



Food Hub Infrastructure Support

FISCAL YEAR 2022 REQUEST FOR APPLICATIONS

The Vermont Agency of Agriculture, Food and Markets (VAAFAM) has received funding from the Northern Border Regional Commission (NBRC) to expand capacity and market access for Vermont’s nonprofit food hubs. Funding will support two to eight food hubs to help with critical infrastructure needs, enabling hubs to support more farm and food businesses, expand their workforce, and advance their ongoing efforts to access larger metropolitan markets.

KEY DATES

RFA Release Date: December 21, 2021

Application Opens: January 24, 2022 at 11:00am EST

Application Deadline: February 25, 2022 at 2:00pm EST

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CONTACT

PROGRAM QUESTIONS

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WEBGRANTS TECHNICAL ASSISTANCE

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Support is available during business hours: Monday–Friday, 7:45 AM to 4:30 PM EST. Assistance may not be available shortly before deadlines.

Guides and resources for registering and applying through WebGrants can be found on our [Resources for Grant Applicants and Recipients webpage](#).

REGISTERING IN WEBGRANTS

Applicants that have not previously registered in WebGrants will need to allow 1-2 business days for their registration to be processed. During that time, applicants will not be able to log in to start an application. Please plan your application process accordingly.

SUBMISSION POLICY

It is the applicant’s responsibility to adhere to all application instructions, including the submission dates and times included in this request for applications (RFA). VAAFAM will accept the last validated electronic submission through the grants management system, [WebGrants](#), prior to the posted deadline as the final and sole acceptable submission of an application.

VAAFAM will not accept submission or re-submission of incomplete or delayed applications after the posted deadline, barring exceptional circumstances.

WebGrants will prevent applications from being submitted after the cut-off time.

SUBMISSION CONFIRMATION

When an application has successfully been submitted, the applicant will receive a confirmation email from [<agriculturegrants.vermont@webgrantsmail.com>](mailto:agriculturegrants.vermont@webgrantsmail.com). Please add this email address to your “safe senders” list. If you do not receive this confirmation, please check your junk or spam folder.

I. PROGRAM OVERVIEW AND FUNDING ELIGIBILITY

FUNDING OPPORTUNITY DETAILS

PROGRAM PURPOSE

This grant will support Vermont's non-profit food hubs in completing large capital projects that allow them to expand their market access, especially to large-scale metropolitan markets outside of Vermont.¹ These investments, such as purchasing large-scale equipment, will allow food hubs to diversify their markets, increase sales, purchase more from Vermont farm and food businesses, employ more workers, and strengthen the viability of this critical aspect of the supply chain.

FUNDING SOURCE

NBRC is a Federal-State partnership for economic and community development in northern Maine, New Hampshire, Vermont, and New York. VAAFM received a grant from NBRC to support critical economic development and is sub-granting the award to two to eight non-profit food hubs in Vermont.

FUNDING PRIORITIES

Funding priorities include projects that demonstrate:

- Large infrastructure investments that will significantly increase the amount of Vermont products reaching new or expanded markets
- Increased capacity for food hubs to expand to large metropolitan markets outside of Vermont
- Increased sales to large-scale markets, measured in dollars and number of markets, both retail and wholesale, inside and outside of Vermont
- Increased purchasing from Vermont farm and food producers going to in state or out of state metropolitan markets
- Increased number of jobs and percentage at Vermont's livable wage, which as of 2020 is \$13.39/hour²

AWARD AMOUNT

AVAILABLE FUNDS:

\$300,000

Minimum: \$25,000

Maximum: \$100,000

¹ For the purposes of this RFA, a metropolitan market is a geographic area with a population of at least 75,000 people. This could include, but is not limited to: Albany (NY), Boston (MA), Bridgeport (CT), Manchester (NH), Nashua (NH), New York City (NY), Providence (RI), Springfield (MA), Syracuse (NY), Worcester (MA), etc.

² <https://ljfo.vermont.gov/assets/Subjects/Basic-Needs-Budgets/1defd5222f/2021-Basic-Needs-Budget-and-Livable-Wage-report-FINAL-1-16-2021.pdf>

MATCHING REQUIREMENTS

Applicants must provide 25% match for the total grant funds requested, which can be cash or in-kind. If applicants are including indirect costs as part of their match, it must be no more than 10% of total match funds.

All match funds must be secured by the time of grant execution unless otherwise approved by the grant manager.

PROJECT LENGTH

Approximately 24 months. All grant activities must be completed by April 30, 2024.

KEY DATES

DATES MAY BE SUBJECT TO CHANGE

December 21, 2021	Request for Proposals (RFP) release
January 24, 2022 at 11:00am EST	Application open
February 25, 2022 at 2:00pm EST	Application close
April 2022	Awards announced
May 2022	Projects start
April 2024	Project end
September 2024	Grant period end
October 2024	Federal close-out report due
September 2025	State impact report due
September 2027	Federal impact report due
Quarterly during grant period	Federal report due (Jan, April, July, October)
Annually during grant period	State annual report due (45 days after end of applicant's fiscal year)
Annually during grant period	Federal annual report due (October)

ELIGIBILITY

ELIGIBLE APPLICANTS

Applicants must be registered as a federal nonprofit and have that status, as described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code, and operate a food hub in Vermont. The organization must be able to demonstrate they have federal grant experience and organizational capacity related to economic development. Applicants must be located within Vermont.

