments, no later than twelve (12) months from the date of completion of this phase of the improvement or from the date of the previous invoice, which ever occurs first. If a final invoice is not received within this time frame, the most recent invoice may be considered the final invoice and the obligation of the funds closed.

The GRANTEE shall provide the final report to the appropriate GRANTOR within twelve (12) months of the physical completion date of the project so that the report may be audited and approved for payment. If the deadline cannot be met, a written explanation must be provided to the district prior to the end of the twelve months documenting the reason and the new anticipated date of completion. If the extended deadline is not met, this process must be repeated until the project is closed. Failure to follow this process may result in the immediate close-out of the project and loss of further funding.

For Federally Funded Projects: The GRANTOR is to comply with FAA Order 5100.38D or most current publication of the Airport Improvement Handbook as well as all current Airport Sponsor Grant Assurances. In accordance with AIP Sponsor Guide – 1500 , drawdowns of federal funds are to be done in a reasonable timeframe; prolonged inactivity (i.e., 12 months) may establish sufficient cause for the FAA to recover the unused funds by unilaterally closing the grant. As stated in the guidelines, inactivity of open grants may also jeopardize future federal projects.

For State-Let Projects: The GRANTEE is to remit payments to the GRANTOR in a timely manner as required under Payment Methods A, B, or C in Exhibit C. Failure to remit the payment(s), shall allow the GRANTOR to internally offset, reduce, or deduct the arrearage from any payment or reimbursement due or about to become due and payable from the GRANTOR to GRANTEE on this or any other contract. The STATE, at its sole option, upon notice to the GRANTEE, may place the debt into the Illinois Comptroller's Offset System (15 ILCS 405/10.05) or take such other and further action as may be required to recover the debt.

Agreement No. _____

EXHIBIT F

PERFORMANCE STANDARDS

The current versions of the *AIP Handbook* and *AIP Sponsor Guide*, as approved by FAA at the time this Agreement is executed, are incorporated by reference.

Performance standards are contained in the resulting **GRANTOR** or **GRANTEE** Contract(s) or Engineering Agreement, whichever is applicable for the project. These performance standards include labor, materials, and other specifications and special provisions applicable to the individual Project(s) subject to the granted funds described herein.

SPECIFIC CONDITIONS

Grantor may remove (or reduce) a Specific Condition included in this **Exhibit G** by providing written notice to the Grantee, in accordance with established procedures for removing a Specific Condition.

These specific conditions, as listed in the accepted Notice of State Award (NOSA), are based upon the Grantee's responses to the Fiscal and Administrative Risk Assessment (ICQ), the Programmatic Risk Assessment (PRA) and any pertinent Merit Based Review process (if applicable).

Additional Reporting Requirements may also be found in Part TWO and Part THREE of this agreement.

Budgetary Controls (2CFR 200.308)

More detailed reporting; such as back-up documentation, detailed report of expenditures from accounting system, and other reports that are requested by the Grantor contact.

Corrective action:

Implementation of new or enhanced accounting and finance system(s) to monitor expenses and provide forward looking analysis with regard to potential budgetary changes. Condition may be removed upon request after one year.

Cost Principles (2 CFR 200.400)

Grantee shall request prior approval from Grantor contact for any costs that deviate from approved budget before any expense is incurred.

Corrective Action:

Implementation of additional controls for reviewing and approval of expenditures. Condition may be removed upon request after one year from the implementation of additional controls.

Audit (2 CFR 200.500)

Requires desk review of the status of implementation of corrective actions.

Corrective Action:

Address all audit findings giving priority to significant deficiencies and material weaknesses by implementation of the corrective action plan. Condition may be removed upon request when corrective action is complete.

Procurement Standards (2 CFR 200.317-326)

Grantee shall request prior approval from Grantor contact for any costs that deviate from approved budget before any expense is incurred.

Corrective Action:

Implementation of corrective action including new or enhanced controls over procurements of activities. Conditions may be removed upon request after one year from the implementation of corrective action.

Fraud, Waste and Abuse

Grantee shall develop/update their Fraud awareness program and submit the written program to Grantor contact for approval. Upon approval from Grantor contact, the Grantee shall begin implementation of the program within 30 days.

Corrective Action:

Implementation of a fraud awareness program including information on how to report fraud, waste and abuse without fear of retaliation. Condition may be removed upon request after one year from the implementation of corrective action.

