Chapter 1
Project Agreement Preparation

1.1 GENERAL

This chapter outlines the instructions for preparation, information to be included, and steps required in the preparation and submittal of the traffic safety project agreement. The individual component pages and schedules of the project agreement are identified and summarize the terms of the agreement between the applicant agency and OTS. This chapter also includes helpful notes, references to other pertinent chapters, and a sample completed project agreement (see Exhibit Section) shown as EXHIBIT 1-A, to assist in the preparation and submittal process.

1.2 FORM OF AGREEMENT

1.2.1 A Traffic Safety Project Agreement consist of the following documents:

(a) Traffic Safety Project Agreement Page 1, (OTS-38)

(b) Page 2, (OTS-38a) prepared by OTS

(c) Project Description (Schedule A), (OTS-38b)

(d) Administrative Support Statement and Agency Contribution (Schedule A-1), (OTS-38c)

(e) Detailed Budget Estimate (Schedule B), (OTS-38d and OTS-38e)

(f) Budget Narrative (Schedule B-1), (OTS-38f)

(g) Quarterly Evaluation Data Form (Schedule C), (OTS-38g), required on most projects

(h) Terms, Conditions, and Certifications Specific to the Agreement Between the Office of Traffic Safety (OTS) and the Applicant Agency (OTS-33)

1.2.2 The instructions for completing each part of the agreement are detailed in the following sections of this chapter. For further clarification, please refer to the sample project agreement (EXHIBIT 1-A) or contact your OTS Regional Coordinator.

The importance of prior planning and a detailed project description cannot be overemphasized. The Office of Traffic Safety (OTS) personnel are available to help at any stage in the preparation of your project agreement.

1.2.3 Five (5) sets of the project agreement, complete in all details are required. Two (2) sets must have ***original signatures*** on the Page 1 (OTS-38) and the Terms, Conditions, and Certifications Specific to the Agreement Between the Office of Traffic Safety (OTS) and the Applicant Agency (OTS-33). Also, be sure to submit a copy of your draft and final agreement on a computer disk.

Note: Whiteout may not be used anywhere on the Page 1 and no one may sign "for" individuals whose names appear on the Page 1.

1.3 PROJECT AGREEMENT (PAGES 1 AND 2) OTS-38 AND OTS-38A

These pages of the Project Agreement summarize the terms of this contract between the applicant agency and OTS.

(a) Page 1 provides space for the applicant agency to enter its portion of the project agreement data and the necessary signatures.

(b) Page 2 is completed by OTS after the final project agreement has been submitted by the applicant agency. It provides space for pertinent budget funding data, and OTS approval signatures.

1.3.1 Information to be furnished by the applicant agency on Page 1 (OTS-38), is detailed below by item number and title:

Item 1, Project Title - Insert a brief project title, preferably not more than four words, and ending with the words "project" or "program".

Item 2, Name of Applicant Agency - Insert the name of the governmental agency (city, county, school district, etc.) with whom this agreement will be executed.

Item 3, Agency Unit to Handle Project - Indicate the unit within the agency that will be responsible for the project.

Item 4, Project Period - Indicate the proposed beginning and ending dates. The project period should include gear-up time, and cover the anticipated time to complete the project activities.

Item 5, Project Description – Briefly summarize the proposed project plan, including project goals and objectives, methods of procedure, evaluation and end product. Extra space should not be required.

Item 6, Federal Funds Allocated - Indicate total federal funds budgeted for project period. (The amount shown here will be equal to the total funds budgeted in Schedule B for the entire project period.)

Item 7, Approval Signatures - The project agreement pages, Schedules A, A-1, B, and B-1, describe the terms and obligations to which the agency agrees when accepting an award under this program. Only those individuals whose names appear on Page 1 are authorized to sign this document.

(a) Project Director - Type name, telephone number, office address, e-mail address, and title of the person designated to be responsible for the day-to-day operations of the project and for compliance with project requirements. The project director must sign two (2) sets of the project agreement.

(b) Authorizing Official of the Applicant Agency - Type name, telephone number, office address, e-mail address, and official's title. Two (2) sets must have original signatures of the official authorized to commit the agency to the terms and conditions of the agreement.

(c) Fiscal or Accounting Official - Type name, telephone number, office address, e-mail address, and official title of the agency employee responsible for the fiscal/accounting records of the agency. Two (2) sets must have original signatures.