INELIGIBLE APPLICANTS

Applicants who do not have federal nonprofit status or do not operate a food hub located in Vermont. Applicants cannot make purchases or conduct grant activities on behalf of an ineligible entity.

ELIGIBLE PROJECTS

Projects must provide a catalytic infusion of resources that help overcome infrastructure barriers with moving more Vermont product to large markets. Eligible projects will:

- Support large capital infrastructure projects
- Directly lead to increased access and sales to metropolitan markets outside of Vermont and/or to large in state markets, whether retail or wholesale
- Enable the food hub to support more Vermont farm and food businesses
- Enable the food hub to expand their workforces and/or provide a livable wage
- Be aligned with planned expansion and outreach
- Increase revenue and the profitability of the food hub

Examples of eligible projects include a food hub purchasing:

- Two refrigerated trucks and a new inventory tracking software that will increase their capacity to sell to NYC markets
- Cooler equipment for aggregating and distributing to new Boston markets
- Equipment for a warehouse that will allow them to expand access to a significant market within Vermont

INELIGIBLE PROJECTS

Ineligible projects will:

- Focus on maintaining current market access or growing access in a very limited way
- Include construction
- Include purchasing or leasing a building or land
- Include staff time as the only grant funding expense (staff time can be utilized as part of larger projects and should not exceed more than 25% of total grant request)
- Make purchases on behalf of an ineligible entity

Examples of ineligible projects include:

- Hiring a consultant for business planning and marketing
- Installing solar panels on a building
- Purchasing a new building for aggregating product
- Construction projects to retrofit a current building
- Purchasing equipment or carrying out project activities on behalf of an ineligible entity

RELATED FUNDING OPPORTUNITIES

VAAFM offers a menu of [funding opportunities](#) as well as [business planning and assistance](#) resources available to the Vermont agricultural community:

- Funding Opportunities: agriculture.vermont.gov/grants
- Business Planning & Assistance: agriculture.vermont.gov/businessdevelopment/planning

II. APPLICATION PROCESS AND CONTENT

HOW TO APPLY

Applications must be submitted via the online grants management system, WebGrants, at agriculture.vermont.gov between January 24, 2022 at 11:00am EST and February 25, 2022 at 2:00pm EST. Paper applications will not be accepted.

Applicants who have not previously registered in WebGrants will need to allow 1-2 business days for their registration to be processed. During that time, applicants will not be able to log in to start an application. Please plan your application process timing accordingly.

Please refer to the [WebGrants Application Guide](#) at agriculture.vermont.gov/grants/howtoapply for details on submitting an application. Be advised that technical assistance with WebGrants may not be available shortly before deadlines and is not available after hours or on weekends; please plan accordingly.

If you have any questions about your eligibility, project scope, or other aspects of your application, please do not hesitate to reach out to the program lead, Julia Scheier, at julia.scheier@vermont.gov or 802-522-7042.

APPLICATION COMPONENTS

Applicant Information

- Organization Name
- Project Title
- Federal nonprofit status
- SAM.gov registration
- DUNS number
- Primary contact information
- State your organization's mission

- Describe your organization’s business activities, including size, gross sales, product diversity, product sourcing, markets served, and infrastructure held.
- How many years has your organization been in business?
- Where is your organization located and what areas of the state or region do you serve?
- Has your organization previously received federal funding? If so, what funding and what was the grant amount?
- Please explain your grants management accounting system.
- Demonstration of applicant compliance with state regulations and good standing with the State of Vermont.
- Attest that applicant has read and is familiar with all NBRC federal grant provisions.
- Certification that applicant is not federally disbarred.
- Online submission of [424B Federal Statement of Assurance](#)

Project Information

- Grant funds requested (\$)
- Matching funds committed (\$): Required matching funds must be equal to or greater than 25% of grant funds, with no more than 10% of matching funds as indirect. All matching funds must be secured by the time of grant execution, unless otherwise approved by grant manager.
- Provide a comprehensive project description including scope of proposal, infrastructure needed, location, etc.
- What evidence do you have that this project will enable your food hub to access larger metropolitan markets, especially those out of Vermont?
- Provide a projected workplan.
- Provide a detailed timeline of project activities.
- How did you determine this need? Why is it timely and important now?
- Who are your collaborators on this project (e.g. other distributors, markets, partners) and are they existing or new relationships?
- What outreach or planning have you done to date to ensure your success?
- Explain how requested and matching funds would be used to meet project objectives.

Expected Outcomes

- Define how you will evaluate the success of your project, including goals, metrics, and outcomes.
- Project the economic impact as a direct result of grant activities in the following categories:
 - Increase in number of largescale markets accessed outside of Vermont
 - Increase in number of largescale markets accessed within Vermont
 - Amount of revenue increase
 - Amount of profit increase
 - Number of jobs created
 - Number of jobs retained
 - Percentage of new or retained jobs that will be at Vermont’s livable wage
 - Increase in number of VT farms/food businesses you will be purchasing from
 - Increase in dollar amount of sales from VT farms/food businesses from which you will be purchasing
- Describe how this grant funding will increase your organization’s overall success, viability, or competitiveness.