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:

EQUIPMENT AND SUPPLIES Grantee must obtain disposition instructions from Grantor when equipment or supplies, purchased in whole or in part with Grant Funds, are no longer needed for their intended purpose. Notwithstanding anything to the contrary contained within this Agreement, Grantor may require transfer of any equipment or supplies to Grantor or a third party for any reason, including, without limitation, an Award is terminated or Grantee no longer conducts Award activities. The Grantee shall properly maintain, track, use, store and insure the equipment and supplies according to applicable best practices, manufacturer's guidelines, federal and State laws or rules, including without limitation those contained at 2 CFR 200.310 to 2 CFR 200.326, and Grantor requirements stated herein. All obligations regarding use and ownership of equipment or supplies, purchased in whole or in part with Grant Funds, shall survive the termination of this Agreement.

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 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.

Agreement No. _____

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.

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.

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 (no less than three (3)) of qualified source. Procurement of products or services with any Federal funds for \$100,000.00 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.

For Micro-Purchase (2 C.F.R. 200.67) Procurement of Goods or Services with Federal Funds: where the aggregate amount does not exceed the micro purchase threshold currently set at \$3,000.00 or (\$2,000.00 if the procurement is construction and subject to Davis Bacon), to the extent practicable, the Grantee must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the Grantee considers the price to be reasonable. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 C.F.R. Subart 2.1.

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 \$100,000.00 and \$100,000.00 for professional and artistic services) the Grantee shall obtain price or rate quotations from an adequate number (no less than three (3)) 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.

For Procurement of Goods or Services that cost less than \$20,000.00, the Grantee shall comply with the following procurement standards:

(\$1-\$1,999, no Grantor involvement)

1. Estimate the total cost of the procurement.
2. The Grantee may choose any vendor desired.
3. Grantee may choose to award without soliciting competitive quotations if Grantee considers the price to be reasonable.

(\$2,00-\$4,999, requires Grantor approval)

1. Identify a need for the goods or services.
2. Estimate the total cost of the procurement.
3. Develop Specifications to solicit quotes.
4. Obtain quotes from three (3) vendors. Grantee is encouraged to use the registered small business vendor directory (ipg.vendorreg.com).
5. Grantee's purchasing officer shall obtain authorization from Grantor's point of contact provided on Exhibit D.
6. Award to the responsive bidder with the lowest price.

(\$5,000-\$9,999, requires Grantor approval)

1. Identify a need for goods or services.
2. Estimate the total cost of the procurement.
3. Develop specifications to solicit quotes.
4. Obtain quotes from three (3) vendors. Grantee is encouraged to use the registered small business vendor directory (ipg.vendorreg.com).
5. Grantee's purchasing officer shall obtain authorization from Grantor's point of contact provided on Exhibit D.
6. Award to the responsive bidder with the lowest price.

(\$10,000-\$19,999, requires Grantor approval)

1. Identify a need for goods or services.
2. Estimate the total cost of the procurement.
3. Identify registered small businesses in the applicable category.
4. Develop specifications to solicit quotes.
5. Email **ALL** identified small business vendors a request for quote (ipg.vendorreg.com)
6. Prepare or submit information to Grantor's point of contact in Exhibit D.
7. Obtain authorization from Grantor's point of contact provided on Exhibit D.
8. All applicable forms must be approved prior to awarding the contract.

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.

Reporting. Grantee agrees to submit periodic financial and performance reporting on the approved IDOT BoBS 2832 form. Grantee shall file quarterly BoBS 2832 reports with Grantor describing the expenditure(s) of the funds and performance measures related thereto.

The first BoBS 2832 report shall cover the first reporting period after the execution date of the Agreement. Quarterly reports must be submitted no later than 30 calendar days following the period covered by the report.

For the purpose of reconciliation, the Grantee must submit a BoBS 2832 report for the period ending December 31st (Grantee's Fiscal Year End date).

A BoBS 2832 report marked as "Final Report" must be submitted to the Grantor 60 days after the end date of the Agreement. Failure to submit the required BoBS 2832 reports may cause a delay or suspension of funding.

Renewal This Agreement may not be renewed.

Rights and Obligations of the **GRANTEE**:

1. Prior to the Project Completion Date, the **GRANTEE** shall:
 - a. Execute on its own behalf, when applicable, the Application for Federal Assistance made or to be made to the FAA, the acceptance of such Grant Offer as shall be tendered by the United States through the FAA, and any and all amendments to such grant agreement. The **GRANTOR** after approval thereof shall submit this Agreement to the FAA when applicable.
 - b. Employ a Consulting Engineer who is qualified to provide:
 - Qualified resident or project engineer(s), registered in the State of Illinois and approved by the **GRANTOR**;
 - Materials testing technician(s) approved by the **GRANTOR**;
 - Any project reports required by the **GRANTOR** or the FAA; and
 - Compliance with the Disadvantaged Business Enterprise requirements for the Project.
 - c. Obtain for the benefit of the **GRANTOR** all federal, State, and local permits as may be necessary to complete the Project.

