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November 9, 2009

The Honorable Toni Randall
Mayor, City of League City
300 W. Walker Street
League City, Texas 77573

Re: TxCDBG Contract No. DRS010096

Dear Mayor Randall:

I would like to congratulate your locality on its recent contract award under the Disaster Recovery Texas Community Development Block Grant Program (TxCDBG). Enclosed are two (2) signed copies of Contract No. DRS010096 between the City of League City, and the Texas Department of Rural Affairs (TDRA), for your review and signature.

Please read the contract carefully, with special attention to the Reporting Requirements, Environmental Clearance Requirements and Special Conditions (Sections 8, 20 and 22) of this contract as these restrict your allowance to incur project costs and our ability to release contract funds to your local government. Please review the activities provided for in Exhibit A, Performance Statement; Exhibit B, Budget; Exhibit C, Certifications and the requirements of Exhibit D, The Applicable Laws and Regulations, and Exhibit E, Project Implementation Schedule. (Please consider having your city/county attorney review the enclosed contract).

These Exhibits must be adhered to during the contract period. All fiscal and administrative staff should be familiar with the budget categories and amounts. The program staff should be aware of the Performance Statement and Project Implementation Schedule. Fiscal and program staff should be familiar with the Applicable Laws and Regulations. Copies of these Exhibits should be distributed to appropriate staff members.

Please review and sign both copies of the contract. The City must return to this office both contracts for final execution. If the name of the authorized person signing this contract is different from the name typed, please correct the name appearing in the contract. Please return both copies of the signed contracts to the following address:

Texas Department of Rural Affairs
Disaster Recovery Texas Community Development Block Grant Program
P.O. Box 17900
Austin, Texas 78760-7900

A copy of the executed contract will be mailed to your firm upon final signature by TDRA.

All Contractor localities are encouraged to utilize minority and women-owned businesses in completing contract activities whenever possible. Although Contractors are not directly responsible for meeting a specific goal, each year the U.S. Department of Housing and Urban Development establishes an overall minority business enterprise participation goal for the Texas Community Development Block Grant Program (TxCDBG). The Texas Building and Procurement Commission (BPC), through the Texas Historically Underutilized Business (HUB) Program, can provide you with a directory of minority and women-owned businesses located in your area. If you would like to purchase a directory, please contact the HUB program at 512/463-5872. This cost is an eligible expense under the TxCDBG administration category.

www.tdra.state.tx.us

Charles S. (Charlie) Stone
77011

N. Congress Avenue, Suite 220
Austin, Texas 78701
512/463-5877


Contractors are encouraged to place the businesses located in your area on vendor mailing lists to increase minority and women-owned business participation in the Texas Community Development Block Grant Program. Information regarding minority contracting is provided in Chapter 12 of the Project Implementation Manual.

Each local government expending \$500,000 or more in total federal or state funds during a fiscal year is required to submit two (2) copies of the Single Audit report to TDRA. Federal regulations require that the audit be submitted to the Texas Department of Rural Affairs within thirty (30) days of receipt of the completed audit report, but no later than nine (9) months after the end of the audit period. All Contractors are required to submit an audit certification form within sixty (60) days after the end of their fiscal year.

TDRA has established requirements to ensure that the contract is returned to TDRA in a timely manner. The current program rules require that the contract be executed within sixty (60) days from the date of this letter or the award will be withdrawn.

Should you have any questions or need additional information about the terms in this contract, please call Heather Lagrone, Contracts and Project Management Manager, at (512) 936-6727.

Sincerely,


Oralia Cardenas, Director of Programs
Disaster Recovery Division

OC:mh

Enclosures: Contract

cc: Contract File

wlopscon

TEXAS DEPARTMENT OF RURAL AFFAIRS

CONTRACT NO. DRS010096 FOR

CDBG DISASTER RECOVERY ALTERNATIVE ENTITLEMENT GRANT PROGRAM

STATE OF TEXAS

COUNTY OF TRAVIS

SECTION 1. PARTIES TO CONTRACT

This Contract and agreement is made and entered into by and between the Texas Department of Rural Affairs an agency of the State of Texas, referred to as the "TDRA", and the City of League City, hereinafter referred to as "Grantee". The parties have severally and collectively agreed and by the execution hereof are bound to the terms and conditions of this Contract.

SECTION 2. CONTRACT PERIOD

This Contract and agreement shall commence on December 1, 2009, and shall terminate on November 30, 2011, unless otherwise specifically provided by the terms of this Contract.

SECTION 3. STATEMENT OF SERVICES TO BE PERFORMED

The funds provided under this Contract were appropriated by the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329) enacted on September 30, 2008, to facilitate disaster relief, recovery, restoration and economic revitalization in areas affected by Hurricanes Dolly and Ike, which are Presidentially-declared major disaster areas under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*).

A. Grantee Performance

1. Grantee shall conduct, in a satisfactory manner as determined by TDRA, the activities and projects set forth in Exhibit A, the Performance Statement that is attached hereto and made a part of this Contract. These project and activity services are for emergency recovery in the Hurricanes Dolly and Ike Federally-declared disaster areas. Grantee shall perform all projects and activities in accordance with Exhibit A and the terms set forth in the following attached exhibits that are made a part of this Contract: Exhibit B, the Budget; Exhibit C, the Certifications; Exhibit D, the Applicable Laws and Regulations; Exhibit E, the Project Implementation Schedule; and the assurances, certifications, and all other statements made by Grantee in its application for funding under this Contract. Grantee shall accomplish all tasks in accordance with Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 *et seq.*), hereinafter referred to as "the Act", and the regulations promulgated thereunder pertaining to the State's Program at 24 CFR Part 570, hereinafter referred to as "the Regulations", subject to applicable statutory and/or regulatory waivers or alternative requirements; and with all other terms, provisions, and requirements set forth in this Contract.

2. Grantee shall ensure that the projects described in Exhibit A, the Performance Statement, were either directly damaged or experienced a failure to function as designed as a result of either Hurricane Dolly on July 23, 2008 or Hurricane Ike on September 13, 2008. Grantee shall ensure that all funds expended under this Contract are used in accordance with the approved Methods of Distribution established by the appropriate county and/or Council of Government.

3. Grantee shall ensure that the persons to benefit from the activities described in Exhibit A, Performance Statement, are receiving the service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled and before submitting the Project Completion Report to TDRA. If the persons to benefit from the activities described in Exhibit A are not receiving the service or a benefit, Grantee is liable to repay to TDRA any associated disallowed costs.

4. Grantee shall adhere to the Project Implementation Schedule timelines for key project activities as shown in Exhibit E. TDRA may require Grantee to submit written justification for any contract activity that is not completed by the end of the month specified on the schedule in Exhibit E.

5. **Self-Administered Services Alternatives.** Grantee may elect to self-administer the project delivery, engineering, and/or environmental services under this Contract subject to the following restrictions related to the use of grant funds:

a. **Use of Grant Funds Permitted.** Grantee may use grant funds to provide engineering, project delivery, and environmental review services with in-house staff. For purposes of this Contract "in-house" means city, county, or direct grantee regular employees, and excludes contract employees.

b. **Use of Grant Funds Not Permitted.** If Grantee chooses to procure its own providers for engineering, project delivery and/or environmental services, instead of using "in-house" employees, or selecting a service provider(s) on TDRA's Engineer, Grant Administrator, and/or Environmental Service Provider Master List(s), then Grantee must engage in such procurement using a separate funding source (e.g., local funds).

Grantee shall upon execution of this Contract inform TDRA if it elects to either provide in-house, or procure with separate funds, project delivery, design engineering and/or environmental review services for projects under this Contract.

B. TDRA Obligations and Measure of Liability

In consideration of full and satisfactory performance of the activities referred to in Section 3(A) of this Contract, TDRA shall be liable for actual and reasonable costs incurred by Grantee during the contract period for performances rendered under this Contract by Grantee, subject to the limitations set forth in this Section 3(B).

1. **Funding.** It is expressly understood and agreed by the parties that TDRA's obligations under this Section 3(B) are contingent upon the actual receipt of adequate state or federal funds to meet TDRA's liabilities under this Contract. If adequate funds are not available to make payments under this Contract, TDRA shall notify Grantee in writing within a reasonable time after such fact is determined. Upon Grantee's receipt of such notice, TDRA or Grantee may terminate this Contract and neither will be liable to the other for any Contract obligations thereafter. The Grantee shall not be liable for performing any of its Contract obligations if TDRA does not have the funding to pay for them.

2. **Grant Administrative Services.** TDRA shall be responsible for procurement of Grant administrative services in compliance with 24 CFR Section 85.36, this Contract and all applicable federal, state and local laws, regulations, and ordinances. TDRA shall provide a Master List of Qualified Grant Administrators compiled as a result of TDRA's "Request for Proposals for Master List of Qualified Grant Administrators" (RFP #357-09DR-0002) to Grantee. TDRA shall hold a current and valid contract with Grant Administrators on the Master List. Grantee shall select one (1) primary Grant Administrator and one (1) additional Grant Administrator as an alternate (should the primary Grant Administrator become unavailable for any reason) from the Master List of Qualified Grant Administrators. TDRA will contract with the Grant Administrator(s) selected by Grantee, and on Grantee's behalf, to provide grant administrative services for Grantee.

Exception: If Grantee elects to self-administer project delivery services, or to contract using separate funds, then Grantee will not select a primary or alternate Grant Administrator from TDRA's Master List of Qualified Grant Administrators.

Payment for grant administrative services rendered will be included as and paid from the funds allocated in this Contract. TDRA shall determine the reasonableness of each payment amount requested from the Grant Administrator or Grantee and shall make disbursement of any such payment.