Capacity and Sustainability

- Upload any relevant documentation that shows the development of the project idea, including business plan, financials, equipment desired, etc.
- Who are the major staff, volunteer, or Board members who will be overseeing this project?
- What is their capacity to ensure the project’s success?
- If needed, how will you grow the personnel capacity for the duration of this project?
- How will sustain the project after the grant period is over?
- Describe how the project would or would not move forward without grant funds.

LETTERS OF COMMITMENT/SUPPORT

At least one letter of commitment or support is required for this application. Letters should be provided from all match contributors. Letters should also be provided from any substantial project partner (e.g. a market that has expressed interest, a producer reiterating demand, an engineering firm, a supply chain collaborator). Any additional letters will increase the competitiveness of the application.

BUDGET

Provide a detailed budget encompassing the cost of the entire project. Projects must demonstrate matching funds of at least 25% as cash and/or in-kind sources, with no more than 10% of match funds as indirect. (e.g. For a \$100,000 grant, applicants must provide a minimum of \$25,000 in match contributions, of which no more than 10% or \$2,500 of match can be from unrecovered indirect costs.)

Budget Table (example)

Expense Category	Grant Funds Requested	Applicant Contribution - Cash Match	Applicant Contribution - In-kind Match	Match Source	Notes	Total
Salaries/Wages						
Benefits						
Equipment						
Supplies						
Other						
Total						

Budget Narrative

Describe how grant funds in each budget category will be used to support your project. Provide the source(s) for all matching funds with timeline for securing these commitments.

Please note that items that are \$5,000 or greater in value are deemed as equipment and have specific federal regulations. Items under \$5,000 are identified as supplies.

III. APPLICATION REVIEW AND SCORING

APPLICATION REVIEW

Funds will be awarded to through a competitive review process. A diverse committee will review applications. Applicants will be notified by email of application approval or denial in April 2022.

APPLICATION SCORING

Criteria that will inform scoring of application quality are as follows:

Project Proposal (40 points)

Project illustrates an impactful, innovative, and realistic capital investment that will allow food hubs to significantly expand their market access and viability.	10 points
Applicant demonstrates a sound business model that has the appropriate staff (or plan to acquire more staff) to successfully implement the project and sustain the work after the grant period is over.	10 points
Applicant explains how the business model and expansion efforts are creative, responsive to current gaps/needs, and possess characteristics of a viable business. The applicant has shown reasonable planning and outreach to ensure success in reaching desired markets.	10 points
Applicant describes activities and provides a proposal that strongly aligns with one (1) or more of the following funding priorities: <ol style="list-style-type: none"> 1. Large infrastructure investments that will significantly increase the amount of Vermont products reaching new or expanded markets 2. Increased capacity for food hubs to expand to large metropolitan markets outside of Vermont 3. Increased sales to large-scale markets, measured in dollars and number of markets, both retail and wholesale, in and out of Vermont 4. Increased purchasing from Vermont farm and food producers going to in state or out of state metropolitan markets 5. Increased number of jobs and percentage at Vermont’s livable wage, which as of 2020 is \$13.39/hour. 	10 points

Budget (25 points)

Budget summary is realistic and sufficient to accomplish the work proposed.	15 points
Applicant has provided sufficient detail for budget categories: <ol style="list-style-type: none"> 1. Fund requests are detailed thoroughly in the budget narrative. 2. Applicant has leveraged the required percentage of match contribution; match sources and details are clear. 	10 points

Expected Outcomes (25 points)

<p>The proposal includes at least one expected outcome showing the economic impact as a direct result of grant activities, including:</p> <ul style="list-style-type: none"> • Increase in number of largescale markets accessed outside of Vermont • Increase in number of largescale markets accessed within Vermont • Amount of revenue increase • Amount of profit increase • Number of jobs created • Number of jobs retained • Percentage of new or retained jobs that will be at Vermont’s livable wage • Increase in number of VT farms/food businesses they will be purchasing from • Increase in dollar amount of sales from VT farms/food businesses from which you will be purchasing 	15 points
<p>The proposal clearly articulates how this project will provide significant expansion to largescale markets, especially to out of state metropolitan markets.</p>	10 points

Letters of Support/Commitment (10 points)

<p>Applicant's letters of commitment/support collectively demonstrate the potential for project success.</p>	5 points
<p>There are letters of commitment from all project partners described in the application.</p>	5 points

IV. GRANT MANAGEMENT & REPORTING

GRANT AGREEMENT

Prior to receiving funding, successful applicants must sign a grant agreement with VAAFMM indicating their intent to complete the proposed project and authorizing VAAFMM to monitor the project’s progress. The grant agreement will include provisions (terms and conditions) set by the State of Vermont as well as any program-specific requirements, including Federal requirements.

Prior to commencement of work and release of any payments, grantee must submit:

- A. A certificate of insurance consistent with the requirements set forth in Attachment C of the grant agreement [Not required if grantee has a current certificate of insurance on file with the Agency of Agriculture.]
- B. A current [IRS Form W-9](#) (Request for Taxpayer Identification Number and Certification), hand-signed within the past six months [Not required if grantee is already a state vendor. Digital signatures are not acceptable.]
- C. As this grant is federally-funded, confirmation of an active registration in the Federal System for Award Management (SAM) at <https://www.sam.gov> is required.
- D. Documentation verifying pledged matching funds, as applicable.

