FEDERAL GRANT ADDENDUM TO MONTGOMERY COUNTY STANDARD TERMS AND CONDITIONS
– ELECTRONIC CONTRACT –

1. SCOPE

Unless otherwise noted, this Grant Addendum fully incorporates all definitions and terms from the Montgomery County Standard Terms and Conditions. In the event of a conflict, this Grant Addendum shall control over the Standard Terms and Conditions.

This form has been pre-approved by the Montgomery County Solicitor as indicated by the version number indicated in the header. Provided that the County's Standard Contract and Signature page is used to memorialize this contract, and that no changes have been made to the text below, no additional Solicitor approval is required.

The version number contained on the header of this document shall govern the contents of these Terms and Conditions, and in the event of any discrepancy between the official version contained on the County's website and the text below, the version on the website shall control unless the signature of the Montgomery County Solicitor or his designee accompanies the change.

Note that failure to include this paragraph without a Solicitor signature shall not relieve Covered Entity of the terms below, provided this document was included in the advertised solicitation or procurement that gave rise to this Contract or was otherwise publicly advertised in a manner such that the Covered Entity knew or should have known that these provisions are applicable to the Contract.

For purposes of this Federal Grant Addendum, the term "Covered Entity" means any entity receiving payments under this Contract funded in whole or in part with federal financial assistance, whether classified as a contractor or a subrecipient, as determined by the County pursuant to 2 C.F.R. § 200.331.

2. FEDERAL GRANT REQUIREMENTS

a. The funds being expended or provided under this contract comprise in whole or in part federal grant funds. As a result, unless otherwise stated, all expenditures are subject to the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and supporting documents.

b. To the extent any monies under this contract originate from a particular federal instrumentality, any and all regulations, laws, or guidance that apply to those funds are hereby incorporated into this contract unless otherwise stated.

c. Any subcontracts entered into by Covered Entity that relate to this Contract, must also explicitly incorporate the provisions of this section into the subcontract's scope of work or terms and conditions.

3. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Covered Entity agrees:

a. Covered Entity shall comply with all applicable federal and state nondiscrimination and civil rights laws, including but not limited to Title VI of the Civil Rights Act of 1964, Title VII, Title IX, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, the Age Discrimination Act of 1975, and any implementing regulations.

b. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Covered Entity, each subcontractor, or any person acting on behalf of the Covered Entity or subcontractor shall not, by reason of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, or any other protected class under applicable law, discriminate against any citizen of this County or the Commonwealth of Pennsylvania who is qualified and available to perform the work to which the employment relates.

c. Neither the Covered Entity nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, or any other protected class under applicable law.

d. The Covered Entity and each subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

e. The Covered Entity and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

f. The Covered Entity shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor. The Covered Entity shall include these provisions in every subcontract to the maximum extent applicable and shall not enter into any subcontract that would prevent compliance with applicable Federal requirements.

g. The County may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Covered Entity in the Commonwealth's and County's responsibility records.

4. RECORDS RETENTION

a. Unless otherwise indicated or required by law, all records relating to this Contract, including financial, statistical, property, equipment, participant, and supporting documentation, shall be retained by the Covered Entity for at least three (3) years after final disposition for records relating to purchased equipment or real property, or the date of submission of the closeout reports for each program year for all other records.

b. Covered Entities that not able to meet the retention requirements above shall, unless otherwise required by the County and after retaining the records for as long as possible, transmit to the County in an orderly fashion any documents still subject to retention. The transferred documents must be properly labeled and filed and in acceptable condition for storage.

c. If the Covered Entity has knowledge of any potential upcoming audit, litigation or claim, all records will be retained until the audit or other proceedings has been concluded or the threat of litigation has been removed.

d. Any additional audit requirements contained in the applicable Commonwealth or federal rules and law governing the grant funds received or expended under this Contract shall also apply to the Contract.

e. The retention period for grants involving UASI or SHSGP grants shall be 7 years unless otherwise indicated.

f. The retention period for grants involving the County Department of Health shall be 4 years unless otherwise indicated.

g. Nothing in this Section shall be construed to shorten any record retention period required under applicable federal law, regulations, or the terms and conditions of the federal award. Where multiple retention requirements apply, the longest applicable period shall govern.