Further, for each phase of Project work which is covered by separate contract, the Consulting Engineer shall render to the **GRANTOR**, through the Project Coordinator, both a semifinal and final inspection report. The final inspection report(s) shall certify to the **GRANTOR** and to the **GRANTEE** that the work involved has been fully completed in accordance with the plans, specifications and contract(s), including modifications or supplements by the **GRANTOR** the FAA through an approved change order, supplementary contract, or otherwise. The final inspection report(s) shall also certify that the work is acceptable to the Consulting Engineer.

Further, during the construction of the Project and prior to the Project Completion Date, the Consulting Engineer shall report directly to the Project Coordinator and may receive from the Project Coordinator such delegations of authority as the Project Coordinator believes to be reasonably appropriate to act and approve routine items on behalf of the Project Coordinator and the **GRANTOR**.

2. The **GRANTEE** shall agree that it will strictly comply with all State or Federal laws, rules, regulations, Program Guidance Letters, Grant Assurances and Covenants which are relevant to this Project, including, but not limited to, those stated in or incorporated by reference in the federal Grant Agreement during construction of the Project.

3. After the Project Completion Date, the **GRANTEE** agrees that:
 - a. The airport which is the subject of this Agreement will be owned or effectively controlled, operated, repaired and maintained adequately during its full useful life, or a period of 20 years, whichever is longer, for the rightful, fair, equal, and uniform use and benefit of the public; and
 - b. It will comply with all applicable State and Federal laws, rules, regulations, procedures, covenants and assurances required by the State of Illinois, **GRANTOR**, or the FAA in connection with any funds tendered under the Act in the operation of the airport; and
 - c. It will file with the **GRANTOR** and the FAA such reports as may be requested concerning the use, maintenance, and operation of the Airport.

4. The **GRANTEE** agrees to keep complete and adequate books and records in accordance with standard accounting procedures prescribed by the **GRANTOR** or the FAA relating to the Project described in this Agreement. The **GRANTEE** shall maintain, for a minimum of 5 years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, receipts, and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records, and supporting documents related to the contract shall be available for review and audit by the FAA, Auditor General or the Illinois Department of Transportation/ **GRANTOR**; and the **GRANTEE** agrees to cooperate fully with any audit conducted by the Auditor General or the Illinois Department of Transportation/ **GRANTOR** and to provide full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this section shall establish a presumption in favor of the State for recovery of any funds paid by the State under the contract for which adequate books, records, and supporting documentation is not available to support their purported disbursement.
 - a. **GRANTEE** shall keep project accounts and records which fully disclose the amounts and disposition of the proceeds of the grant, received by the **GRANTEE**.
 - b. The **GRANTOR** reserves the right for its auditors to review and audit any and all records relating to projects funded by the **GRANTOR** or the FAA at the **GRANTEE's** office or location. Such audits can be used to expand on the audit work already performed by the independent auditor. These audits can also be made based on special requests from **GRANTOR** officials.

5. No leases will be entered into by the **GRANTEE** which grants exclusive use rights to any grantee for any facilities which are the subject of this Project.

6. The **GRANTEE** agrees not to dispose of airport land, purchased either wholly or partially by State funds, by sale or lease without the consent of the **GRANTOR**. In the event such consent is obtained, the **GRANTEE** further agrees to utilize for airport development the State's share of the acquisition cost or the fair market value of the land at the time of the sale, whichever is greater, based upon the percent of participation by the State in the original purchase. The proceeds from the sale of airport land which has had State participation shall be reserved and expended on items of work which would be normally eligible for State participation. Toward this end, the **GRANTEE** shall include a provision in each instrument recorded for every interest in land acquired or for which reimbursement is made under this Agreement which reads as follows:

The property interest of the **GRANTEE** in this real estate cannot be transferred without the written approval of the Illinois Department of Transportation, Division of Aeronautics. Further, in the event any such interest is no longer used for an approved airport purpose without the written approval of the Department that interest shall revert to a public airport entity appointed by the Department.

7. The **GRANTEE** covenants to zone (within its powers to do so) the Airport and its environs for compatible land use. The **GRANTEE** shall adopt airport hazard zoning regulations or shall request

the **GRANTOR** to adopt airport hazard zoning under Section 17 of the Airport Zoning Act, (620 ILCS 25/17).