GRANTEE PAYMENT SCHEDULE

Grant payments are made on a reimbursement basis, after costs have been incurred, and require documentation of project expenditures (e.g. receipts, paid invoices) to substantiate the total dollar amount of each claim for payment. Payment requests must be processed and approved both by VAAFM and NBRC and require appropriate documentation. All projects should be able to pay their bills within a month of receiving them without anticipating that NBRC will cover costs immediately. Assume that funds may be received a month after VAAFM approves and sends in a payment request to NBRC.

Funds will be disbursed according to the following schedule:

- Up to 80% of the grant award following full execution of the grant agreement, i.e. has been signed by all parties
- Up to 10% of the grant award at the mid-point of the project, pending submission and approval of the Spring 2023 quarterly report
- The final 10% of the grant award is sent pending receipt and approval of the Spring 2024 quarterly report

CERTIFICATE OF INSURANCE

A certificate of insurance (COI) is a common requirement for businesses and organizations; most agents are familiar with it. The State of Vermont must be listed as an 'additional insured' on the grantee's policy. We recommend forwarding the insurance requirements below to prospective insurers for accuracy:

Insurance: Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of this Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out of state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary, to comply with Vermont law.

General Liability and Property Damage: With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Each Occurrence

\$2,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

\$1,000,000 Personal & Advertising Injury

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit.

Additional Insured. The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Notice of Cancellation or Change. There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

REPORTING REQUIREMENTS

Grantees will be expected to collaborate with VAAFM staff to measure the impact of their project on their organization to promote optimal stewardship of state-awarded federal funds. Reporting requirements may include narratives of project progress, photographs, and data collection. There may also be periodic Federal reporting requirements, such as an inventory and depreciation schedule of grant-funding equipment. Site-visits (whether in person or virtual) will be organized with each grantee around project milestones and will occur no less than two times throughout the duration of the grant.

VAAFM is responsible for all project oversight and both VAAFM and NBRC may conduct site visits and periodic monitoring. Grant awardees are required to submit all paperwork and reporting in the form and manner consistent with NBRC protocols.

State-Required Reporting – Annual Reports

The [Subrecipient Annual Report](#) is required to be submitted to the Department of Finance and Management annually by all subrecipients of federally funded grants. This form may be printed and submitted in hard copy via regular mail, or a signed copy may be emailed to FIN.Subrecipient@vermont.gov.

Federal Reports - Quarterly

Grant recipients will be required to submit quarterly performance reporting information, due in January, April, July, and October of each year the grant activities are in progress.

Federal Reports - Annual and Project Close-Out

Grant recipients will be required to provide information for annual financial reporting (October of each year) and project closeout reporting (within 45 days of the close of the project).

Ongoing Reports – One and Three Years Out

Grant recipients must agree to report on program performance measures and outcomes at one year and three years after the close of the grant period. These will provide further understanding of the long-term outcomes of this funding.

PROGRAM PROVISIONS FROM VAAFM AND NBRC

This RFA is intended as a general guide to allowable costs and activities under the grant program and is not all-inclusive; the NBRC may restrict certain costs in addition to VAAFM guidelines.

If awarded, upon notice of grant award, grant recipients must provide appropriate documentation per NBRC requirements as applicable to their grant activities, which may include a Notice of Federal Interest for certain equipment purchases. Equipment and supplies may be subject to further requirements, such as insurance, inventory, and disposition instructions.

In addition to review and approval of the VAAFM grant committee, NBRC is also required to approve recipients of subawards and subsequent use of award funding.

Please refer to further details in the Appendices on the next page and contact the grant manager with any questions.

APPENDIX A – STATE PROVISIONS

Please reference [Attachment C, Standard State Provisions for Contracts and Grants](#), below, for the most recent State of Vermont provisions.

ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS REVISED DECEMBER 15, 2017

1. Definitions: For purposes of this Attachment, “Party” shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement. “Agreement” shall mean the specific contract or grant to which this form is attached.
2. Entire Agreement: This Agreement, whether in the form of a contract, State-funded grant, or Federally-funded grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
3. Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial: This Agreement will be governed by the laws of the State of Vermont. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State with regard to its performance under this Agreement. Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.
4. Sovereign Immunity: The State reserves all immunities, defenses, rights or actions arising out of the State’s sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of the State’s immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State’s entry into this Agreement.
5. No Employee Benefits For Party: The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the State withhold any state or Federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
6. Independence: The Party will act in an independent capacity and not as officers or employees of the State.
7. Defense and Indemnity: The Party shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. The State shall notify the

Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The State retains the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits. After a final judgment or settlement, the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party in connection with the performance of this Agreement. The Party shall indemnify the State and its officers and employees if the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party or an agent of the Party in connection with the performance of this Agreement. Notwithstanding any contrary language anywhere, in no event shall the terms of this Agreement or any document furnished by the Party in connection with its performance under this Agreement obligate the State to (1) defend or indemnify the Party or any third party, or (2) otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or other costs of the Party or any third party.