(d) Office Authorized to Receive Payments - Type the name and address of the agency office to which reimbursement payments are to be mailed.

1.4 PROJECT DESCRIPTION (SCHEDULE A) OTS-38B

1.4.1 This section includes all the information related to the project, with the exception of the budget. The sample project agreement (EXHIBIT 1-A) contains examples of the types of information desired for a Police Traffic Services (PTS) project. Projects in all other program areas (ex. alcohol, occupant protection, pedestrian, etc.) should contain similar information on the Schedule A.

1.4.2 Background - Items to be included under this heading are detailed below:

(a) General Characteristics - a description of the applicant agency including, but not limited to, information on population, area, population patterns, topography and climate.

(b) Streets and Highways - A general description of all roadway mileage within the agency's jurisdiction including total mileage.

(c) Operating Departments - Include a detailed description of the organization and functions of each operating department involved in or affected by the project.

(d) Existing Systems - Describe the present system or operational methods related to the proposed project activity.

1.4.3 Problem Statement - The problem statement is one of the most important parts of your project agreement and should be written carefully and concisely. Points or questions to be addressed in the problem statement are:

(a) What is the traffic safety related problem or deficiency and how was it identified. Compare your collision and/or safety equipment usage rates with statewide averages. If applicable, include your "DUI Arrest and/or Collision Rankings" developed by OTS.

Provide pertinent statistical data that help identify the problem(s). The following are examples of data categories that you may include, but are not limited to, in your application:

- Fatal and Injury Collisions
- Alcohol Involved Fatal and Injury Collision
- Had-Been Drinking (HBD) Fatal and Injury Collisions Under Age 21
- HBD Fatal and Injury Collisions Between the Ages of 21 and 34
- Pedestrian Fatalities and Injuries
- Pedestrian Fatalities and Injuries Under Age 15
- Pedestrian Fatalities and Injuries Age 65 and Over
- Bicycle Fatalities and Injuries
- Bicycle Fatalities and Injuries Under Age 15
- Speed Related Fatal and Injury Collisions
- Nighttime Fatal and Injury Collisions (9 p.m. - 3 a.m.)
- Hit-and-Run Fatal and Injury Collisions
- Seat Belt Compliance Rate
- Child Safety Seat Compliance Rate
- Child Safety Seat Misuse Rate
- Bicycle Helmet Usage Rate Under Age 15
- Emergency Response Times to Collision Site
- Emergency Response Time From the Time of the Collision to Hospital Treatment
- Population Trends

- Roadway Mileage Changes
- Current Level of Traffic Safety Education in Local Schools

(b) What factors contribute to the identified problem? Answer Who, What, Where, and When. A review of collision reports will be necessary.

(c) Present the problem(s) so that there is a logical connection to the project goals and objectives and the proposed solution.

1.4.4 Attempts to Solve the Problem - Describe past efforts to resolve the problem. Include reasons why the efforts have been unsuccessful and explain how current activity (or lack of activity) prevents the attainment of an optimum traffic safety program. Include description and status of prior OTS projects related to the defined problem.

1.4.5 Performance Measures

OTS has developed program area "Blueprints" to present a recommended problem identification process and sample goals and objectives. Blueprint can be found on the OTS website. Blueprints must be reviewed prior to submitting a project agreement.

Project Goal(s) - Goals serve as the foundation upon which the project is built. Goals are what you hope to accomplish by implementing a traffic safety grant. Examples are: "To increase seat belt compliance by 10 percentage points from the calendar 2002 base year survey rate of 73% to 83% by December 31, 2003," or "To reduce fatal and injury alcohol involved collisions by 20% from the calendar 2002 base year total of 120 to 96 by December 31, 2003."

Project Objectives - Objectives are tasks or activities undertaken during the project period to make the goal(s) a reality. Objectives are designed to move you closer to achieving the overall goal(s). Examples are: "To conduct 12 DUI/Drivers License checkpoints by December 31, 2003," or "To conduct 8 bicycle rodeos by December 31, 2000."

Below are guidelines for writing good goals and objectives:

(a) Start with the word "to," followed by an action verb.

(b) Be concise and deal with a specific activity to be accomplished.

(c) State in measurable terms.

(d) Be realistic and attainable, but still present a challenge.

(e) Include a target date or statement of duration for accomplishment.