8. Land acquired or for which reimbursement is made under this Agreement which is farmed shall conform to the **GRANTOR's** guidelines for the development of a farming plan and shall comply with the erosion sediment control program and standards as developed by the Illinois Department of Agriculture or pertinent standards promulgated by a soil and water conservation district pursuant to Sections 36 and 38 of the Illinois Soil and Water Conservation District Act (70 ILCS 405/36 & 38).
9. The **GRANTEE** hereby certifies to the **GRANTOR** that it has acquired, in its name prior to construction, clear title in fee simple to all real estate upon which construction work is to be performed and a sufficient interest (by easement or otherwise) in any other real estate which may be affected by the construction process.
10. All commitments by the **GRANTEE** hereunder are subject to constitutional and statutory limitations and restrictions binding upon it.

The **GRANTEE** shall comply with all of the attached assurances, federal regulations, and laws, as shall apply to the Project, which are hereby incorporated into this Agreement by reference.

Additional requirements as permitted under PART ONE:

1. The applicable FAA cash management system is completed by drawing down federal grant funds by using the Delphi invoicing system. See Sec. 4.3.
2. This agreement is exempt from the Grants Funds Recovery Act, 30 ILCS 705/3. If applicable, interest on grant funds shall be handled as stated under Sec. 4.6.
3. Billing schedule is based on progress payment schedule set forth in the contract. **GRANTOR** will receive invoices as work is completed from the **GRANTEE**. See Sec. 4.7.
4. Scope of activities/Purpose of Grant is included in Exhibit A (Project Description) and Exhibit B (Deliverables) and through the **GRANTOR/GRANTEE's** Project contract. See Sec. 5.1.
5. Monitoring and Access to Information are subject to Federal requirements including, but not limited to, FAA and USDOT. See Sec. 12.4.
6. Annual Financial Reports are exempt under this agreement. See 13.3(a).
7. Required Periodic Performance Reports are listed in Exhibit E as specified. See Sec. 14.1.
8. Content of Performance Reports will be in accordance with State and Federal requirements as stated in Exhibit E and the Project contract. See Sec. 14.3.
9. **GRANTEE** may be self-insured so long as sufficient funds exist to cover replacement costs set forth in Sec. 24.1. Insurance coverage by the vendor or contractor may be required by the Project contract.
10. USDOT and/or FAA required provisions are incorporated by applicable reference in Exhibit G.
11. In addition to Article III, the following definitions are applicable:
 - "Agreement" means this Inter-Governmental Agreement.
 - "AIP" means the FAA Grants-in-Aid for Airports; Airport Improvement Program.
 - "AIP Handbook" means FAA Order 5300-38D (or most current publication of the Airport Improvement Program Handbook). The AIP Handbook provides guidance and sets forth the

Agreement No. _____

policies and procedures of the Airport Improvement Program (AIP).

- "AIP Sponsor Guide" means the FAA supplemental guidance for Central Region airport owners and their consultants with obtaining and administering an AIP grant available at http://www.faa.gov/airports/central/aip/sponsor_guide/.
- "Airport" and "facility" as used herein mean the air navigation, take-off areas, landing areas, taxiways, and all similar areas of the Municipality's property used for the purpose of air transportation, including but not limited to all areas of the Municipality's property where improvements have been previously made and funded in whole or in part with funds provided by the Department or the FAA.
- "Consulting Engineer" as used herein mean a person, firm, corporation or entity employed by the Municipality, by a contract approved by the Department or the FAA in connection with this Project, who is prequalified in accordance with the Department's procedures and whose resident or project engineer(s) assigned to the Project are registered in the State of Illinois.
- "Contractor" as used herein shall mean a person, firm, corporation, or entity employed by the Municipality, by a contract approved by the Department or the FAA, to complete this Project.
- "FAA" means the Federal Aviation Administration.
- "Notice-to-Proceed date" for the project considered under this Agreement is the date of the IDOT Program Letter (herewith attached) in which the Sponsor is notified of the project's inclusion in the state's multi-modal program thereby allowing all costs incurred after that date considered eligible for participation subject to review and approval by the Department.
- "Project" as used herein means this project which shall be identified as Illinois Project Number RPJ-4617, State Block Grant Number(s) 3-17-SBGP-133 & 139, and described in Exhibit A and PART THREE.
- "USDOT" means the United States Department of Transportation.