8. Insurance: Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of this Agreement. No warranty is made that the coverages and limits listed Attachment C - Page 2 of 5 herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State. Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out of state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary to comply with Vermont law. General Liability and Property Damage: With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to: Premises - Operations Products and Completed Operations Personal Injury Liability Contractual Liability The policy shall be on an occurrence form and limits shall not be less than: \$1,000,000 Each Occurrence \$2,000,000 General Aggregate \$1,000,000 Products/Completed Operations Aggregate \$1,000,000 Personal & Advertising Injury Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit. Additional Insured. The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional

Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance. Notice of Cancellation or Change. There shall be no cancellation, change, potential exhaustion of aggregate limits or nonrenewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

9. Reliance by the State on Representations: All payments by the State under this Agreement will be made in reliance upon the accuracy of all representations made by the Party in accordance with this Agreement, including but not limited to bills, invoices, progress reports and other proofs of work.

10. False Claims Act: The Party acknowledges that it is subject to the Vermont False Claims Act as set forth in 32 V.S.A. § 630 et seq. If the Party violates the Vermont False Claims Act it shall be liable to the State for civil penalties, treble damages and the costs of the investigation and prosecution of such violation, including attorney's fees, except as the same may be reduced by a court of competent jurisdiction. The Party's liability to the State under the False Claims Act shall not be limited notwithstanding any agreement of the State to otherwise limit Party's liability.

11. Whistleblower Protections: The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.

12. Location of State Data: No State data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside the continental United States, except with the express written permission of the State.

13. Records Available for Audit: The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or Attachment C - Page 3 of 5 acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

14. Fair Employment Practices and Americans with Disabilities Act: Party agrees to comply with the requirement of 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement.

15. Set Off: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

16. Taxes Due to the State: A. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State. B. Party certifies under the pains and penalties of perjury that, as of the date this Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont. C. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont. D. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

17. Taxation of Purchases: All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request with respect to otherwise taxable items.

18. Child Support: (Only applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date this Agreement is signed, he/she: A. is not under any obligation to pay child support; or B. is under such an obligation and is in good standing with respect to that obligation; or C. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan. Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

19. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing work under this Agreement pursuant to an agreement with Party or any subcontractor. In the case this Agreement is a contract with a total cost in excess of \$250,000, the Party shall provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54). Party shall include the following provisions of this Attachment C in all subcontracts for work performed solely for the State of Vermont and subcontracts for work performed in the State of Vermont: Section 10 ("False Claims Act"); Section 11 ("Whistleblower Protections"); Section 12 ("Location of State Data"); Section 14 ("Fair Employment Practices and Attachment C - Page 4 of 5 Americans with Disabilities Act"); Section 16 ("Taxes Due the State"); Section 18 ("Child Support"); Section 20 ("No Gifts or Gratuities"); Section 22 ("Certification Regarding

Debarment”); Section 30 (“State Facilities”); and Section 32.A (“Certification Regarding Use of State Funds”).

20. No Gifts or Gratuities: Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

21. Copies: Party shall use reasonable best efforts to ensure that all written reports prepared under this Agreement are printed using both sides of the paper.

22. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party’s principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in Federal programs, or programs supported in whole or in part by Federal funds. Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State’s debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

23. Conflict of Interest: Party shall fully disclose, in writing, any conflicts or potential conflicts of interest.

24. Confidentiality: Party acknowledges and agrees that this Agreement and any and all information obtained by the State from the Party in connection with this Agreement are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

25. Force Majeure: Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control rendering performance illegal or impossible (excluding strikes or lock-outs) (“Force Majeure”). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this paragraph.

26. Marketing: Party shall not refer to the State in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of the State.

27. Termination: A. Non-Appropriation: If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by Federal funds, and in the event Federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues. B.

Termination for Cause: Either party may terminate this Agreement if a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of

the non-breaching party's notice or such longer time as the non-breaching party may specify in the notice. C. Termination Assistance: Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take all reasonable and prudent measures to facilitate any transition required by the State. All State property, tangible and intangible, shall be returned to the State upon demand at no additional cost to the State in a acceptable format.

28. Continuity of Performance: In the event of a dispute between the Party and the State, each party will continue to perform its obligations under this Agreement during the resolution of the dispute until this Agreement is terminated in accordance with its terms. Attachment C - Page 5 of 5

29. No Implied Waiver of Remedies: Either party's delay or failure to exercise any right, power or remedy under this Agreement shall not impair any such right, power or remedy, or be construed as a waiver of any such right, power or remedy. All waivers must be in writing.

30. State Facilities: If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to and use of State facilities which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

31. Requirements Pertaining Only to Federal Grants and Subrecipient Agreements: If this Agreement is a grant that is funded in whole or in part by Federal funds: A. Requirement to Have a Single Audit: The Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required. For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in Federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required. B. Internal Controls: In accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). C. Mandatory Disclosures: In accordance with 2 CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

32. Requirements Pertaining Only to State-Funded Grants: A. Certification Regarding Use of State Funds: If Party is an employer and this Agreement is a State-funded grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization. B. Good Standing Certification (Act 154 of 2016): If this Agreement is a State-funded grant, Party hereby represents: (i) that it has signed and provided to the State the form prescribed by the Secretary of Administration for purposes of certifying that it is in good standing (as provided in Section 13(a)(2) of Act 154) with the Agency of Natural Resources and the Agency of Agriculture, Food and Markets, or otherwise explaining the circumstances surrounding the inability to so certify, and (ii) that it will comply with the requirements stated therein.

APPENDIX B – FEDERAL COST PRINCIPLES

Please refer to [Subpart E-Cost Principles of 2 CFR Part 200](#) for a complete explanation of allowable costs.