1.4.6 Method of Procedure - Identify the work (tasks) to be done in order to accomplish the stated objectives. The work must be divided into its major phases and listed in the order in which each phase will be initiated. Identify the beginning and ending dates of each phase, and describe, step by step, the work to be done within each phase, as well as any interim reports or other measurable products which may be produced. This section should cover the entire project period.

1.4.7 Method of Evaluation - Essentially, the purpose of the evaluation is to measure the degree of success that is achieved as a result of the activities that are funded. Include this statement as the Method of Evaluation: "Using the data compiled, the project manager will evaluate: (1) how well the stated project goal(s) and objectives were accomplished; (2) if all the activities outlined in the Method of Procedures were performed in accordance with the project agreement; and (3) was the project cost effective?"

1.4.8 Statement of Intent - Indicate the agency's intent to incorporate and continue any program developed by the project. This statement must be based on an actual consideration of continuing program costs.

1.5 ADMINISTRATIVE SUPPORT STATEMENT/AGENCY CONTRIBUTION (SCHEDULE A-1) OTS-38C

1.5.1 Administrative Support Statement - Describe the level of support and emphasis the project will receive. The statement should document administration (city council, board of supervisors, county executive, city manager, etc.) support. Copies of resolutions or other official support declarations should be forwarded to OTS for the project file.

1.5.2 Agency Contribution - Itemize, by federal fiscal year, estimated costs of all agency contributions (personnel resources, funds, equipment and/or services) directly related to the project. Note: hard match contributions (50% of second year costs, 75% of ambulance purchase, etc.) are subject to audit.

1.6 DETAILED BUDGET ESTIMATE (SCHEDULE B, PAGES 1 & 2) OTS-38D & 38E

1.6.1 The budget should cover the entire period of the project. In some projects, this may also include a three month start-up period. Space is provided on the form to estimate costs up to a maximum three year period. The program operates on the federal fiscal year which

begins October 1 and ends September 30. ***Appropriate dates shall be typed at the top of each fiscal year column on both pages of the Schedule B.***

1.6.2 Costs are divided into the following six categories. List costs in those categories that pertain to your project:

(a) Personnel Costs - Enter classifications to be utilized, the monthly or hourly salary rate (based on the method of compensation for that classification) and percentage applicable to the project. Overtime salaries must be broken out separately. Reasonable cost of living increases or merit increases should be estimated and included. Extend computations to fiscal year columns. Subtotal the salaries and add the amounts required to cover related employee benefits as a separate line item.

(b) Travel Expense - Enter estimated cost of travel related to the project. Cost items include transportation and per diem and must be segregated into "in-state" and "out-of-state" travel.

(c) Contractual Services - Enter estimated cost of services to be provided for each contract to be awarded on the project. Do not list firm, agency, or individual's names. Use descriptive titles such as, "CPS Training," "GIS Design and Implementation," "Evaluation Services," "Program Management," "Public Awareness Campaign," etc., that summarize contracted service.

(d) Equipment - Enter the estimated cost of each item of equipment to be purchased. Only individual items that have a useful life of more than one year and cost $5,000 or more (includes all costs to acquire, install, and prepare equipment for its intended use) should be included in this category.

(e) Other Direct Costs - This category should include the line item titles of any other direct project expenses not covered in previous categories including services not requiring contractual agreements and minor equipment. The following are examples of line item titles that may apply: office supplies, printing services, educational materials, radar units, child safety seats, bicycle helmets, and promotional items.

Note: if a line item cost in this category is based on an allocation, it must be identified in the line item title such as "Allocated Office Supplies" or "Communication Allocation." Cost allocation plans may be requested to ascertain that costs are equitably distributed to the project.

(f) Indirect Cost - This rate should cover those costs that have not been defined above as direct project costs. See Chapter 2 for details on OTS reimbursement limits.

1.6.3 After all costs have been itemized, total each horizontally in the "Total Cost to Project" column. Put in the Category Sub-Totals and the Project Totals for each fiscal year. Also, total these horizontally in the "Total Costs to Project" column.

1.7 BUDGET NARRATIVE (SCHEDULE B-1) OTS-38F

1.7.1 This schedule should provide brief descriptions that include project relationship and/or examples of costs that will be charged in each line item. The Budget Narrative should be complete, covering all cost categories and individual line items in the same order as the Detailed Budget Estimate (Schedule B).

(a) Personnel Costs - Explain project related activities and/or responsibilities for each position identified in the Schedule B. Itemize employee benefits and rates. Refer to EXHIBIT 1-A for format.