Grantee understands and agrees that costs for grant administrative services acquired outside of the Master List of Qualified Grant Administrators and not contracted by TDRA, except when those services are provided in-house, shall not be paid from the funds allocated in this Contract.

3. **Design Engineering Services.** TDRA shall be responsible for procurement of design engineering services in compliance with 24 CFR Section 85.36, this Contract and all applicable federal, state and local laws, regulations, and ordinances. TDRA shall provide a Master List of Qualified Engineering Firms compiled as a result of TDRA's "Request for Qualifications for Master List of Qualified Engineering Firms" (RFQ #357-09DR-0001) to Grantee. TDRA shall hold current and valid contract(s) with the design engineering firm(s). For application purposes, Grantee shall select one (1) primary Design Engineer and one (1) additional Design Engineer as an alternate (should the primary Design Engineer become unavailable for any reason) from the Master List of Qualified Engineering Firms. TDRA will contract with the Design Engineer(s) selected by Grantee, and on Grantee's behalf, to provide engineering services for Grantee.

Exception: If Grantee elects to self-administer design engineering services, or to contract using separate funds, then Grantee will not select a primary or alternate Design Engineer from TDRA's Master List of Qualified Engineering Firms.

More than one (1) Design Engineer may be selected (not including the selected alternate) from the Master List of Qualified Engineering Firms by Grantee, but Grantee must justify in writing the need for more than one (1) Design Engineer and outline the specific activities that the additional Design Engineer will perform. TDRA shall determine the reasonableness and acceptability of such requests and provide written approval or denial to Grantee for the additional Design Engineer. Grantee understands and agrees that Design Engineers selected as a result of TDRA's "Request for Qualifications for Master List of Qualified Engineering Firms" (RFQ #357-09DR-0001) may have elected to subcontract reasonable lots or portions of the contract work, including goods or services, to the extent consistent with prudent industry practices and such subcontractors shall be considered duly authorized representatives of the selected Design Engineer(s).

Payment for design engineering services rendered will be included as and paid from the funds allocated in this Contract. TDRA shall determine the reasonableness of each payment amount requested from the design engineering firm(s) or Grantee and shall make disbursement of any such payment.

Grantee understands and agrees that costs for engineering services acquired outside of the Master List of Qualified Engineering Firms and not contracted by TDRA, except those provided in-house, shall not be paid from the funds allocated in this Contract.

4. Environmental Review Services. TDRA shall be responsible for procurement of environmental review services in compliance with 24 CFR Section 85.36, this Contract and all applicable federal, state and local laws, regulations, and ordinances. TDRA shall hold current and valid contracts with all environmental review firms selected as a result of TDRA's "Request for Proposals - Environmental review services" (RFP #357-09DR-0004). Grantee understands and agrees that TDRA, at its (or its agent's) sole discretion, shall assign contracted Environmental review firms to all projects requiring such service. Grantee further understands and agrees that full cooperation with the assigned environmental review firm is required and that Grantee will provide, in a timely manner, any and all requested information necessary to complete the environmental review process.

Exception: If Grantee elects to provide environmental review services through in-house staff, or chooses to contract with an Environmental Service Provider using separate funds, then an Environmental Service Provider from TDRA's Master List will not be assigned to review Grantee's projects. Grant funds may be used, and TDRA will pay, for environmental review services that Grantee provides through in-house staff.

Payment for environmental review services rendered will be made from the funds allocated in this Contract. TDRA shall determine the reasonableness of each payment amount requested from the environmental review firm(s) and shall make disbursement of any such payment. TDRA shall be responsible for ensuring that environmental review firm(s) adheres to the Project Implementation Schedule timelines as shown in Exhibit E. Should supplemental environmental review become necessary in the course of the contract term, TDRA shall assign an environmental review firm(s) to all projects requiring such service as needed. However, payment for such supplemental environmental review services will be paid from funds allocated in this Contract or local funds should the need for such services arise from an amendment initiated by Grantee.

5. Project Management Services. TDRA shall be responsible for procurement of a Project Management Firm or Company (PMC) to facilitate compliance with 24 CFR Section 85.36, this Contract and all applicable federal, state and local laws, regulations, and ordinances. TDRA shall hold a current and valid contract with the PMC selected as a result of TDRA's "Request for Qualifications for Project Management Services" (RFQ #357-09DR-0005). Grantee understands and agrees that the PMC will serve as TDRA's representative and, at TDRA's request and sole discretion, provide design engineering and other project related services to any or all projects described in Exhibit A, Performance Statement.

12. TDRA shall not be liable to Grantee for any costs incurred by Grantee or for any performances rendered by Grantee which are not strictly in accordance with Public Law 110-329, the applicable CDBG regulations, and other U. S. Department of Housing and Urban Development (HUD) requirements that govern the use of the funds provided under this Contract.

C. Excess Payments

Grantee shall refund to TDRA any sum of money which has been paid to Grantee by TDRA, which TDRA determines has resulted in overpayment to Grantee, or which TDRA determines has not been spent by Grantee strictly in accordance with the terms of this Contract. Such refund shall be made by Grantee to TDRA within thirty (30) working days after such refund is requested by TDRA.

SECTION 4. CONTRACT AMOUNT AND FUNDING ALLOCATION

Notwithstanding any other provision of this Contract, the total of all payments and other obligations incurred by TDRA under this Contract shall not exceed the sum of Three Million One Hundred Thirty-Five Thousand Three Hundred Ninety-Two and No/100 Dollars (\$3,135,392), reflecting the total allocation of disaster recovery funds to Grantee. This contract allocation includes a maximum of \$394,681 for engineering/architectural services, a maximum of \$192,577 for planning/project delivery costs, and a maximum of \$3,500 for environmental review, that will be distributed in the manner described below.

Funds for the engineering/architectural services, planning/project delivery costs, and environmental review services—though allocated to Grantee herein—will be retained and distributed by TDRA directly to the Design Engineer(s), and Grant Administrator(s) selected by Grantee and who contract with TDRA, and to the Environmental Service Provider assigned by TDRA. Alternatively, funds will be paid directly to Grantee if such services are provided in-house, in accordance with the terms of this Contract. *Grant funds may not be used for contracted services rendered by providers outside of TDRA's Master Lists.*

SECTION 5. METHOD OF PAYMENT

A. Grantee shall request payment under this Contract by submitting to TDRA—at the designated office location—a completed Request for Payment form accompanied by detailed documentation supporting the request, and a State of Texas Purchase Voucher, as specified by TDRA. TDRA shall determine the reasonableness of each payment amount requested and shall not make disbursement of any payment until TDRA has reviewed and approved such request.

B. Grantee's requests for the advance of funds shall be limited to the minimum amounts needed for effective operation of programs under this Contract, and shall be timed as closely as possible to be in accord with actual cash requirements. Grantee shall establish procedures to minimize the time elapsing between the transfers of funds from TDRA to Grantee and shall ensure that such funds are disbursed as soon as administratively possible.

C. Notwithstanding the provisions of Section 5 (A) of this Contract, it is expressly understood and agreed by the parties that payments under this Contract are contingent upon Grantee's full and satisfactory performance of its obligations under this Contract.

D. It is expressly understood and agreed by the parties that any right or remedy provided for in this Section 5 or in any other provision of this Contract shall not preclude the exercise of any other right or remedy under this Contract or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right

or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

E. The amount of funds paid on behalf of the community for administration cost (which is included in the Planning/Project Delivery costs in the Budget, Exhibit B) will be determined by a current and valid contract between TDRA and the grant administration firm. The amount of funds paid will be either a fixed-rate based on the amount of the grant awarded herein and the number of construction projects as described in the Performance Statement, Exhibit A, or an Itemized Pricing Structure for Local Project Delivery (Administrative) Expenses.

SECTION 6. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND PROGRAM INCOME

A. Except as specifically modified by law or the provisions of this Contract, Grantee shall, in performing under this Contract, comply with the Regulations in Exhibit D and, for matters not addressed therein, with 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" (referred to as the "Common Rule"), as modified by the rules promulgated by the Office of the Governor under the Uniform Grant and Contract Management Act (TEX. GOV'T CODE Chapter 783). The allowability of costs incurred for performances rendered shall be determined in accordance with Office of Management and Budget (OMB) Circular A-87, as supplemented by the Uniform Grant Management Standards (UGMS) and the terms and conditions of this Contract.

B. Grantee shall comply with the requirements set forth in 24 CFR Section 570.489(e) of the Regulations to account for program income related to activities financed in whole or in part with funds provided under this Contract.

Grantee shall maintain records of the receipt and accrual of all program income in the same manner as required for all other funds under this Contract, and Grantee shall provide reports of program income to TDRA with each form submitted by Grantee in accordance with Section 8 of this Contract. All program income must be returned to TDRA on at least a quarterly basis and must be reported to TDRA in perpetuity.

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

A. Grantee shall maintain fiscal records and supporting documentation for all expenditures of funds made under this Contract in a manner which conforms to OMB Circular A-87, 24 CFR Section 570.490 of the Regulations in Exhibit D, and this Contract. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this Contract. Grantee shall retain such records, and any supporting documentation, for the greater of these three (3) periods: (i) three (3) years from closeout of the HUD disaster recovery grant to the state of Texas, not the closeout of this Contract; (ii) a date consistent with the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 570.488; or, (iii) if notified by TDRA that audit issues have not been fully resolved, the date TDRA accepts Grantee's audit or TDRA resolves to its satisfaction the audit issues. If an expenditure or audit report has been waived, the retention period is based on the other two (2) dates alone.