APPENDIX C – FEDERAL GRANT PROVISIONS

The following are some of the required federal regulations for all NBRC grants. Awarded grantees are expected to review and become knowledgeable of these requirements. The provisions related to awarded projects will be further outlined in each grant agreement.

PROGRAM INCOME—If program income is earned as a result of expenditures under this Grant Agreement, it must be spent on allowable eligible costs of the Page | 8 of 12 project and must be disbursed prior to draw down of additional federal funds. Under this Grant Agreement, program income will be applied under the deductive alternative described in 2 CFR 200.307.

PROCUREMENT—Procurement of goods and services will be carried out following the recipient's own procurement procedures provided they meet the minimum standards established in 2 CFR 200.317-327 and Appendix II of 2 CFR 200. Methods of procurement must conform to procedures identified in the recipient's own procurement procedures and those identified in 2 CFR 200.320. The recipient must take all affirmative steps identified in 2 CFR 200.321 to assure that small and minority businesses, women's business enterprises, and labor surplus area firms are solicited and utilized when possible. The recipient must develop and maintain a code of conduct for officers, employees, and agents which prohibits financial and familial conflict of interest and curtails solicitation or acceptance of gratuities in accordance with 2 CFR 200.318(c). a. This agreement requires that all services necessary for design and engineering phases of the project be discharged by qualified personnel. Contracts for architect and engineering services shall be arranged using the competitive procedures identified in 2 CFR 200.320(b)(2)(iv) under which price may not be used as a selection factor. Also, the recipient may not enter into a cost-plus percentage of cost or a cost plus a percentage of construction cost contract. b. In accordance with 2 CFR 200.318(b), the recipient will exercise oversight to assure that contractors perform in accordance with the delivery requirements of the contract and that they comply with all terms and conditions. The Page | 9 of 12 recipient shall enter into a sound and complete agreement with any contractor which is enforceable in the jurisdiction where the contract is to be performed and which contains the applicable clauses of 2 CFR 200, Appendix II. c. In accordance with the policy of the United States Government, consistent with applicable law, use, terms and conditions of Federal financial

assistance awards and federal procurements, recipients must maximize the use of goods, products, and materials produced in, and services offered, in the United States. Whenever possible, the recipient shall procure goods, products, materials, and services from sources that will help American businesses compete in strategic industries and help America's workers thrive. See the January 25, 2021 Executive Order on Ensuring the Future is Made in All of America by All of America's Workers for more details.

Procurement actions involve the purchase of goods and services needed to support the grant award. Government-wide regulations contained in 2 CFR 200 317-326 govern procurement actions. These regulations allow grantees to follow their own procurement procedures so long as they meet the minimum standards identified within 2 CFR 200. It is the responsibility of the grantee to review and understand these applicable procurement requirements. While Local Development Districts are available to assist with procurement; the grantee is responsible for ensuring that the process is conducted properly. NBRC reserves the right to review the procurement procedures of the grantee at any time during the application review process or during performance of the grant in accordance with 2 CFR 200.324. Recipients must keep all procurement documents in their project file in the event the project is monitored and/or audited for programmatic compliance. Grantees funded with USDA dollars will be required to provide copies of procurement procedures during the performance of the grant.

PROPERTY TITLE, USE AND DISPOSITION—Title to real property, equipment, and supplies acquired by the recipient using funds from this agreement vests with the recipient. These assets shall be used for their original purposes. The following policies apply to the different classes of property identified:

EQUIPMENT—Equipment as defined in 2 CFR 200.1 is an item of tangible property having a useful life of more than one year and a unit acquisition cost of \$5,000 or more. Equipment may be used for its original purpose as long as it is needed and may be used on other activities of the recipient provided activities under this Grant Agreement receive first priority. However, such equipment is not to be used in a manner that competes unfairly with private commercial firms. An inventory of equipment purchased under the Grant Agreement will be submitted to NBRC at close-out. Items of equipment with a unit fair market value of \$5,000 or less may be retained without compensation to the federal government. Other items of equipment will be subject to disposition instructions as provided in 2 CFR 200.313(e) and include retention, sale, or transfer to a third party. In each case, a financial settlement of residual financial interests will be made.

SUPPLIES—Supplies acquired under this Grant Agreement shall be used only for purposes allowed under the Grant Agreement. If a residual inventory of unused supplies remains at the end of the Grant Agreement that has a fair market value of more than \$5,000 in the aggregate and the supplies are not needed for any other federally financed program, the recipient shall repay NBRC for its share of the fair market value.

In accordance with federal cost principles at 2 CFR 200.439, purchase of such items requires NBRC prior approval, which will generally be provided as part of the approval of the grant award budget. All other equipment is considered supplies and should be listed as such in the grantee's budget. Personal computers are now generally accepted as supplies. Requirements of equipment management are contained in 2 CFR 200.313 (d) and include property records containing specific data elements; a