5. AUDIT PROVISIONS

a. The County shall determine whether a Covered Entity is acting as a "Contractor" or "Subrecipient" for purposes of federal grant compliance in accordance with 2 C.F.R. § 200.331. Audit obligations under this Section apply based on that determination. Nothing in this Section shall be construed to reclassify a Covered Entity or to impose subrecipient-specific audit requirements on a Covered Entity determined to be acting as a contractor.

b. The County, the federal awarding agency, the U.S. Government Accountability Office, and any of their authorized representatives shall have the right, at reasonable times, to access any books, documents, papers, and records of the Covered Entity that are directly pertinent to

this Contract for purposes of audit, examination, excerpts, and transcriptions, in accordance with 2 C.F.R. § 200.337. The Covered Entity shall maintain records in accordance with the Records Retention provisions of this Contract and shall provide full and free access to such records upon request.

c. A Covered Entity determined by the County to be acting as a contractor is not subject to the Single Audit requirements of 2 C.F.R. Subpart F. Contractors shall comply with all contract-level audit, inspection, and record access requirements imposed by applicable federal statutes, regulations, and the terms and conditions of the federal award, as incorporated into this Contract. Any audits of contractors shall be limited to those requirements and shall not be construed as Single Audits or subrecipient audits.

d. The Covered Entity shall be responsible for obtaining and paying for any audits required under this Section, except where federal, Commonwealth, or County agencies elect to conduct additional audits at their own expense.

e. A Covered Entity determined by the County to be acting as a subrecipient is subject to the audit requirements of 2 C.F.R. Subpart F.

1) If the Subrecipient expends $1,000,000 or more in federal awards during its fiscal year, it shall obtain a Single Audit conducted in accordance with 2 C.F.R. Subpart F and shall submit the audit reporting package as required by 2 C.F.R. § 200.512.

2) If the Subrecipient expends less than $1,000,000 in federal awards during its fiscal year, it shall be exempt from the Single Audit requirement but shall make its records available for review or audit by the County, the federal awarding agency, or the Government Accountability Office in accordance with federal law.

3) The Subrecipient shall prepare and implement corrective action plans for all audit findings related to federal awards in accordance with 2 C.F.R. § 200.511(c) and shall cooperate with County monitoring activities conducted pursuant to 2 C.F.R. § 200.332.

f. The County reserves the right for County, Federal, or Commonwealth agencies or their authorized representatives to perform additional audits of a financial or performance nature if deemed necessary to the County, Federal, or Commonwealth agencies. Any such additional work will rely on work already performed by the Covered Entity's auditor, and the costs for any additional work performed by the federal, Commonwealth, or County agencies will be borne by those agencies at no additional expense to the Provider.

g. Audit working papers and audit reports shall be retained by the Covered Entity's auditor for a minimum of five years from the date of the audit report, until all related findings and/or litigation have been resolved, or unless the Covered Entity's auditor is notified in writing by the federal, Commonwealth, or County agencies to extend the retention period (whichever is later). Audit working papers shall be made available upon request to authorized representatives of federal, Commonwealth, or County agencies.

6. COVERED ENTITY RESPONSIBILITY PROVISIONS (DEBARMENT or SUSPENSION CERTIFICATION)

For the purpose of this section, the term Covered Entity is defined as any person, including, but not limited to, a bidder, offeror, recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the County either as direct grantee/purchaser or as a pass-through grantee/purchaser. The term Covered Entity includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

a. The Covered Entity certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the County, that as of the date of its execution of the , that neither the Covered Entity, nor any such subcontractors, are under suspension or debarment by the Commonwealth of Pennsylvania, County or any governmental entity, instrumentality, or authority and, if the Covered Entity cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.

b. The Covered Entity also certifies, in writing, that as of the date of its execution of this Contract it has no tax liabilities or other County obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist. If the Covered Entity cannot so certify because of the scope and nature of its organizational structure, then it agrees to make such certification to the best extent possible and to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made in full.