B. Grantee shall give the United States Department of Housing and Urban Development, the Inspector General, the Government Accountability Office, the Auditor of the State of Texas, an office or agency of the State of Texas, TDRA, the PMC, or any of TDRA's other duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by Grantee pertaining to this Contract. Such rights to access shall continue as long as the records are retained by Grantee. Grantee agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act (TEX. GOV'T CODE Chapter 552).

C. Grantee shall include the substance of this Section 7 in all subcontracts.

SECTION 8. REPORTING REQUIREMENTS

A. Grantee shall submit to TDRA such reports on the operation and performance of this Contract as may be required by TDRA including but not limited to the reports specified in this Section 8.

B. Grantee shall submit a Quarterly Progress Report to TDRA no later than the fifteenth day of the month after the end of each calendar quarter of the contract period specified in Section 2, and continuing until all funds have been expended and all expenditures reported. The Quarterly Progress Report shall be in a format prescribed by TDRA and shall include a report of the progress, in narrative form, of all construction and non-construction activities by budget categories performed pursuant to Exhibit A, Performance Statement, and of the expenditures and obligations of funds by budget category made pursuant to Exhibit B, Budget. The Quarterly Progress Report may also include information about the uses of funds during the applicable quarter including (but not limited to) the project names; activity descriptions, locations, and beginning/ending dates; national objective compliance; non-CDBG funding source information; and performance measure details.

C. Grantee shall submit a Certificate of Expenditures to TDRA no later than sixty (60) days after the contract termination date or at the conclusion of all contract activities as determined by TDRA. The Certificate of Expenditures shall be in a format prescribed by TDRA and shall be accompanied by a final Project Completion Report of all activities performed under this Contract.

D. In addition to the limitations on liability otherwise specified in this Contract, it is expressly understood and agreed by the parties that if Grantee fails to submit to TDRA in a timely and satisfactory manner any report required by this Contract, TDRA may, at its sole option and in its sole discretion, withhold any or all payments otherwise due or requested by Grantee. If TDRA withholds such payments, it shall notify Grantee in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by TDRA until such time as the delinquent obligations for which funds are withheld are fulfilled by Grantee.

E. Grantee is required to immediately report to TDRA any incident of criminal misapplication of TxCDBG-DRS funds, or other instances of fraud affecting TxCDBG-DRS funds or related projects, associated with this Contract.

SECTION 9. MONITORING

TDRA reserves the right to perform periodic on-site monitoring of Grantee's compliance with the terms and conditions of this Contract, assurance of non-duplication of beneficiaries and of the adequacy and timeliness of Grantee's performances under this Contract. After each monitoring visit, TDRA shall provide Grantee with a written report of the monitor's findings. If the monitoring reports note deficiencies in Grantee's performances under the terms of this Contract, the monitoring report shall include requirements for the timely correction of such deficiencies by Grantee. Failure by Grantee to take action specified in the monitoring report may be cause for suspension or termination of this Contract, as provided in Sections 17 and 18 of this Contract.

SECTION 10. INDEPENDENT GRANTEE

It is expressly understood and agreed by the parties that TDRA is contracting with Grantee as an Independent Grantee, and that Grantee, as such, agrees to the extent allowed by law to hold TDRA harmless and to indemnify TDRA from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by Grantee under this Contract.

SECTION 11. SUBCONTRACTS

A. Except for subcontracts to which the federal labor standards requirements apply, Grantee may subcontract for certain performances described in this Contract without obtaining TDRA's prior written approval. TDRA will be liable for the procurement of the contracted services described in Section 3(B) of this Contract, and will be liable for holding a current and valid contract with the providers of those specified services. For subcontracts to which the federal labor standards requirements apply, Grantee shall submit a Subcontractor Eligibility form, as specified by TDRA, for each proposed subcontract, and obtain TDRA's prior written approval. Grantee, in subcontracting for any performances described in this Contract, expressly understands that in entering into such subcontracts, TDRA is in no way liable to Grantee's subcontractor(s).

B. In no event shall any provision of this Section 11, specifically the requirement that Grantee obtain TDRA's prior written approval of a subcontractor's eligibility, be construed as relieving Grantee of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the terms of this Contract, as if such performances rendered were rendered by Grantee. TDRA's approval under Section 11 does not constitute adoption, ratification, or acceptance of Grantee's or subcontractor's performance. TDRA maintains the right to insist upon Grantee's full compliance with the terms of this Contract, and by the act of approval under Section 11, TDRA does not waive any right of action which may exist or which may subsequently accrue to TDRA under this Contract.

C. Grantee shall comply with 24 CFR Section 85.36, this Contract and all applicable federal, state and local laws, regulations, and ordinances for making procurements under this Contract.

D. Grantee shall retain the amount of five percent (5%) of each construction or rehabilitation subcontract entered into by Grantee until TDRA determines that the Federal labor standards requirements applicable to each such subcontract have been satisfied.

SECTION 12. CONFLICT OF INTEREST

A. Grantee shall ensure that no employee, officer, or agent of Grantee shall participate in the selection, or in the award or administration of a subcontract supported by funds provided if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: 1) the employee, officer, or agent; 2) any member of his or her immediate family; 3) his or her partner; or 4) any organization which employs, or is about to employ any of the above; has a financial or other interest in the firm or person selected to perform the subcontract. Grantee shall comply with Chapter 171, Texas Local Government Code and 24 CFR 570.489(h) of the federal regulations.

B. In all cases not governed by Subsection (A) of this Section, no persons specified in subsection (C) of this Section who exercise or have exercised any functions or responsibilities with respect to the activities assisted under this Contract or any other CDBG contract, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one (1) year thereafter.

C. The conflict of interest provisions of Subsection (B) apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of Grantee or of a subcontractor of Grantee.

D. Grantee shall include the substance of this section in all subcontracts.

SECTION 13. NONDISCRIMINATION, RELIGIOUS ACTIVITY, AND FAITH-BASED ORGANIZATIONS

A. Grantee shall ensure that no person shall on the ground of race, color, national origin, religion, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to any program or activity funded in whole or in part with funds made available under this Contract.

B. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in this program and activities funded under this Contract. Grantee shall not discriminate against an organization on the basis of the organizations' religious character or affiliation. None of the performances rendered by Grantee under this Contract shall involve, nor shall any portion of the funds received by Grantee under this Contract, be used to engage in inherently religious activities. Funds made available under this Contract may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Funds made available under this Contract may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities. Where a structure is used for both eligible and inherently religious activities, funds made available under this Contract may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to funds provided under this Contract. Grantee shall comply with the regulations promulgated by the U.S. Department of Housing and Urban Development on faith-based activities at 24 CFR §570.200(j).

SECTION 14. LEGAL AUTHORITY

A. Grantee assures and guarantees that Grantee possesses the legal authority to enter into this Contract, receive funds authorized by this Contract, and to perform the services Grantee has obligated itself to perform.

B. The person or persons signing and executing this Contract on behalf of Grantee, or representing themselves as signing and executing this Contract on behalf of Grantee, do hereby warrant and guarantee that he, she or they have been duly authorized by Grantee to execute this Contract on behalf of Grantee and to validly and legally bind Grantee to all terms, performances, and provisions set forth.

C. TDRA shall have the right to suspend or terminate this Contract if there is a dispute as to the legal authority of either Grantee or the person signing this Contract to enter into this Contract or to render performances. Grantee is liable to TDRA for any money it has received from TDRA for performance of the provisions of this Contract, if TDRA has suspended or terminated this Contract for reasons enumerated in this Section 14.

SECTION 15. LITIGATION AND CLAIMS

Grantee shall give TDRA immediate notice in writing of 1) any action, including any proceeding before an administrative agency, filed against Grantee arising out the performance of any subcontract; and 2) any claim against Grantee, the cost and expense of which Grantee may be entitled to be reimbursed by TDRA. Except as otherwise directed by TDRA, Grantee shall furnish immediately to TDRA copies of all pertinent papers received by Grantee with respect to such action or claim.

SECTION 16. CHANGES AND AMENDMENTS

A. Except as specifically provided otherwise in this Contract, any alterations, additions, or deletions to the terms of this Contract shall be by amendment in writing and executed by both parties to this Contract.

B. It is understood and agreed by the parties that performances under this Contract must be rendered in accordance with the Act, applicable regulations, assurances and certifications made to TDRA by Grantee, and the assurances and certifications made to the United States Department of Housing and Urban Development by the State of Texas regarding the operation of the TxCDBG-DRS Program. Accordingly, and in order to ensure the legal and effective performance of this Contract by both parties, the parties agree that the provisions of the TxCDBG Project Implementation Manual apply to this Contract, and that any amendments thereto are automatically incorporated into this Contract without written amendment as follows: TDRA may from time to time during the period of performance of this Contract issue policy directives which serve to establish, interpret, or clarify performance requirements under this Contract. Such policy directives shall be promulgated by the Deputy Executive Director for Disaster Recovery (or the Deputy Executive Director's designee(s)) in the form of TxCDBG-DRS issuances, and shall have the effect of qualifying the terms of this Contract and shall be binding upon Grantee, as if written herein. However, such policy directives and any amendments to the TxCDBG Project Implementation Manual shall not alter the terms of this Contract so as to release TDRA of any obligation specified in Section 4 of this Contract to reimburse costs incurred by Grantee prior to the effective date of the amendments or policy directives.

C. Any alterations, additions, or deletions to the terms of this Contract which are required by changes in Federal or State law or regulations are automatically incorporated into this Contract without written amendment, and shall become effective on the date designated by such law or regulation.