periodic inventory every two years; control procedures to prevent loss, damage, or theft; maintenance procedures to keep the equipment in good working condition; and disposition procedures that provide for competition and will result in the highest possible return. These disposition procedures are outlined in 2 CFR 200.313 and involve seeking NBRC instructions. The procedures include the need to determine the fair market value of any equipment that will be disposed. One method of such a calculation is the construction of a depreciation schedule that reduces the value on a straight-line basis over the useful life of the equipment. Other reasonable methods of determining fair market value may also be used, such as reliance of catalog prices or classified advertising. Items of equipment with a per unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to NBRC. NBRC shall issue an inventory tag to be placed on the equipment (when it has the capacity to do so). The grantee in some situations may provide NBRC with their inventory number if appropriate. At project close-out, the grantee shall create a depreciation schedule for the equipment that has been purchased if its fair market value exceeds \$5,000. The grantee shall also provide NBRC with a list of the equipment and identifiable info (pictures are also appreciated). Equipment shall contain a 'conditional title' when appropriate and the grantee must not encumber the equipment without written permission from NBRC. Equipment must be used for the purpose and scope of the grant outlined in the grant agreement until the equipment is fully depreciated, or funds will be required to be returned to NBRC. Ex: A commercial grade lathe is purchased to conduct job training in a technical environment. The lathe cost (three quotes required, see simplified acquisition in Procurement above) \$20,000, and a depreciation schedule has been outlined for the 5-year life of the equipment. At the end of year two, the training program is terminated because of unforeseen new business opportunities that provided work for those being trained. The depreciation schedule indicates that there is still \$12,000 value in the equipment. NBRC participated in 80% of the purchase. It would be anticipated that NBRC would be repaid 80% of the \$12,000 or \$9,600 unless the grant agreement is otherwise revised to continue use of the equipment with a change of scope. Insurance is required for the equipment, as would customarily be warranted, to protect the interest of the grantee. Equipment is required to be inventoried every two years. NBRC tracks this through grantee-provided documentation: Standard Form 428-S. see Appendix E.

COST ALLOWABILITY—Cost charges to this Grant Agreement, whether direct or indirect, will be determined in accordance with Subpart E of 2 CFR 200. These principles apply uniformly to state, local and tribal governments, institutions of higher education, and nonprofit organizations. The principles contain certain general tests of allowability that apply to all types of costs charged to the Grant Agreement and a list of selected items of cost that represent types of cost that are typically encountered by recipients and subrecipients in the course of administering a federal award or types of cost that, by their nature, the federal government refuses to allow. The detailed text of the cost principles identifies which the costs are allowable, which are not allowable, and which are allowable under certain circumstances or allowable. The proposed budget of the award was reviewed by NBRC to determine that the costs that are included therein are allowable. However, if, during the performance of this award, a cost occurs that is not included in the budget, it may still be allowable, based on the language in the cost principles. The recipient should take special care to review the listing contained in 2 CFR Page | 11 of 12 200.407 which identifies costs that require prior approval, under certain circumstances.

STATEMENT OF ASSURANCES (SF 424B—Non-construction; SF 424D— Construction)—As part of the grant application process, the recipient executed a Statement of Assurances which contains a listing of numerous federal laws, executive orders, and regulations which may apply by their terms to this Grant Agreement.

SUSPENSION AND DEBARMENT (2 CFR 180)—The recipient certifies, in accordance with 2 CFR 180.335, that neither it nor any of its principals is suspended or debarred from doing business with the Federal Government because of conditions covered under 2 CFR 180.

DRUG-FREE WORKPLACE (2 CFR 182)- Recipient must comply with the drugfree workplace regulations.

XII. HATCH ACT (5 CFR 900)—The Hatch Act restricts the political activity of executive branch employees of the Federal Government and state or local officers or employees whose principal employment is in connection with an activity that is financed in whole or in part by loans or grants made by the United States or a Federal agency.

STEVENS AMENDMENT (P.L. 101-166, Section 511). When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

DISCLOSURES—In accordance with 2 CFR 200.113, the recipient will immediately disclose to NBRC any violations of federal criminal statutes (18 USC) involving fraud, bribery or gratuity violations.

EMPLOYMENT—The recipient shall use its regular recruitment, hiring, and employment practices consistent with federal, state, and local law including but not limited to various non-discrimination policies which apply because of the status as a federal assistance recipient or as an employer. However, the recipient agrees that it will not employ, offer any office or employment to, or retain for professional services any person who (1) on the date that NBRC executed this Grant Agreement or within a one period ending on that date served as an officer, attorney, agent, or employee of NBRC and (2) occupied a position or engaged in activities which the Federal Co-chair determines involved discretion with respect to the Grant Agreement by NBRC.

NON-RELOCATION—By signing this agreement, the recipient attests that the NBRC funding is not intended to assist efforts by the recipient to induce the relocation or movement of existing jobs from one geographic region to another in competition for those jobs with the following exception: Financial assistance may be used as otherwise authorized by this subtitle to attract businesses to the region from outside the United States per 40 USC, Subtitle V §15501 (f.) If NBRC determines that its assistance was used for such purposes, NBRC reserves the right to pursue appropriate enforcement action including suspension of payment and possible disallowance and recovery of funds from the recipient.

RECORDS RETENTION AND ACCESS—The recipient shall retain all financial and programmatic records that are pertinent to the Grant Agreement. The records shall be retained for at least three years following submission of the final financial and performance reports for the Grant Agreement. If any audit, claim, or litigation started before the expiration of the retention period, the recipient shall retain the records until such matters are fully resolved. If the recipient is subject to any other more rigorous retention period for the records, the records must be retained to meet that requirement. During the period of retention, the records are accessible to the Comptroller General of the United States, the federal awarding agency, an inspector general, independent auditor performing audits under the Single Audit Act and any of their duly authorized representatives for the purpose of audit, examination, and copying. The rights of access do not expire with the designated retention period but shall last as long as the records are retained. Records in the hands of the recipient are not subject to disclosure to the general public under the federal Freedom of Information Act. However, any records transmitted to NBRC are subject to that statute. Methods for collection, transmission, and storage of the records shall be consistent with instructions contained in 2 CFR 200.336.