c. The Covered Entity's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Covered Entity shall have an obligation to inform the County if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other County obligations, or if it or, to the best knowledge of the Covered Entity, any of its subcontractors are suspended or debarred by the Commonwealth of Pennsylvania, County, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment. To the extent the size or nature of the Covered Entity prevents it from carrying out this obligation in full, it shall provide written documentation explaining why this obligation cannot be fully complied with, and shall have a continuing obligation to report to the greatest extent possible.

d. The failure of the Covered Entity to notify the County of its suspension or debarment by the Commonwealth of Pennsylvania, County, any other state, any other county or the federal government shall constitute an event of default of the Contract.

e. The Covered Entity agrees to reimburse the County for the reasonable costs of investigation incurred by any investigate office of the County for investigations of the Covered Entity's compliance with the terms of this or any other agreement between the Covered Entity and the County that results in the suspension or debarment of the Covered Entity. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary

fees. The Covered Entity shall not be responsible for investigative costs for investigations that do not result in the Covered Entity's suspension or debarment. For purposes of this paragraph, “reasonable” shall be defined as within GSA guidelines.

7. CHILD LABOR

The Covered Entity agrees to follow all applicable child labor laws in accordance with the Fair Labor Standard Act of 1938. No participating employee under 18 years of age will be employed in any occupation which the U.S. Secretary of Labor has found to be particularly hazardous for persons between 16 and 18 years of age.

The County may cancel or terminate this Contract and all money due or to become due under the Contract may be forfeited as a violation of the terms and conditions of this section. In addition, the County may proceed with debarment or suspension and may place the Covered Entity in the Commonwealth’s and County’s Responsibility File and take such other action as appropriate.

8. DRUG-FREE WORKPLACE

a. Definitions. As used in this clause,

1) 'Controlled substance' means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11-1308.15.

2) 'Conviction' means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

3) 'Criminal drug statute' means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession or use of any controlled substance.

4) 'Drug-free workplace' means the site(s) for the performance of work done in connection with a specific contract at which employees of the Covered Entity are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

5) 'Employee' means an employee of a Covered Entity directly engaged in the performance of work under a Government contract. 'Directly engaged' is defined to include all direct cost employees who has other than a minimal impact or involvement in contract performance.

6) 'Individual' means an offeror/ Covered Entity that has no more than one employee including the offeror/ Covered Entity.

b. The Covered Entity, if other than an individual, shall-- within 30 calendar days after award (unless a longer period is agreed to in writing for contracts of 30 calendar days or more performance duration); or as soon as possible for contracts for less than 30 calendar days performance duration:

1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Covered Entity's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

2) Establish an ongoing drug-free awareness program to inform such employees about:
   i. The dangers of drug abuse in the workplace;
   ii. The Covered Entity's policy of maintaining a drug-free workplace;
   iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
   iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (b)(1) of this clause;

4) Notify such employees in writing in the statement required by subparagraph (b)(1) of this clause, that as a condition of continued employment on this contract, the employee will:
   i. Abide by the terms of the statement; and
   ii. Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than five (5) calendar days after such conviction;

5) Notify the Contracting Officer in writing within 10 calendar days after receiving notice under subdivision (b)(4)(ii) of this clause, from an employee or otherwise receiving actual notice of such conviction;

6) Within 30 calendar days after receiving notice under subdivision (b)(4)(ii) of this clause of a conviction, take one of following actions with respect to any employee who is convicted of drug abuse violations occurring in the workplace:
   i. Taking appropriate personnel action against such employee, up to and including termination; or
   ii. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (b)(1) through (b)(6) of this clause.

c. The Covered Entity, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the performance of this contract.

d. In addition to other remedies available to the Government, the Covered Entity's failure to comply with the requirements of paragraphs (b) or (c) of this clause may, pursuant to FAR 23.506, render the Covered Entity subject to suspension of contract payments, termination of the contract for default, and suspension or debarment.

9. WAGE REQUIREMENTS

When required by Federal program legislation, all construction contracts awarded by the County, Covered Entity or subcontractors of more than $2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 3141–3148, as amended) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, Covered Entity's shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, Covered Entity's shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.