D. Notwithstanding Subsection A of this Section 16, Grantee may make transfers of funds between or among budget categories of Exhibit B, Budget, without requiring an amendment to this Contract, or otherwise requiring TDRA's prior written approval provided that:

1. The cumulative dollar amount of all transfers among direct budget categories is equal to or less than ten percent (10%) of the total amount of this Contract as specified in Section 4, but does not exceed \$25,000;
2. The transfer will not change the scope or objective of the projects funded under this Contract; and
3. Grantee submits a budget revision report to TDRA, on a form specified by TDRA, simultaneously with the submission of Grantee's first request for payment following any such transfers made in accordance with this Subsection D.

SECTION 17. SUSPENSION

To the extent permitted by TEX. GOV'T CODE Section 2251.002, in the event that Grantee fails to comply with any term of this Contract, TDRA may, upon written notification to Grantee, suspend this Contract in whole or in part and withhold further payments to Grantee, and prohibit Grantee from incurring additional obligations of funds under this Contract.

SECTION 18. TERMINATION

A. TDRA may terminate this Contract for cause based upon the failure of Grantee to comply with the terms and/or conditions of the contract, provided that TDRA give Grantee written notice specifying Grantee's failure. If within thirty (30) days after receipt of such notice, Grantee has not either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceed diligently to complete such correction and thereafter maintain agreed upon performance standards, then TDRA may, at its option, give notice of default to Grantee and terminate this Contract on the date specified in such notice. However, if TDRA determines that Grantee is ineligible to receive the contract, TDRA may immediately terminate the contract without further obligation to Grantee.

B. Either of the parties to this Contract shall have the right to terminate this Contract, in whole or in part, when both parties agree that the continuation of the activities funded under this Contract would not produce beneficial results commensurate with the further expenditure of funds; provided that both parties agree, in writing, upon the termination conditions, including the effective date of such termination; and in the case of partial termination, the portion of the contract to be terminated.

C. Upon termination or receipt of notice to terminate, whichever occurs first, Grantee shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts related to the performance of this Contract or the part of this Contract to be terminated, and shall cease to incur costs thereunder. TDRA shall not be liable to Grantee or to Grantee's creditors for costs incurred after termination of this Contract.

D. Notwithstanding any exercise by TDRA of its right to suspension under Section 17 of this Contract or of early termination pursuant to this Section 18, Grantee shall not be relieved of any liability to TDRA for damages due to TDRA for which it is legally liable resulting from any breach of this Contract by Grantee. TDRA may withhold payments to Grantee until such time as the exact amount of damages due to TDRA from Grantee is agreed upon or is otherwise determined.

SECTION 19. AUDIT

A. Grantee shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this Contract, subject to the following conditions and limitations:

1. (a) **Audit Required-Federal Awards.** Grantees expending \$500,000 or more in Federal financial assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single audit conducted in accordance with the Single Audit Act Amendments of 1996, 31 U.S.C. 7501, and OMB Circular No. A-133 - Revised as of June 27, 2007 "Audits of States, Local Governments, and Non-Profit Organizations." Alternatively, TDRA may require a program specific audit for certain situations and when the Single Audit Act does not apply. For purposes of this Section 19, "Federal Financial Assistance" means assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals as described in OMB Circular A-133 § .205(h) and § .205(i). The term includes awards of Federal financial assistance received directly from Federal agencies, or indirectly through other units of State and local government.

(b) **Audit Required-State Financial Assistance.** Grantees that expended \$500,000 or more in State Financial Assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single or program specific audit conducted for that year in accordance with provisions of the State of Texas Single Audit Circular and the Uniform Grant Management Standards as adopted June 2004. For purposes of this Section 19, "State Financial Assistance" (or cost reimbursement contract) means assistance that non-state entities receive or administer in the form of grants, loans, loan guarantee, property (including donated surplus properties), cooperative agreements, interest subsidies, insurance, food commodities, and other assistance, but does not include amounts received as a reimbursement for services rendered to individuals as described in § .205 (f). "State Financial Assistance" (or cost reimbursement contract) is received directly from state awarding agencies or indirectly from pass-through entities under a federal block grant. State financial assistance also does not include federal awards as defined by OMB Circular A-133.

2. **Audit Expenses.** Notwithstanding Section 4, Grantee may utilize funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by TDRA under this Contract, provided however that TDRA shall not make payment for the cost of such audit services until TDRA has received a satisfactory audit report and invoice, as determined by TDRA, from Grantee; the invoice submitted for reimbursement should clearly show the percentage of cost relative to the total single audit cost of the audit services. Therefore, when submitting a request for audit fees reimbursement, Grantee shall submit an invoice that clearly shows the total cost of the audit and the corresponding prorated charge per funding source. In addition, when applicable, an explanation shall be submitted with the reimbursement request supporting why the percentage of audit fee charges exceeds the percentage amount of TxCDBG-DRS funds expended of the total funds expended by Grantee.

3. Grantee shall submit one (1) copy of the report of such audit to TDRA within thirty (30) days after the completion of the audit, but no later than nine (9) months after the end of Grantee's audit period (i.e., after Grantee's fiscal year end). Grantee shall ensure that the audit report is made available for public inspection within thirty (30) days after completion of the audit. Audits performed under Subsection A of this Section 19 are subject to review and resolution by TDRA or its authorized representative. Grantee shall ensure the Audit Report submitted include either in the

report or as part of the cover letter, auditor and Grantee contact information, including contact person, mailing address, telephone, fax number and e-mail address. Grantee shall ensure the Audit Report submitted also includes the submission of the CPA Management Letter if a Management Letter was issued to Grantee by its CPA firm. Failure by Grantee to submit a completed single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under any TxCDBG Program, and the issuance of new contracts for funding awards.

4. Notwithstanding the requirements after paragraphs "A-1 through 3" of this Section 19, Grantee shall submit within sixty (60) days after its fiscal year end an Audit Certification Form (ACF) or a similar statement. The ACF or statement will include information indicating if Grantee has or has not met the \$500,000 expenditure threshold that will require a Single Audit Report in accordance with the UGMS, Subpart C-Post Award Requirements, § __.26 Audit, item (d). If Grantee did not exceed the threshold, Grantee shall include with the ACF or statement, a list of all open TDRA contracts providing financial assistance and the corresponding activity. Failure by Grantee to submit an ACF or a similar statement or failure to submit a completed single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under any TxCDBG Program, and the issuance of new contracts for funding awards.

5. Pursuant to Title 1 of the Texas Administrative Code (TAC) §5.167(c), "Chapter 2105, Texas Government Code, requires that all subrecipients of federal block grants be included under the provisions of the Uniform Grant and Contract Management Standards". UGMS § __.400 requires "Recipients who are required to have a single audit and receive state or federal awards for more than one state agency shall have a state single audit coordinating agency. The governor's office shall designate a state single audit coordinating agency based upon the state awarding agency that provides the predominant amount of direct funding to a recipient and other factors, as appropriate, to ensure equitable and manageable workloads." Grantee has the responsibility to make this request to the governor's office pursuant to 1 TAC §5.167(c)(2) which states: "To have a state single audit coordinating agency designated a recipient must submit a written request to the Governor's Budget and Planning Office, P.O. Box 12428, Austin, Texas 78711. This request must list the state agencies providing financial assistance with the grant amounts for the year to be audited and indicate that the governing body has authorized the initiation of the single audit."

B. Notwithstanding Subsection A of this Section 19, TDRA reserves the right to conduct an annual financial and compliance review of funds received and performances rendered under this Contract. Grantee agrees to permit TDRA or its authorized representative to audit Grantee's records and to obtain any documents, materials, or information necessary to facilitate such review.

C. Grantee understands and agrees that it shall be liable to TDRA for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Contract. Grantee further understands and agrees that reimbursement to TDRA of such disallowed costs shall be paid by Grantee from funds which were not provided or otherwise made available to Grantee under this Contract.

D. Grantee shall take such action to facilitate the performance of such audit or audits conducted pursuant to this Section 19 as TDRA may require of Grantee. Grantee shall establish written standard operating procedures and internal controls to include the timely procurement of a CPA firm to start and complete the year end single audit report if applicable, in order to comply with contractual and regulatory requirements. TDRA shall not release any funds for any costs incurred by Grantee under this Contract until TDRA has received a copy of any audit report required by this Section 19.

E. Grantee shall procure audit services through an open, competitive process at least once every four (4) years. The auditor shall retain working papers and reports for a minimum of three (3) years after the date of issuance of the auditor's report to the auditee. Audit working papers shall be made available upon request to TDRA at the completion of the audit, as a part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right to obtain copies of working papers, as is reasonable and necessary.

F. Grantee understands that acceptance of funds under this Contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Grantee further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Grantee will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Grantee and the requirement to cooperate is included in any subcontract it awards.

SECTION 20. ENVIRONMENTAL CLEARANCE REQUIREMENTS

A. Grantee Responsibilities

1. Grantee understands and agrees that, while TDRA is responsible for procurement and assignment of environmental services on Grantee's behalf unless such services are self administrated, by signing this Contract Grantee shall assume final responsibility for all environmental review responsibilities required of Responsible Entities in the assumption of authority for decision-making and action delegated by the U.S. Department of Housing and Urban Development (HUD) under the National Environmental Policy Act (NEPA), other provisions of law that further the purpose of NEPA, as specified in 24 CFR Part 58, and with all other terms, provisions, and requirements set forth in this Contract. In accordance with Section 58.77(b) of such regulations, Grantee further understands and agrees that Grantee shall handle inquiries and complaints from persons and agencies seeking redress in relation to environmental reviews covered by approved certifications.