CONTINUING ACCOUNTABILITY—The recipient must assume continuing accountability for several matters that extend beyond the performance period. These include custody and maintenance of property that has been retained, records retention and access for records, and the discretionary right of the federal government to conduct audits and investigations on an as needed basis.

Grantees must have a written code of conduct that governs the behavior of their officers, employees, and agents who are involved in the selection, award, and administration of contracts. This code must, at a minimum, provide that these individuals refrain from participating in such actions if they have a real or apparent conflict of interest. Such a conflict of interest would arise if the individual or any member of his or her immediate family has a financial or other interest in any firm considered for a contract. Further, these individuals must neither solicit nor accept anything of value from a prospective or incumbent contractor. Additional information about the code of conduct is contained in 2 CFR 200.318 (c).

Grantees must ensure that all solicitations (invitations for bids/quotes and requests for proposals) contain a clear and accurate description of the product or service being procured, identify all requirements that the offeror must fulfill, and all factors that will be used in evaluating bids or proposals.

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of 2 CFR 200.319. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to: (1) Placing unreasonable requirements on firms for them to qualify to do business. (2) Requiring unnecessary experience. (3) Noncompetitive pricing practices between firms or between affiliated companies. (4) Noncompetitive contracts to consultants that are on retainer contracts. (5) Organizational conflicts of interest. (6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and (7) Any arbitrary action in the procurement process. The grantee must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, although this does not preempt state licensing laws and does not prohibit requirements that contractors must be able to perform in particular locations. The grantee must ensure that all prequalified lists of persons, firms, or products used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include: 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists. 2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources. 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises. 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises. 5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and 6. Requiring the prime contractor, if subcontracts are to be allowed, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

Northern Border Regional Commission has the minimum requirements as follows: 1. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. 2. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract. 3. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided under the contract. It is the responsibility of the Grantee to understand government procurement procedures. The LDD’s role is to assist with knowing the process, but they are not hired to conduct the process for the Grantee. All records of how solicitations were made, and the

process and criteria used to obtain services and contracts shall be part of the records of the project and kept in accordance with other Record Retention rules.

In accordance with 2 CFR 200.320, there are five methods that are permitted to be used in purchasing goods and services under a grant. If any policy or procedure applicable to the grantee under state or local law, or enforceable procedure, precludes, limits, or restricts the use of one or more of these methods, the grantee must follow the more stringent requirement.

Quotes from at least three vendors should be made for major equipment purchases. Records of these quotes must be kept and submitted with claims in WebGrants.

Purchases by micro-purchase is the acquisition of suppliers or services when the aggregate dollar value of the transaction does not exceed \$10,000 (pursuant to OMB Memorandum 18-18, 6/20/2018). If the grantee's own purchasing procedures establish a lower dollar limit than that established by the federal government, the lower limit must be followed. Micro-purchases may be awarded without soliciting competitive quotations if the grantee considers the price to be reasonable. Soliciting quotations from multiple sources should be considered best practice.

Purchases under this procedure involve solicitation of an adequate number of qualified sources when the size of the transaction is not expected to exceed the federal government's "simplified acquisitions threshold" (currently \$250,000). Once again, if the grantee's own procurement procedures establish a lower threshold, the lower threshold must be followed. As noted above, the solicitation is expected to identify the features of the good or service being procured so that offers can be assessed based on their comparability. This method is almost exclusively used when there is a specific item, like equipment, that needs to be purchased.

Procurement by competitive qualifications, typically referred to as a Request for Qualifications (RFQ). The technique of competitive qualifications is normally conducted with more than one source submitting an offer, and either a fixed price or cost-payment type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids, such as consultants, that could produce different results. Examples include teachers or training experts for job development, engineers, architects, website development, meeting facilitation, or research experts. If this method is used, the following requirements apply: 1. Requests for qualifications must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical. 2. Proposals must be solicited from an adequate number of qualified sources. 3. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients. 4. Contracts must be awarded to the

responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and 5. The grantee may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E or other professional services. It cannot be used to purchase other types of services through A/E firms that should instead be using another form of procurement.

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply: 1. The item is available only from a single source. This is rare and must be documented. 2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. This would be an extreme case such as a natural disaster and highly unlikely to be used by NBRC. 3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or 4. After solicitation of several sources, competition is determined inadequate. If procurement is obtained through sole source without the express written authorization from NBRC, the grantee risks termination of its award. Contracts for administration of grants using Local Development Districts are the only authorized sole source procurement that NBRC has currently authorized.

The approved grant agreement and budget establishes the planned parameters of award performance. However, the award provisions are often based upon estimates and projects that may need to be modified once performance begins. Such modifications may involve the time for performances, the scope of the project, and the funding provided. Grantees should not move forward with any project changes without first receiving NBRC review and approval. Such actions may trigger enforcement measures authorized by 2 CFR 200.207 or 2 CFR 200.208. Any other changes in scope must be approved by VAAFM and NBRC.