Disadvantaged Business Enterprise (DBE) - To the extent required by federal law, regulation, or directive, the **GRANTOR** encourages all of its grantees to make a good-faith effort to contract with DBEs. **GRANTEES** agree to facilitate participation of Disadvantaged Business Enterprises (DBE) as follows:

1. The **GRANTEE** agrees to comply with Section 1101(b) of the FAST-ACT, and USDOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 CFR Part 26, including any amendments thereto.
2. The **GRANTEE** shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any USDOT-assisted contract or in the administration of its DBE program or the requirements 49 CFR Part 26. The **GRANTEE** shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of USDOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by USDOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the **GRANTEE** of its failure to carry out its approved program, the USDOT may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

3. Each contract signed with a contractor (and each subcontract the prime contractor subcontractor) must include the following assurance:
- a. The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of USDOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient, deems appropriate, which may include, but is not limited to:
 - (1) Withholding monthly progress payments;
 - (2) Assessing sanctions;
 - (3) Liquidated damages; and/or
 - (4) Disqualifying the contractor from future bidding as non-responsible.
 - b. For contracts let by the **GRANTEE**: The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the awarding agency. (Note: If the project is let by IDOT, this section does not apply.)

[See Paragraphs 4.3, 4.6, 4.7, 5.1, 7.6**Error! Reference source not found.**, 12.4, 13.3(a), 14.1, 14.2, 19.1 and 24.1 for information that may be required in this **PART TWO**.]

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:

The Project Description is included in Exhibit A.

In accordance with, 2 CFR Part 200, Subpart F, Audit Requirements, such non-federal entities that expend \$750,000.00 or more in Federal awards in a year are required to have a single audit performed. The Grantor is required by federal law to obtain and review the single audit of all entities that had any federally participating funds pass through it, irrespective of the amount provided by the Grantor. It is the responsibility of the Grantor expending federal funds to comply with the requirements of 2 CFR Part 200 and determine whether they are required to have a single audit performed. The Annual Certification For Single Audit Compliance forms are herewith attached as Attachment A.

[See Paragraphs 4.3, 4.6, 4.7, 5.1, 7.6, 12.4, 14.1, 14.2, 19.1 and 24.1 for information that may be required in this **PART THREE**.]

State Num: RPJ-4617-0000 Program Year: 2017

Project Status Report

Exhibit 1

As of 8 Feb 2019 09:59

Page 1

Federal Num: 3-17-SBGP-139 N, 3-17-SBGP-133 A

Airport: ROCHELLE MUNICIPAL AIRPORT

Fed Status: Pending

State Status: Pending

Description: Taxiway - Rehabilitate Access Taxiways: TH/1 & TH 1/1

Line Item Status

<u>Num</u>	<u>Description</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Pd to Date</u>	<u>Balance</u>
1	Construction - Martin & Company Excavating As-bid (01/18/19 Letting)	166,064.18	149,457.76	8,303.21	8,303.21	0.00	166,064.18
2	Eng. Design - Costs Incurred - City of Rochelle* HPS CPFF Design	36,500.00	32,850.00	1,825.00	1,825.00	0.00	36,500.00
3	Eng. Construction - Costs Incurred - City of Rochelle* HPS CPFF Inspection	37,100.00	33,390.00	1,855.00	1,855.00	0.00	37,100.00
4	Special Services-Costs Incurred - City of Rochelle* HPS CPFF SS	4,600.00	4,140.00	230.00	230.00	0.00	4,600.00
5	Administrative - Treas, St of IL IDA Administrative Fee	3,000.00	3,000.00	0.00	0.00	0.00	3,000.00
6	Sponsor Reimb - City of Rochelle* NPDES Permit	250.00	225.00	12.50	12.50	0.00	250.00
7	Inter-fund transfer OUT - Treas, St of IL	0.00	0.00	0.00	0.00	0.00	0.00
8	Inter-fund transfer IN - Treas, St of IL	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ELIGIBLE COSTS		247,514.18	223,062.76	12,225.71	12,225.71	0.00	247,514.18
Reserves (+) / shortfalls (-)		6,105.82	5,495.24	305.29	305.29	0.00	6,105.82
TOTAL APPROVED FUNDING		253,620.00	228,558.00	12,531.00	12,531.00	0.00	253,620.00

State Num: RPJ-4617-0000 Program Year: 2017

Project Status Report

Exhibit 1

As of 8 Feb 2019 09:59

Page 2

Federal Num: 3-17-SBGP-139 N, 3-17-SBGP-133 A

Airport: ROCHELLE MUNICIPAL AIRPORT

Fed Status: Pending

State Status: Pending

Description: Taxiway - Rehabilitate Access Taxiways: TH/1 & TH 1/1

Funding Summary

<u>Amend Num</u>	<u>Description</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
	Agency agreement	253,620.00	228,558.00	12,531.00	12,531.00
TOTAL APPROVED FUNDING		253,620.00	228,558.00	12,531.00	12,531.00
Program budget (for information only)		477,778.00	430,000.00	23,889.00	23,889.00