2. Grantee understands and agrees that Grantee, or any of its duly authorized representatives, shall, in a timely manner, prepare and present full and complete project site descriptions to TDRA, or any of its duly authorized representatives, including the Environmental Service Provider, as necessary for the conduct of any activities required by this Section 20. Grantee understands and agrees that environmental review services, and funding therefore, will be provided in accordance with procedures described below.

3. Grantee understands and agrees that Grantee shall bear the cost as follows for environmental review activities required by this Section. Grant funds will be used to pay the cost of environmental review activities provided by a firm on TDRA's Master List of Environmental Service Providers or Grantee's in-house staff. If Grantee chooses to procure an environmental firm on its own, then a separate funding source must be used to pay the cost of environmental review activities.

4. Should the State Historic Preservation Office (SHPO) require a survey to be conducted, Grantee will bear the cost of such survey, and the deadline for submission of the project deliverable will be extended.

B. TDRA'S Responsibilities

Grantee understands and agrees that TDRA will perform the following functions related to projects that are the subject of this Contract unless they are self-administered:

1. Project Assignment.

TDRA will assign the Environmental Service Provider for a community using an Environmental Service Provider Work Order ("Work Order"). Each Work Order will be approved in writing by the Deputy Executive Director of Disaster Recovery (or the Deputy Executive Director's designee); and the approved Work Order must be signed and accepted by Environmental Service Provider; and signed by Grantee/Grantee's authorized representative. Upon acceptance of the work assignment, Environmental Service Provider will return a copy of the signed and executed Work Order to TDRA. Each signed and executed Work Order will be made a part of, and will be governed by the terms and conditions of, the Contract between TDRA and the Environmental Service Provider.

TDRA will determine, and include in the Work Order, the level of review required for Grantee's project(s), in most cases based on the classification of the project(s) as requiring an Environmental Assessment (EA), or being Categorically Excluded (CE) or Exempt. On rare occasion, a project may be classified as requiring an Environmental Impact Statement (EIS). Should this unlikely situation arise, TDRA will negotiate with Environmental Service Provider the level of compensation and the expected performance schedule before any work on the EIS is commenced. To the extent possible, TDRA will group activities that are geographically or functionally as a single project that requires one (1) environmental review. If TDRA determines that aggregation is not possible, or that various activities are not integrally related, then the projects will be handled separately with individual environmental reviews.

2. TDRA Furnished Resources

TDRA will assign an TDRA staff person to the contract with the Environmental Service Provider, who will provide oversight of the activities conducted thereunder. Notwithstanding Environmental Service Provider's responsibility for management during the performance of the contract services, the assigned TDRA staff will be the principal point of contact on behalf of TDRA and will be the principal point of contact for Environmental Service Provider concerning the conduct of the environmental review services.

TDRA will contract the services of a program management firm (PMC) to serve as an extension of its staff and administer the Disaster Recovery Program. The Environmental Service Provider is expected to fully cooperate with the PMC in all efforts related to grant project environmental reviews for Grantee.

Should Environmental Service Provider fail to properly perform the necessary environmental review activities set forth below and in the executed Work Order, or otherwise fail to satisfy performance obligations under its Contract with TDRA, in whole or in part, then TDRA may cancel and replace the Environmental Service Provider on any or all projects under said Contract.

C. Environmental Service Provider Responsibilities

Grantee understands and agrees that Environmental Service Provider will perform the following duties and responsibilities to satisfy environmental clearance requirements on Grantee's behalf:

Environmental Service Provider will confirm the level of review for the project(s) as designated by TDRA. If the Environmental Service Provider believes that the level of environmental review designated is incorrect, or if subsequently during the review process Environmental Service Provider becomes aware that the designated level of review may be incorrect, the Environmental Service Provider must as soon as practicable, request in writing from TDRA that its Work Order be amended.

Environmental Service Provider must perform all of the environmental responsibilities, and follow all applicable environmental review processes and procedures, required of a Responsible Entity under 24 CFR Part 58 on behalf of Grantee. In doing so, Environmental Service Provider must comply with the provisions of the National Environmental Policy Act (NEPA) and the Council on Environmental Quality (CEQ) regulations contained in 40 CFR parts 1500 through 1508, including the requirements set forth in this part, and all applicable HUD Environmental Standards.

Upon receipt of the project site descriptions for Grantee's projects, set forth in Grantee's Performance Statements, Environmental Service Provider will begin the environmental review process and perform all of the actions required of a responsible entity to ensure compliance with the provisions set forth in 24 CFR Part 58 and in accordance with the schedule below:

<u>Levels of Environmental Review</u>	<u>Schedule for Completion</u>
Environmental Assessments (24 CFR 58.36)	90-days
Categorically Excluded (24 CFR 58.35)	60-days
Exempt (24 CFR 58.34)	30-days
Environment Impact Statement (24 CFR 58.37)	Additional Activity, subject to Negotiation and a New Work Order

<u>Additional Services</u>	<u>Schedule for Completion</u>
Including, but not limited to items listed in Section 2.B.1. of this Contract	Additional Activity, subject to Day-for-Day Extension and Amended Work Order

NOTE: The timeframe will be revised appropriately and at the sole discretion of TDRA or its agent in the event of extraordinary circumstances (e.g., an archeological survey is required by the SHPO; or the project(s) is located within a flood plain, etc.). Revised timeframes for project completion shall be reflected in a new or Amended Work Order, as applicable.

Environmental Service Provider must report to TDRA the status of each project review at 30, 60, and 90-day intervals.

Environmental Service Provider must conduct the review of Grantee projects in accordance with applicable environmental clearance procedures in accordance with 24 CFR Part 58, Subpart E, as summarized in part below, and in accordance with the timelines set forth in the executed Work Order *(Strict compliance with applicable notice requirements is necessary, and the failure to provide proper notice, even by one (1) day, will result in the billing invoice and report being returned to Environmental Service Provider to correct the error):*

1. Environmental Assessment

Environmental Service Provider must prepare a written Environmental Assessment of Grantee's project activities in accordance with 24 CFR Part 58, Subpart E, and the TxCDBG Project Implementation Manual. Environmental Service Provider must publish, in the manner prescribed in 24 CFR Sections 58.43 and 58.45, a combined legal notice in a single publication: A Finding of No Significant Impact (FONSI) wherein Environmental Service Provider or any of its duly authorized representatives, certifies that, as a result of the Environmental Assessment, the project is not an action which may or will significantly affect the quality of the human environment, and a Notice of Intent to Request Release of Funds (NOI/RROF).

Environmental Service Provider must then provide the public with at least fifteen (15) calendar days to comment on this combined notice following its publication date, unless exceptional circumstances exist as specified in 24 CFR Section 58.46. If no unresolved problems occur, Environmental Service Provider must submit to Grantee and then to TDRA the following documents with supporting documentation. Grantee shall retain this document package as part of the environmental review record:

- a. Request for Release of Funds and Finding of No Significant Impact Certification Form (form HUD 7015.15);
- b. Statutory Checklist (Covering 24 CFR Part 58.5) and HUD Compliance Documentation Checklist (Covering 24 CFR Part 58.6);
- c. Published FONSI and NOI/RROF;
- d. Publisher's Affidavit (only needed if sending a photocopy of the publication and not an original full page of the newspaper with publication title and date);
- e. Map(s) of the project locations showing city or county boundaries; and
- f. Project Descriptions

Upon submittal of the specified documents to TDRA, TDRA must allow a fifteen (15) calendar day comment period to expire before formal release of any project funds subject to the environmental review regulations. Environmental Service Provider must comply with all other applicable environmental requirements and document its compliance in its environmental review file.

2. Categorically Excluded

Environmental Service Provider must complete a written Finding of Categorical Exclusion, as applicable under 24 CFR Section 58.35(a), which cites the subsection of Section 58.35(a) by which the activities or projects funded under this Contract are categorically excluded from the National Environmental Policy Act (NEPA) requirements of 24 CFR Part 58. Environmental Service Provider must then publish a Notice of Intent to Request Release of Funds (NOI/RROF) in the manner prescribed in 24 CFR Section 58.43 and 58.45. Environmental Service Provider must provide the public with at least seven (7) calendar days to comment on the Notice following its publication date. Finally, Environmental Service Provider must submit to Grantee (for retention as part of the environmental review record) and then to TDRA the following documents:

- a. Request for Release of Funds and Certification Form (form HUD 7015.15);
- b. Certification of Categorical Exclusion (Subject to 58.5) (CFR 58.35(a));
- c. Compliance Documentation Checklist (CFR 58.6);
- d. Published NOI/RROF;
- e. Publisher's Affidavit (only needed if sending a photocopy of the publication and not an original full page of the newspaper with publication title and date);
- f. Map(s) of the project locations showing city or county boundaries; and
- g. Project Descriptions

Upon submittal of the specified documents to TDRA, TDRA must allow a fifteen (15) calendar day comment period to expire before formal release of any project funds subject to the environmental review regulations. Environmental Service Provider must comply with all other applicable environmental requirements and must document its compliance in its environmental review file.

3. Exempt

Environmental Service Provider must submit to Grantee for signature as the Responsible Entity; and provide to TDRA a copy of, the following:

- a. Written Certification of Exemption
- b. Compliance Documents Checklist 58.6
- c. Project Description

Grantee shall retain this document package as a part of the environmental review record.

4. Environmental Impact Statement

In the event that there is a Finding of Significant Impact, in which the Request for Release of Funds for the project is an action which may significantly affect the quality of the human environment, then the Environmental Service Provider must [after negotiations with TDRA and issuance of a Work Order] prepare an Environmental Impact Statement in accordance with Subpart F or Subpart G of 24 CFR Part 58.