10. WORKSITE PROVIDER RESPONSABILITIES AND SAFETY RULES

Where applicable, all contracts awarded by County or Covered Entity in excess of $2,000 for construction contracts and in excess of $2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. § 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under section 102 of the Act, each Covered Entity shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 11/2times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

11. LOBBYING

Covered Entity agrees to obey all applicable County, Commonwealth and federal lobbying laws and agrees to truthfully and fully complete all required lobbying certifications.

12. WORKFORCE INVESTMENT FUNDS

For grants involving On-the-Job Training or which are otherwise subject to the Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, as amended, funds must not be used to directly or indirectly assist, promote or deter union organizing.

13. PROCUREMENT REQUIREMENTS

Any Covered Entity or subcontractor procuring property or services with grant funding obtained under this Contract must adhere to all procurement requirements specified in the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See § 200.318-330.

14. REPORTING REQUIREMENTS

Covered Entity must meet all reporting requirements specified in the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See § 200.328, 329 & 331.

15. TERMINATION PROVISIONS

The County has the right to terminate this Contract or any Purchase Order for any reason as detailed more fully below. Termination shall be effective upon written notice to the Covered Entity.

a. **TERMINATION FOR CONVENIENCE**: The County shall have the right to terminate the Contract or a Purchase Order for its convenience if the County determines termination to be in its best interest. The Covered Entity shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Covered Entity be entitled to recover loss of profits.

b. **NON-APPROPRIATION**: The County's obligation to make payments during any fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (county, state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the County shall have the right to terminate the Contract, grant or Purchase Order. The Covered Entity shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Supplies or Services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

c. **TERMINATION FOR CAUSE**: The County shall have the right to terminate the Contract or a Purchase Order for Covered Entity default under the Default Clause upon written notice to the Covered Entity. The County shall also have the right, upon written notice to the Covered Entity, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the County erred in terminating the Contract or a Purchase Order for cause, then, at the County discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under Subparagraph a.

d. **NOTICE OF TERMINATION BY FEDERAL AGENCY:** The Contract may be terminated pursuant to federal notice as specified in OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See § 200.339.

16. PAYMENT

a. **GRANT FUNDING:** The Covered Entity shall not be reimbursed or funded beyond all allocated monies set forth in the grant, supplemented by any additional County money as indicated by the Contract price, without prior written consent. Additionally, the County shall not be liable for any unauthorized expenditures or financial commitments, claims, or obligations incurred by the Covered Entity beyond the Contract amount. To the extent that the amount of allocated grant monies are lowered by the federal or Commonwealth government, the County will not be liable for the additional funds without prior consent, although Covered Entity and County will use their best efforts to limit the scope of work to reflect the lesser funds available. The County shall use best efforts to timely notify the Covered Entity of any change in grant funding allocation.

b. **REIMBURSEMENT GRANTS:**

1) Where a federal grant is specifically designated a cost reimbursement grant, no payment shall be made in advance of services rendered. Each request is subject to the Project Manager's or County Agent's approval. Payments shall be made to the provider only for undisputed invoices. An undisputed invoice is an invoice executed by the Provider for project expenditures, that meets all payment conditions of the agreement, and for which additional evidence is not required to make payment. The invoice may be disputed if all of the products due for the grant performance period have not been received and approved, if the invoice is inaccurate, or if it does not comply with the terms of this Agreement. Final invoices must be received prior to the close date of the applicable grant, under which this project is funded.

2) A request for payment relating to a Contract using reimbursable grants must contain the following information or payment will not be made:

i. An invoice that includes a list of actual expenses incurred during the billing period.

ii. Backup documentation is required at time of invoice submittal. Backup documentation includes, but is not limited to;
   (1) Providers actual labor expenditures including rates, hours worked and benefits.
   (2) Itemized list of operating expenses, including travel, equipment, supplies, and other.
   (3) Receipts for travel, materials, miscellaneous travel, and other direct costs.

iii. Written progress report that documents evidence of projects forward progression or progress.

c. ADVANCE PAYMENT GRANTS: Where the grant funds underling the Contract allow for advance payments, Covered Entity must use best efforts to request advance payments as close as possible to the actual expenditure of the funds. Covered Entity must also use best efforts to consolidate requests for anticipated funding. The rules specified in OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, § 200.305 shall be applicable to the contract.