Illinois Department of Transportation

Office of Planning and Programming
2300 South Dirksen Parkway / Springfield, Illinois / 62764

June 17, 2016

Mr. Robert Flanagan
Interim Airport Manager
Rochelle City Hall
420 North 6th Street
Rochelle, IL 61068

Mr. Flanagan,

For Fiscal Year 2017, the Illinois Department of Transportation's Proposed Airport Improvement Program includes projects at airports throughout the state to ensure continued safe and efficient operations at these facilities as well as maximizing opportunities for economic development in Illinois.

The following federally funded project(s) for your airport have been selected based on requests made to this office and are included in the Federal Fiscal Year (FFY) 2017 Proposed Airport Improvement Program. This program is based on federal funding levels established in federal legislation which provide for a minimum of \$1 million in entitlement funds for primary airports as well as maximum of \$150,000 entitlement funds for non-primary airports. The federal legislation calls for a maximum 90% federal match. As such, the state and local match will be 5% each for all projects which are eligible for state funding. All other federal projects will require a minimum 10% local match.

This program is dependent on receipt of FFY 2017 federal grant funds and legislative authorization of state funding appropriations and release of funds by the Governor's office.

The Illinois Department of Transportation and the Airport Sponsor agree to participate in the below defined amounts in accordance with the percentages shown. In addition, the Airport Sponsor shall pay such additional project costs, which exceed the sum of the Department's funds and the Federal funds. In the event the Illinois General Assembly fails to appropriate funds or sufficient funds are otherwise not made available for these Projects, the Airport Sponsor will be required to pay the State and local costs as itemized below, including any amounts which exceed the totals listed.

The projects included in the program were selected from the many projects that were submitted as the result of the fall 2015 Transportation Improvement Program (TIP) meetings. Federal, state and local priorities weighed heavily in the selection process.

The Illinois Department of Transportation, Office of Planning and Programming has programmed the following project to be included in the FFY 2017 Proposed Airport Improvement Program for your airport.

The project “**Rehabilitate Access Taxiways**” will be funded as follows:

Non-Primary Entitlement Funds	\$148,500
FFY-2017 State Apportionment Funds	\$280,942
State Match	\$23,858
<u>Local Match</u>	<u>\$23,858</u>
Total Cost	\$477,158

The Office of Intermodal Project Implementation (Aeronautics) maintains a letting schedule for construction projects that needs to be strictly followed to ensure that projects are advertised and brought to letting in an organized manner within the fiscal year in which they are programmed. The letting schedule allows for 30 weeks to develop a project from the date of the pre-design meeting to the letting.

To ensure that professional services effort is eligible for state and federal funding participation, you are required to enter into a professional services agreement with the consultant of record selected for the programmed project(s) prior to any professional services costs being incurred. This should take place as soon as possible, but definitely prior to the project initiation/pre-design meeting. The Office of Intermodal Project Implementation (Aeronautics) will assist in guiding you through that process and the initial development and review of fees.

The projects contained in this letter are officially programmed for development. This letter herewith constitutes the official "**Notice to Proceed**" for these projects. It is now the airport sponsor's responsibility to initiate the professional services phase of the project for your specific project type (planning development, equipment procurement, T-Hangar development, land acquisition or design plans and specifications development). This is accomplished by contacting the Office of Intermodal Project Implementation (Aeronautics), either directly or through your consultant, to schedule a project initiation meeting. Where construction projects are programmed, you should contact the Office of Intermodal Project Implementation (Aeronautics) design engineer for your airport to initiate a pre-design meeting.

Your Aeronautics Design Engineer is Alan Mlacnik, P.E. and he may be reached at 217-785-4884 to initiate this project. Please initiate your project within one year of the date on this letter.

Mr. Robert Flanagan
June 17, 2016
Page Three

If you have any questions concerning this letter, please contact BJ Murray at 217-782-4118.

Sincerely,

A handwritten signature in black ink that reads "Bruce Carmitchel". The signature is written in a cursive style with a large, prominent initial "B".