5. Environmental Review Record

Environmental Service Provider will give the original Environmental Review Record (ERR), including all supporting source documentation, to Grantee who must maintain a written ERR of the review undertaken for its projects; and a copy of the ERR, including all related source documentation to TDRA. However, the original certification will be filed with TDRA and a copy given to Grantee.

SECTION 21. CITIZEN PARTICIPATION WAIVER AND ALTERNATIVE REQUIREMENTS

A. Provisions of Federal Notice [Docket No. FR-5256-N-01] entitled "Allocations and Common Application and Reporting Waivers Granted to and Alternative Requirements for Community Development Block Grant (CDBG) Appropriations", and relating to the supplemental funding for natural disasters that occurred in 2008 (Public Law 110-329) expressly provides that the citizen participation requirement is waived. This waiver removes the mandate for public hearings or meetings, at either the state or local government level, as the method for disseminating information or collecting citizen comments about proposed projects under this funding. However, while public hearing or meeting requirements are waived, Grantee must ensure that all citizens have equal and ongoing access to information about the projects; including, but not limited to, ensuring that project information is available in the appropriate languages for the geographical area served by the jurisdiction. Information furnished to citizens shall include, but not be limited to:

1. The amount of Tx-CDBG-DRS funds expected to be made available;
2. The range of activities that may be undertaken with the Tx-CDBG-DRS funds;
3. The estimated amount of the Tx-CDBG-DRS funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons; and
4. The proposed Tx-CDBG-DRS activities likely to result in displacement and the entity's anti-displacement and relocation plan.

B. Complaint Procedures: Grantee must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Citizens must be made aware of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.

C. Technical Assistance: When requested, Grantee shall provide technical assistance to group's representative of persons of low and moderate income in developing proposals for the use of Tx-CDBG-DRS funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.

D. Grantee shall maintain a citizen participation file which includes a copy of the Plan Requirements described in the "2008 Supplemental Disaster Recovery Fund: Hurricanes Dolly and Ike Non-Housing Activities Application Guide"; Grantee's complaint procedures; any technical assistance provided by Grantee; and public notices, minutes, and attendance lists for public hearings, if any.

SECTION 22. SPECIAL CONDITIONS

A. As provided for in Public Law 110-329, the contract funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency (FEMA), the Army Corps of Engineers (Corps), any other federal funding source, or covered by insurance. Grantee shall ensure that any request for payment submitted to TDRA under this Contract does not include a fund request for costs for activities reimbursable by or for which funds are made available by FEMA, the Corps, any other federal funding source, or covered by insurance. Further, none of the funds made available under this Contract may be used by Grantee as a matching requirement, share, or contribution for any other federal program.

B. TDRA shall not release any funds for any costs incurred by Grantee under this Contract until TDRA has received a copy of Grantee's previous fiscal year audit report or certification from Grantee that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of and accounting for funds provided under this Contract. TDRA shall specify the content and form of such certification.

C. TDRA shall not be liable to Grantee for any costs incurred by Grantee under this Contract until TDRA receives a properly completed Depository/Authorized Signators Form, as specified by TDRA from Grantee.

D. Grantee shall not advertise or solicit bids for construction or rehabilitation of a project assisted with funds provided under this Contract until Grantee has received the applicable prevailing wage rates from TDRA.

E. In accordance with Section 18 of this Contract, this Contract shall terminate six (6) months after the commencement date specified in Section 2 unless activities specified in Section 20 of this Contract have begun by such date.

F. TDRA shall not be obligated to release any funds for any costs incurred by Grantee under this Contract until Grantee has provided to TDRA any additional information related to the project described in Exhibit A that TDRA determines necessary to complete the application or to otherwise satisfy any TxCDBG-DRS program or Texas Disaster Recovery Grant Action Plan requirement.

G. Grantee shall ensure that any request for payment submitted to TDRA under this Contract does not include a request for funds for costs that have been reimbursed from other sources.

H. Grantee shall, to the fullest extent necessary, pursue resolution of all compliance findings, collect identified disallowed costs, submit timely bankruptcy filings, provide any required documentation, attend administrative hearings, provide court testimony, and submit documentation to the Texas Attorney General for further collection efforts and participate in the process provided under applicable HUD regulations for any actions that HUD may take to address corrective and remedial actions associated with funding provided under this Contract.

I. Grantee must take steps, as directed by TDRA, to avoid or mitigate occurrences of fraud, abuse, and mismanagement, especially with respect to the financial management of this Contract and procurements made under this Contract. Upon the discovery of such alleged or suspected fraud, the Contractor shall immediately notify TDRA and appropriate law enforcement authorities, if necessary, of the theft of any assets provided for under this Contract, malfeasance, abuse of power or authority, kickbacks, or the embezzlement or loss of any funds under this Contract.

J. Public buildings, facilities, and centers constructed with TDRA TxCDBG-DRS assistance shall have permanent signage placed in a prominent visible public area with the wording provided below. The formatting of such signage will be at local discretion to best fit the architectural design of the facility constructed but should be legible from at least three (3) feet distance.

Other construction projects, e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation, etc. utilizing TDRA TxCDBG-DRS funding shall have temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality as directed by the owner.

Project Sign Wording:

"This project is funded by the Texas Department of Rural Affairs of the State of Texas, to provide for disaster recovery and restoration of infrastructure for communities impacted by the 2008 hurricanes. Funds allocated by the United States Department of Housing and Urban Development through the Community Development Block Grant Program."

K. Pre-Agreement Costs. Notwithstanding Section 3(B)(10), Grantee shall be allowed to incur costs prior to the commencement date specified in Section 2, but not prior to July 23, 2008 for damages caused by Hurricane Dolly or September 13, 2008 for damages caused by Hurricane Ike. Such costs may only be incurred for activities described in Exhibit A, Performance Statement, provided that these activities meet the requirements of 24 CFR Part 570, Subpart I and 24 CFR Part 58. Pre-agreement engineering and grant administration costs are eligible beginning (but not prior to) April 1, 2009, the date the Master Lists for Design Engineers and Grant Administrators were released by TDRA.

L. Memoranda of Understanding/Interlocal Agreements. Prior to TDRA's release of funds, in any case where Grantee is acting as the representative of or on behalf of other local government entities or private service providers, Grantee and each other local government entity or private service provider being represented shall enter into a Memorandum of Understanding (MOU) or Interlocal Agreement which contains provisions defining: (1) the relationship between Grantee, the other local government entity or private service provider and TDRA; (2) the path of communication to be used between Grantee, the other local government entity or private service provider and TDRA; (3) a mechanism for resolving conflicts or disputes; (4) clear delineation of access rights being given and rights of way being shared as relate to activities specified in Exhibit A, Performance Statement; (5) the maintenance by Grantee of receipts and documentation pertinent to this Contract, including furnishing such records to TDRA as required; and (6) the manner in which projected annual operations and maintenance expenses associated with the project(s) will be handled.

M. National Flood Insurance Program Compliance. Grantee shall provide documentation to TDRA prior to release of funds which indicates that it has received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Grantee to be eligible to participate in the NFIP have been adopted.

Grantee understands and agrees that, where activities specified in Exhibit A, Performance Statement involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required. In those instances, such flood insurance must be obtained prior to contract termination and maintained as evidenced by a policy declaration form. A copy of the policy declaration form is to be provided to TDRA and kept as part of the contract documentation.

N. Project Mapping/Design Information. Grantee shall receive, from the Engineer(s) that provide design engineering services for Grantee, and maintain a copy (in written and/or digital format) of the final project record drawing(s) engineering schematics, as constructed using funds under this Contract.

P. Sewer System Improvements. Prior to TDRA's release of funds for the construction of the sewer system improvements described in Exhibit A, Performance Statement, of this Contract, Grantee shall provide certification to TDRA that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities from the Master List of Qualified Engineering Firms, or their duly authorized representative, or Grantee's other registered professional engineer (as described in Section 4) and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217.

Further, prior to TDRA's release of funds for construction of sewer lines/additional service connections described in Exhibit A, Performance Statement, of this Contract, Grantee shall provide to TDRA notification of start of construction of any sewer treatment plant or other system-related improvements included in this Contract.

Q. Flood Insurance.

Grantee is hereby notified and understands and agrees that the subject property is located within a floodplain and that following terms and conditions apply:

1. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Act (FEMA) as having special flood hazards; unless:
 - a. The community in which the area is situated is participating in the National Flood Insurance Program (see, 44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
 - b. The community is participating in the National Flood Insurance Program, flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
2. Where the community is participating in the National Flood Insurance Program and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, the responsible entity is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.
3. Paragraph (a) of this section does not apply to Federal formula grants made to a State. However, all HUD requirements for the 8-Step Process for projects located in a Flood Hazard area found at 24 CFR 55.20 will apply.
4. Under section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if:
 - a. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and
 - b. The person failed to obtain and maintain flood insurance.

5. Grantee understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

SECTION 23. DEBARMENT

By signing this Contract, Grantee certifies that it will not award any funds provided under this Contract to any party which is, debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24. Grantee shall receive the certification provided by TDRA from each proposed subcontractor under this Contract and its principals.

SECTION 24. POLITICAL AID AND LEGISLATIVE INFLUENCE PROHIBITED

A. None of the funds provided under this Contract shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of Grantee from furnishing to any member of its governing body upon request, or to any other local or state official or employee or to any citizen information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.

B. No funds provided under this Contract may be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of Grantee, the State of Texas, or the government of the United States.