Note: As actual benefit costs are significantly different for regular and overtime salaries, both rates must be identified and itemized.

(b) Travel Expenses - Describe the type of travel necessary to complete project objectives and identify any non-applicant agency staff traveling. Also identify any conferences or training seminars to be funded under this project. Specific out-of-state trips should be listed if known or separate written trip authorization from OTS will be required prior to incurring cost. The applicant agency's documented travel policies and established reimbursement rates will apply as prescribed in Chapter 2.5.

Note: If agency does not have written travel policies, it must be noted in the budget narrative and the State of California travel policies will apply. (Copies may be obtained from your OTS Regional Coordinator.)

(c) Contractual Services - Provide a brief description of the services that will be provided by each contract identified in the Schedule B and describe how they relate to meeting the project objectives.

Note: All proposed contracts must be reviewed in draft form and approved for project reimbursement by the OTS Regional Coordinator prior to being fully executed. All proposed contracts over $50,000 require pre-award reviews.

(d) Equipment - Provide a brief description of the item identified in the Schedule B and its intended use as it relates to the project. Description should also mention if costs include any attachments, accessories, auxiliary apparatus, installation or modification necessary to prepare for intended use. Do not list equipment brand names.

(e) Other Direct Costs - Provide a brief description, for each line item listed in the Schedule B, the of type expense the line item title represents with examples of costs in that classification. An example for the line item title, Educational Materials might be: Funds will be used to purchase materials and services necessary to develop educational materials such as brochures, videos, training workbooks, etc.

(f) Indirect Cost - Provide a brief description of each cost included in this rate. Also define which costs in the Schedule B this rate will be applied to. See Chapter 2 for OTS reimbursement limitations.

1.7.2 Program Income – A program income statement must be included in Schedule B-1 that describes the program income that will be generated/earned as a result of grant-supported activities. Such earnings may include, but are not limited to, income from service fees, sale of commodities, usage or rental fees, royalties or patents, copyrights, and vehicle impounding. Taxes, levies, fines, and other such governmental revenue are not program income unless the revenues are specifically identified in the grant agreement as program income. If appropriate, one of the following descriptions may be used:

(a) There will be no program income generated as a result of this project.

(b) Program income will be generated as a result of "*a nominal fee charged for each bicycle helmet distributed during this project*." These funds will be accounted for in the project account and will be utilized by the (applicant agency) to either further the objectives of the project, or reduce current project costs. The estimated program income for this project is $_____.

(c) In order to create a self-sustaining program to continue after the grant ends, a special fund for "Administrative Tow Fees" will be established for the purpose of receiving and expending fees collected for the impoundment of a vehicle. The appropriation of all monies in the "special fund" shall be used for the purpose of the "vehicle impound program".

Note: Program income is reportable and must be maintained in a separate account (See Chapter 4.9) and may not be used for costs that are considered unallowable (See Chapter 2.8). Limited exceptions may apply, but OTS must approve special written requests in advance.

1.8 QUARTERLY EVALUATION DATA FORM (SCHEDULE C) OTS-38G

Schedule C is required for projects in Police Traffic Services, Alcohol and Other Drugs, Occupant Protection, and Pedestrian and Bicycle Safety. The Schedule C provides a statistical base from which to evaluate need and potential effectiveness of projects. This data is to be updated quarterly (Chapter 7). Contact your OTS Regional Coordinator for this form.

1.9 TERMS, CONDITIONS, AND CERTIFICATIONS SPECIFIC TO THE AGREEMENT BETWEEN THE OFFICE OF TRAFFIC SAFETY (OTS) AND THE APPLICANT AGENCY (OTS-33)

This form provides for signed acceptance of the General Terms, Conditions, and Certifications, as detailed in the OTS Program Manual, Volume II, Chapter 6, EXHIBIT 6-B. The persons signing Page 1 (OTS-38) of the project agreement as "Project Director" and "Authorizing Official" must sign the OTS-33, EXHIBIT 1-B.

Chapter 2
Allowable Costs

2.1 GENERAL

This chapter sets forth basic principals for determining allowable costs under the Highway Traffic Safety Program. These principles are not intended to identify the circumstances or dictate the extent of funding under a particular grant.

The application of these principles is based on the fundamental premise that:

- Applicant agencies are responsible for efficient and effective administration of the project through the application of sound management practices.

- Applicant agencies assume responsibility for administering project funds in a manner consistent with underlying agreements, project objectives, and the terms and conditions of the project agreement.