Bruce Carmitchel
Bureau Chief of Planning

**AGREEMENT FOR CONSULTANT SERVICES
(RETAINER AGREEMENT)**

THIS AGREEMENT, made at Rochelle, Illinois, this 24TH day of SEPTEMBER, 2013, by and between the City of Rochelle, Illinois (hereinafter referred to as the "Owner"), as Party of the First Part, and Hanson Professional Services Inc. (hereinafter referred to as the "Consultant"), as Party of the Second Part.

WITNESSETH:

WHEREAS, the Owner intends to sponsor the accomplishment of a development program in stages of a public air navigation facility known as the Rochelle Municipal Airport (hereafter referred to as "Airport"), located in Latitude 41°53'34", Longitude 89°04'42", in Ogle County, State of Illinois; and

WHEREAS, the development program shall be described as:

The Owner has selected the Consultant for the purposes of providing professional consulting services associated with the following items. It is the intent of the Owner to enter into a Retainer Contract with the Consultant during the period of time that these projects are to be undertaken, or for a period five (5) years from the date of execution.

1. Construct Taxiway A/A3;
2. Construct Access Taxiway to Hangar Development;
3. Construct Taxiway A/A6;
4. Land Acquisition for Airspace Protection and Airport Expansion;
5. Reconstruct/Rehabilitate Existing Aircraft Ramp
6. Rehabilitate and/or perform pavement maintenance to Runway 7-25,
7. Environmental Assessment to Extend and Widen Runway 7-25,
8. Extend and Widen Runway 7-25;
9. Construct Taxiway A; and

10. Provide General Administrative and Document Maintenance Assistance including:
- a. Provision of airport planning services, including Airport Layout Plan (ALP) and Master Plan redline updates, and/or revisions – as needed; and obstruction surveys for approach development when required.
 - b. Preparation of airport project related National Environmental Protection Act (NEPA) documents including, but not limited to, documentation of the associated wetland delineations/investigation; preparation of environmental mitigation plans and permits; and the evaluation of noise, water, air, agricultural, and historic preservation impacts.
 - c. Development of Transportation Improvement Program (TIP) submittals and preliminary engineering of capital improvements.
 - d. Maintenance of Exhibit “A” Property Line Maps (property line surveys, updates, and revisions to the plan, conversion to Geographic Information System (GIS) format), as needed.
 - e. Preparation and submission of Storm Water Pollution Prevention (SWPP) and Spill Prevention, Control and Countermeasure (SPCC) Plans on behalf of the Airport, as needed.

WHEREAS, the Department of Transportation, Division of Aeronautics, State of Illinois is the authorized Agent of the Owner under the proposed development program (it shall be hereinafter referred to as the “Department”);

WHEREAS, The Consultant agrees to furnish executed “Certification of Consultant” and certain professional consulting services enumerated hereinafter, in connection with the aforesaid development program.

NOW, THEREFORE, for and in consideration of the benefits which will accrue to the parties hereto by virtue of this Agreement and the respective covenants herein contained, IT IS MUTUALLY COVENANTED AND AGREED as follows:

I. CONSULTING SERVICES

The Consultant agrees to furnish and perform the various professional services, upon request, for the preparation of the above-referenced development program as follows:

A. The Planning Phase:

1. Upon request by the Owner, the Consultant agrees to attend meetings and provide any professional advice, guidance, and assistance in planning for the Scope of Work covered by the Agreement.
2. Prepare and furnish any sketches, drawings, reports, cost estimates, or documents necessary for programming all or any part of the Scope of Work covered by this Agreement.
3. Furnish to the Department and the Owner the required number of sets of completed and approved documents referenced in Paragraph 2 above.
4. Render clarification of any of the items provided under Paragraph 2 above, when and if such clarification is deemed necessary.

B. The Preliminary Phase:

1. Work shall include preparation of elementary calculations and supplementary sketches and information required to achieve State and/or Federal funding.

C. The Design Phase

1. Upon completion of the Preliminary Phase of all or any part of the Scope of Work covered by this Agreement, the parties hereto agree to negotiate and execute an Agreement for Consultant Services covering the specifically defined parts of the Scope of Work which are to be funded under a specific project. The Agreement(s) will cover the Preliminary, Design, Special Services, and Construction Phases of the specific project; and Land Acquisition services, where applicable.

D. Special Services

1. For work efforts not applicable to a Design or Construction project, and upon completion of the programming and budgeting of all or any part of the Scope of Work covered by this Agreement, the parties hereto agree to negotiate and execute an Agreement for Consultant Services covering the specifically defined parts of the Scope of Work which are to be funded under a specific project. The Agreement(s) will cover the Special Services of the specific project.