SECTION 25. INDEMNIFICATION AND LIMITATION OF LIABILITY

To the extent allowed by law the Grantee shall defend, indemnify, and hold harmless the State of Texas, its officers, and employees, and TDRA, its officers, and employees and Grantees, from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, including without limitation attorneys' fees and court costs, arising out of, connected with, or resulting from any acts or omissions of Grantee or any agent, employee, subcontractor, or vendor in the execution or performance of any contract with Grantee resulting from this Contract. Grantee shall coordinate its defense with the Texas Attorney General as requested by TDRA. This section is not intended to and shall not be construed to require Grantee to indemnify or hold harmless the state or TDRA for any claims or liabilities resulting from the negligent acts or omissions of TDRA or its employees.

TDRA may, in addition to other remedies available to it at law or equity and upon notice to Grantee, retain such monies from amounts due Grantee, or may proceed against the performance and payment bonds, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it.

SECTION 26.**COMPLIANCE WITH CIVIL RIGHTS LAWS**

Grantee agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and the requirements of the Americans with Disabilities Act of 1990. Additionally, to the extent applicable, Grantee shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (41 CFR part 3); the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5); and Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 330) as supplemented by Department of Labor regulations (29 CFR part 5).

Grantee agrees not to discriminate in its employment practices, and will render services under this Contract without regard to race, color, religion, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Grantee, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Contract.

SECTION 27.**SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974**

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Contract. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

SECTION 28.**"SECTION 3" COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES**

Grantee agrees to comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3) insofar as this act applies to the performance of this agreement. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. HUD-assisted projects covered by Section 3 are those defined in 24 CFR 135.3 a) (2) and (a)(3).

SECTION 29.**CLEAN AIR ACT, CLEAN WATER ACT AND OTHER REQUIREMENTS**

Grantee agrees to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

SECTION 30.**ENERGY EFFICIENCY**

Grantee shall recognize mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat.871).

SECTION 31. ORAL AND WRITTEN AGREEMENTS

A. All oral and written agreements between the parties to this Contract relating to the subject matter of this Contract that were made prior to the execution of this Contract have been reduced to writing and are contained in this Contract.


B. The attachments enumerated and denominated below are hereby made a part of this Contract, and constitute promised performances by Grantee in accordance with Section 3 of this Contract:

1. Exhibit A, Performance Statement
2. Exhibit B, Budget
3. Exhibit C, Certifications
4. Exhibit D, Applicable Laws and Regulations
5. Exhibit E, Project Implementation Schedule


SECTION 32. VENUE

For purposes of litigation pursuant to this Contract, venue shall lie in Travis County, Texas.

THUS DONE AND SIGNED on the date(s) shown below:



Toni Randall, Mayor
City of League City



Charles S. (Charlie) Stone, Executive Director
Texas Department of Rural Affairs

Date: 12/3/09

Date: 12/14/09

RECEIVED
TEXAS
DEPARTMENT OF
RURAL AFFAIRS
NOV 18 2009

EXHIBIT A

CONTRACT NO. DRS010096

PERFORMANCE STATEMENT

City of League City

Grantee shall carry out the following activities in the target area identified in its 2008 Texas CDBG Disaster Recovery Supplemental Grant application to aid areas most impacted and distressed by Hurricanes Ike or Dolly. The persons to benefit from the activities described in this Performance Statement must be receiving service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled. Grantee shall ensure that the amount of funds expended for each activity described does not exceed the amount specified for such activity in Exhibit B, Budget.

As a result of Hurricane Ike on September 13, 2008, the city's lift stations failed to function as a result of a loss of normal electrical power service for several days. The failure of these facilities to function threatened the public health, safety, and welfare of all served by these facilities due to the health threat posed by the build-up of untreated sewage. The city is in need of adequately sized generators that will act as backup power supplies to operate these facilities.

Sewer Facilities-1b

Grantee shall purchase and install one (1) permanently affixed, diesel fueled generator with automatic transfer switch and associated appurtenances, pad for generator mounting, perform site work associated with construction. The installation of the backup generators will ensure the continuous operation of the lift stations and uninterrupted sewage treatment. Construction shall take place at the following locations:

Name:	Location:	Generator size:
Smith Lane Lift Station	2850 FM 518	One hundred twenty-five kilowatt (125 kW)
East Main Lift Station	2651 FM 2094	One hundred twenty-five kilowatt (125 kW)
SE GE 1 Hewitt Lift Station	2551 1/2 Hewitt Street	Three hundred kilowatt (300 kW)
Glen Cove Lift Station	506 Seminole	Two hundred fifty kilowatt (250 kW)
Bay Colony 1, 14-15 Lift Station	5551 1/2 FM 646	Two hundred fifty kilowatt (250 kW)
Meadow Bend STP Lift Station	3029 1/2 Keva Glen Drive	One hundred twenty-five kilowatt (125 kW)
Victory Lakes Lift Station	1502 1/2 FM 646	Two hundred fifty kilowatt (250 kW)
South Shore 3 Lift Station	2800 Masters Dr.	Eighty kilowatt (80 kW)
SE GEN 2 Bayridge Lift Station	7605 1/2 South Shore	Two hundred fifty kilowatt (250 kW)
West Main Lift Station	2998 1/2 West Main	One hundred twenty-five kilowatt (125 kW)
Westover Lift Station	5401 1/2 Brittany Bay Boulevard	Eighty kilowatt (80 kW)
Clear Creek Village Lift Station	1700 1/2 Claiborne	Sixty kilowatt (60 kW)

These activities shall benefit forty four thousand eight hundred ninety-six (44,896) persons, of which nine thousand three hundred twenty-one (9,321) or twenty percent (20%) are of low to moderate income.

Engineering-30

Grantee shall ensure that the amount of TDRA funds expended for all eligible project-related engineering services, including preliminary and final design plans and specifications, all interim and final inspections, and all special services does not exceed the amount specified for engineering in Exhibit B, Budget.

Planning / Project Delivery-33

Grantee shall ensure that the amount of TDRA funds expended for all eligible project-related "planning / project delivery" administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for Planning / Project Delivery in Exhibit B, Budget.

EXHIBIT B**CONTRACT NO. DRS010096
BUDGET****City of League City**

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
1a.	Water Facilities	\$	\$	\$
1b.	Sewer Facilities	\$ 2,537,434	\$ -0-	\$ 2,537,434
2.	Solid Waste Disposal Facilities	\$	\$	\$
3.	Other Public Utilities (Gas)	\$	\$	\$
4.	Street Improvements	\$	\$	\$
5.	Flood and Drainage Facilities	\$	\$	\$
5a.	Flood and Drainage – Debris Removal	\$	\$	\$
6.	Neighborhood Facilities/ Community Centers	\$	\$	\$
7.	Senior Centers	\$	\$	\$
8.	Centers for the Handicapped/ Sheltered Workshops	\$	\$	\$
9.	Parks, Playgrounds, and Other Recreational Facilities	\$	\$	\$
10.	Fire Protections Facilities and Equipment	\$	\$	\$
11.	Parking Facilities	\$	\$	\$
12.	Pedestrian Malls and Walkways	\$	\$	\$
13.	Specially Authorized Assistance to Privately Owned Utilities	\$	\$	\$
14.	Specially Authorized Public Facilities and Improvements	\$	\$	\$
15.	Public Services (LIMITED TO 15% OF REQUEST)	\$	\$	\$
16.	Interim Assistance	\$	\$	\$

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>	
17.	Rehabilitation of Private Properties (Housing)	\$	\$	\$	
17a.	Rehabilitation of Private Properties (Water Service)	\$	\$	\$	
17b.	Rehabilitation of Private Properties (Sewer Service)	\$	\$	\$	
17c.	Rehabilitation – Housing Reconstruction	\$	\$	\$	
17d.	Rehabilitation – Emergency Repairs	\$	\$	\$	
18.	Rehabilitation of Public Residential Structures	\$	\$	\$	
19.	Public Housing Modernization	\$	\$	\$	
19a.	Homeownership Assistance	\$	\$	\$	
19b.	Affordable New Housing	\$	\$	\$	
20.	Clearance Demolition Activities	\$	\$	\$	
21.	Historic Preservation	\$	\$	\$	
22.	Removal of Architectural Barriers	\$	\$	\$	
23.	Code Enforcement	\$	\$	\$	
24.	Acquisition	\$	\$	\$	
25.	Relocation Payments & Assistance	\$	\$	\$	
26.	Economic Development Loan	\$	\$	\$	
27.	Economic Devel. Interest Subsidy	\$	\$	\$	
28.	Economic Devel. Loan Guarantee	\$	\$	\$	
29.	Special Activities by Local Devel Corporations, Etc.	\$	\$	\$	
30.	Engineering/Architectural Serv. (Total for all construction accounts)	\$	394,681 \$	-0- \$	394,681
31.	Planning Study (NOT TO EXCEED 16%)	\$	10,700 \$	-0-0 \$	10,700
31a.	COG Planning	\$	\$	\$	

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
32.	General Administration	\$	\$	\$
32a.	COG Administration	\$	\$	\$
33.	Planning / Project Delivery	\$ 192,577	\$ -0-	\$ 192,577
	TOTALS	\$ 3,135,392	\$ -0-	\$ 3,135,392

EXHIBIT C

CERTIFICATIONS

WITH RESPECT TO THE EXPENDITURE OF FUNDS PROVIDED UNDER THIS CONTRACT, THE CITY OF LEAGUE CITY, CERTIFIES THAT;