II. CHARGES FOR CONSULTANT SERVICES

- A. The Owner agrees to pay the Consultant as compensation for rendering the professional consulting services herein above described in Section I, Paragraphs A and B, based on an approved Agreement for Consultant Services.
- B. The Owner, by a written thirty (30) day notice, may terminate this Agreement in whole or in part at any time, because of the failure of the other party to fulfill his Agreement obligations. Upon receipt of such notice, the Consultant shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Owner all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have accumulated by the Consultant in performing this Agreement whether completed or in process.

If, after notice of termination for failure to fulfill Agreement obligations it is determined that the Consultant had not so failed, the termination shall be deemed to have been effected for the convenience of the Owner.

III. SPECIAL CONDITIONS

- A. It is further mutually agreed by the parties hereto that all reproducible and copies of the drawings, tracings, cost estimates, plans, and maps prepared or obtained under the terms of the contract shall be delivered to and become the property of the Owner and basic survey notes and sketches, computations and other data shall be made available upon request to the Owner without restriction or limitation on their use.

- B. It is further mutually agreed by the parties hereto that the Consultant shall proceed to furnish consulting services on any part of the Scope of Work under the terms heretofore provided in this Agreement, after the request has been made in writing by the Owner in the form of a Notice to Proceed.
- C. Each party binds himself, his partners, successors, executors, administrators, and assigns to the other part of this Agreement and to the partners, successors, executors, administrators, and assigns for such other party at all covenants of this Agreement.
- D. This Agreement expires upon final approval and acceptance of the completed project(s) covered by the Scope of Work.
- E. The Consultant agrees to conduct the services in compliance with all the requirements of Advisory Circular 150/5100-14D, or the most current version of the guidance at the time the work is completed.
- F. The Consultant agrees to conduct the services in compliance with all the requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964, Part 21 of the Regulations of the Secretary of Transportation, and Executive Order No. 11246, "Equal Employment Opportunity," as amended.
- G. The Consultant agrees that the Sponsor, the Department, the Federal Aviation Administration (hereafter referred to as "FAA"), the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Consultant which are directly pertinent to the specific grant program for the purposes of making audit, examination, excerpts, and transcriptions.

IV. SPECIAL PROVISIONS

- A. If any of the services outlined in Section I are furnished by the Consultant by obtaining such services outside the Consultant's organization, the Consultant shall provide an executed contract between the person(s) or firm and the Consultant outlining the services to be performed and the charges for the same.

- B. During the performance of this contract, the Consultant, for itself, its assignees, and successors in interest agrees as follows:
1. The Consultant agrees to conduct the services in compliance with all the requirements of Advisory Circular 150/5100-14D, or the most current version of the guidance at the time the work is completed, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
 2. The Consultant, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Consultant shall not participate either directly or indirectly in the discrimination prohibited by the Regulations, including employment practices.
 3. In all solicitations, either by competitive bidding or negotiation made by the Consultant for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Consultant of the Consultant's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
 4. The Consultant shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Owner or the FAA to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of the Consultant is in the exclusive possession of another who fails or refuses to furnish this information, the Consultant shall so certify to the Owner or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
 5. In the event of the Consultant's noncompliance with the nondiscrimination provisions of this contract, the Owner shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

- a. Withholding of payments to the Consultant under the contract until the Consultant complies, and/or
 - b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. The Consultant shall include the provisions of Paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Consultant shall take such action with respect to any subcontract or procurement as the Owner or the FAA may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event the Consultant becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Consultant may request the Owner to enter into such litigation to protect the interests of the Owner and, in addition, the Consultant may request the United States to enter into such litigation to protect the interests of the United States.

- C. The Consultant agrees to ensure that disadvantaged business enterprises, as defined in 49 CFR, Part 26, have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this Agreement.

IN WITNESS WHEREOF, the parties hereto have affixed their hand and seals at Rochelle, Illinois, this 24th day of September, 2013.

ATTEST:

(SEAL)



CITY OF ROCHELLE, ILLINOIS

BY: Judith A. Schermerhorn

BY: Chet Olson

PRINTED NAME: Judith A. Schermerhorn

PRINTED NAME: Chet Olson

TITLE: Deputy City Clerk

TITLE: Mayor

ATTEST:

(SEAL)



HANSON PROFESSIONAL SERVICES INC.

BY: John P. Coombe

BY: Jeffrey T. Ball

PRINTED NAME: John P. Coombe

PRINTED NAME: Jeffrey T. Ball

TITLE: Secretary/Executive Vice President

TITLE: Senior Vice President

91932-000
Illinois Human Rights Number

37-0844717
Federal Employer's Identification Number
(F.E.I.N.)