- (1) IT WILL MINIMIZE DISPLACEMENT OF PERSONS AS A RESULT OF ACTIVITIES ASSISTED WITH SUCH FUNDS;
- (2) THE PROGRAM WILL BE CONDUCTED AND ADMINISTERED IN CONFORMITY WITH THE CIVIL RIGHTS ACT OF 1964 (42 U.S.C. SEC. 2000A ET SEQ.) AND THE FAIR HOUSING ACT (42 U.S.C. 3901 ET SEQ.), AND THAT IT WILL AFFIRMATIVELY FURTHER FAIR HOUSING, AS SPECIFIED BY TDRA;
- (3) IT WILL PROVIDE FOR OPPORTUNITIES FOR CITIZEN PARTICIPATION, HEARINGS AND ACCESS TO INFORMATION WITH RESPECT TO ITS COMMUNITY DEVELOPMENT PROGRAMS, AS SPECIFIED BY TDRA;
- (4) IT WILL NOT ATTEMPT TO RECOVER ANY CAPITAL COSTS OF PUBLIC IMPROVEMENTS ASSISTED IN WHOLE OR IN PART WITH SUCH FUNDS BY ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF LOW AND MODERATE INCOME, INCLUDING ANY FEE CHARGED OR ASSESSMENT MADE AS A CONDITION OF OBTAINING ACCESS TO SUCH PUBLIC IMPROVEMENTS UNLESS (A) SUCH FUNDS ARE USED TO PAY THE PROPORTION OF SUCH FEE OR ASSESSMENT THAT RELATED TO THE CAPITAL COSTS OF SUCH PUBLIC IMPROVEMENTS THAT ARE FINANCED FROM REVENUE SOURCES OTHER THAN SUCH FUNDS; OR (B) FOR PURPOSES OF ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF MODERATE INCOME, GRANTEE CERTIFIES THAT IT LACKS SUFFICIENT FUNDS UNDER THIS CONTRACT TO COMPLY WITH THE REQUIREMENTS OF CLAUSE (A).
- (5) IN THE EVENT THAT DISPLACEMENT OF RESIDENTIAL DWELLINGS WILL OCCUR IN CONNECTION WITH A PROJECT ASSISTED WITH TXCDBG FUNDS, IT WILL FOLLOW A RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN, AS SPECIFIED BY TDRA.
- (6) IT SHALL ADOPT AND ENFORCE A POLICY PROHIBITING THE USE OF EXCESSIVE FORCE BY LAW ENFORCEMENT AGENCIES WITHIN ITS JURISDICTION AGAINST ANY INDIVIDUAL ENGAGED IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS AND A POLICY OF ENFORCING APPLICABLE STATE AND LOCAL LAWS AGAINST PHYSICALLY BARRING ENTRANCE TO OR EXIT FROM A FACILITY OR LOCATION WHICH IS THE SUBJECT OF SUCH NONVIOLENT CIVIL RIGHTS DEMONSTRATION WITHIN ITS JURISDICTION.

**CERTIFICATION REGARDING LOBBYING FOR
CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

CITY OF LEAGUE CITY

CERTIFIES, TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THAT:

(1) NO FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID, BY OR ON BEHALF OF THE UNDERSIGNED, TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF AN AGENCY, A MEMBER OF CONGRESS, AN OFFICER OR EMPLOYEE OF CONGRESS, OR AN EMPLOYEE OF A MEMBER OF CONGRESS IN CONNECTION WITH THE AWARDING OF ANY FEDERAL CONTRACT, THE MAKING OF ANY FEDERAL GRANT, THE MAKING OF ANY FEDERAL LOAN, THE ENTERING INTO OF ANY COOPERATIVE AGREEMENT, AND THE EXTENSION, CONTINUATION, RENEWAL, AMENDMENT, OR MODIFICATION OF ANY FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT.

(2) IF ANY FUNDS OTHER THAN FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF ANY AGENCY, A MEMBER OF CONGRESS, AN OFFICER OR EMPLOYEE OF CONGRESS, OR AN EMPLOYEE OF A MEMBER OF CONGRESS IN CONNECTION WITH THIS FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT, THE UNDERSIGNED SHALL COMPLETE AND SUBMIT STANDARD FORM - LLL, "DISCLOSURE FORM TO REPORT LOBBYING", IN ACCORDANCE WITH ITS INSTRUCTIONS.

(3) THE UNDERSIGNED SHALL REQUIRE THAT THE LANGUAGE OF THIS CERTIFICATION BE INCLUDED IN THE AWARD DOCUMENTS FOR ALL SUBAWARDS AT ALL TIERS (INCLUDING SUBCONTRACTS, SUBGRANTS, AND CONTRACTS UNDER GRANTS, LOANS, AND COOPERATIVE AGREEMENTS) AND THAT ALL SUBRECIPIENTS SHALL CERTIFY AND DISCLOSE ACCORDINGLY.

THIS CERTIFICATION IS A MATERIAL REPRESENTATION OF FACT WHICH RELIANCE WAS PLACED WHEN THIS TRANSACTION WAS MADE OR ENTERED INTO. SUBMISSION OF THIS CERTIFICATION IS A PREREQUISITE FOR MAKING OR ENTERING INTO THIS TRANSACTION IMPOSED BY SECTION 1352, TITLE 31, U.S. CODE. ANY PERSON WHO FAILS TO FILE THE REQUIRED CERTIFICATION SHALL BE SUBJECT TO A CIVIL PENALTY OF NOT LESS THAN \$10,000 AND NOT MORE THAN \$100,000 FOR EACH SUCH FAILURE.

EXHIBIT D

THE APPLICABLE LAWS AND REGULATIONS

Grantee shall comply with the Act and Regulations specified in Section 3 of this Contract and with the OMB Circular and federal regulations specified in Sections 6 and 7 of this Contract; Cash Management Improvement Act regulations (31 CFR Part 205); and with all other federal, state, and local laws and regulations applicable to the activities and performances rendered by Grantee under this Contract including but not limited to the laws, and the regulations promulgated thereunder specified in Section I through VII of this Exhibit D.

I. CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. 2000d *et seq.*); 24 CFR Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. 3601 *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063". The failure or refusal of Grantee to comply with the requirements of Executive Order 11063 or 24 CFR Part 107 shall be a proper basis for the imposition of sanctions specified in 24 CFR 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*);

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 CFR Part 8. By signing this Contract, Grantee understands and agrees that the activities funded shall be operated in accordance with 24 CFR Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. 4151 *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

II. LABOR STANDARDS

The Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5);

The Contract Work Hours & Safety Standards Act (40 U.S.C. 327 *et seq.*);

The Copeland "Anti-Kickback" Act (18 U.S.C. 874).

III. EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u).

IV. LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and the procedures established by TDRA thereunder.

V. ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities, 24 CFR Part 58, as amended.

In accordance with the provisions of law cited in §58.1(b), the responsible entity must assume the environmental responsibilities for projects under programs cited in §58.1(b), and in doing so must comply with the provisions of the National Environmental Policy Act of 1969, as amended and the Council on Environmental Quality regulations contained in 40 CFR parts 1500 through 1508. This includes responsibility for compliance with the applicable provisions and requirements of the Federal laws and authorities specified in §58.5 [below]. The responsible entity must certify that it has complied with the requirements that would apply to HUD under these laws and authorities and must consider the criteria, standards, policies and regulations of these laws and authorities.

(a) Historic Properties

- (1) The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in §58.17 for Section 17 projects.
- (2) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 CFR 1971-1975 Comp., p. 559, particularly section 2(c).
- (3) Federal historic preservation regulations as follows:
36 CFR part 800 with respect to HUD programs
- (4) The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

(b) Floodplain Management and Wetland Protection

- (1) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 CFR part 55, particularly section 2(a) of the order (For an explanation of the relationship between the decision-making process in 24 CFR part 55 and this part, see §55.10 of this subtitle A.)
- (2) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 CFR, 1977 Comp., p. 121 particularly sections 2 and 5.

(c) Coastal Zone Management

- (1) The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

(d) Sole Source Aquifers

- (1) The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h-3(e)).
- (2) Sole Source Aquifers (Environmental Protection Agency-40 CFR part 149.)

(e) Endangered Species

(1) The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536)

(f) Wild and Scenic Rivers

(1) The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

(g) Air Quality

(1) The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. 7506(c) and (d)).

(2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 CFR parts 6, 51, and 93).

(h) Farmland Protection

(1) Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202).

(2) Farmland Protection Policy (Department of Agriculture-7 CFR part 658).

(i) HUD Environmental Standards

(1) Applicable criteria and standards specified in HUD environmental regulations (24 CFR part 51)(other than the runway clear zone and clear zone notification requirement in 24 CFR 51.303(a)(3)

(2) HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials; September 10, 1979).

(j) Environmental Justice

(1) Executive Order 12898 of February 11, 1994 --- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 CFR, 1994 Comp. p. 859.

(k) Other requirements

See 24 CFR Part 58.6.

VI. ACQUISITION/RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*), 24 CFR Part 42, and 24 CFR Section 570.606.

VII. FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

EXHIBIT E

PROJECT IMPLEMENTATION SCHEDULE

City of League City

Overall Schedule

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
<u>Engineering Activities</u>																									
Complete Preliminary Engineering																									
Complete Design Survey																									
Complete Geotechnical Investigation																									
Complete Plans and Specs																									
Bid and Award Construction Contract																									
Start Construction																									
Construction Complete																									

Sewer Facilities Schedule

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
<u>Engineering Activities</u>																									
Complete Preliminary Engineering																									
Complete Design Survey																									
Complete Geotechnical Investigation																									
Complete Plans and Specs																									
Bid and Award Construction Contract																									
Start Construction																									
Construction Complete																									