- Costs are compatible with the applicable federal requirements from:

  - Highway Safety Grant Funding Policy for NHTSA Field Administered Grants
  - OMB Circular A-87; Cost Principles for State and Local Governments
  - OMB Circular A-21; Cost Principles for Educational Institutions
  - OMB Circular A-122; Cost Principles for Non-Profit Organizations
  - OMB Circular A-133; Audits of States, Local Governments, and Non-Profit Organizations

2.2 DEFINITIONS

Applicable Credits

Receipts or reductions of expenditure-type transactions that offset or reduce expense items allocable to grants as direct or indirect costs. Examples are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges.

Cost

The amount of money or value exchanged for property or services as determined on a cash, accrual, or other recognized accounting system.

Cost Allocation Plan

The documentation, including the allocation methods used to identify, accumulate, and distribute allowable indirect costs under grants and contracts.

Direct Allocations

Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like that are prorated individually as direct costs using a base which accurately measures the benefits received by each award or other activity. Direct allocations must be identified in the budget and distribution methods approved by OTS to be reimbursed as a project cost.

Direct Costs

Those expenses which can be charged directly as a part of the cost of a product or service, or of a government unit or operating unit. These are distinguished from overhead and other indirect costs which must be prorated among several products or services, or governmental units or operating units.

Indirect Costs

Those expenses incurred which from their nature cannot be readily associated with a specific project. Like overhead expenses, these expenses are prorated to the project based on benefit received from their incurrence.

2.3 ELIGIBILITY REQUIREMENTS

To be eligible for reimbursement under OTS projects, costs must:

- Be a necessary and reasonable project cost
- Not be a general governmental expense
- Be authorized or not prohibited under State or local laws/regulations
- Be consistent with applicant agency's regular procedures and apply uniformly to both project related activities and non-project related activities
- Be net of all applicable credits and adequately documented
- Be authorized in the budget of the project agreement
- Not be a prepayment
- Not be incurred before or after the project period
- Not be unreimbursed costs shifted from another project

2.4 TOTAL PROJECT COSTS

Total project costs consist of the allowable direct cost of the project, plus its allocable portion of allowable indirect costs, less applicable credits. There is no universal rule for classifying specific cost items as either direct or indirect. Under different accounting

systems, a cost may be direct with respect to a specific service or function, but indirect with respect to the grant. It is, however, essential that the accounting system treat each item of cost consistently, either as direct, direct allocation, or an indirect cost.

2.5 ALLOWABLE DIRECT COSTS

All direct costs are categorized in the grant agreement as personnel, travel, contractual services, nonexpendable property, or other direct costs. Examples of typical direct costs reimbursable for each category under highway traffic safety projects are listed below. For a complete list of allowable costs for federal programs, see the applicable OMB Circular on cost principles referenced in 2.1.

2.5.1 Personnel Costs

This category should contain only the direct compensation for salaries and fringe benefits of applicant agency employees hired expressly for the project and for the time and effort spent on project related activities.

- Salaries – May include wages, salaries, or special compensations provided the cost for the individual employee is (a) reasonable for the services rendered, and (b) follows an appointment made in accordance with state or local laws and rules and meets federal requirements.

  Note: Reimbursements of individual salaries that result in a salary savings to the applicant agency are not allowable.

- Fringe Benefits – Employee benefits for authorized absences such as annual leave and sick leave, as well as employer's contributions to social security, health insurance, workmen's compensation, and the like provided they are granted under approved plans, and are distributed equitably to the grant and all other activities.

  Note: Costs for authorized absences are only reimbursable up to the amount earned during the term of the project.

2.5.2 Travel Expenses

This category should contain the direct expenses for project related travel incurred by personnel identified in the budget. Allowable costs include transportation, subsistence, and lodging, incurred in accordance with applicant agencies documented travel policies. If lodging policies do not contain maximum allowable rates, lodging costs should not exceed

the state rate unless written justification is submitted and approved by OTS. If documented policies do not exist, state travel policies will apply. These may be obtained from your Regional Coordinator.

Note: Out of state trips require individual written trip approval from OTS prior to incurring costs unless already identified in the Schedule B and B-1 of the Project Agreement.

2.5.3 Contractual Services

This category should contain any professional services and associated costs necessary to complete project objectives that are not available through the applicant agency and require contractual agreements in accordance with the applicant agency's normal procurement procedures. This category also applies to mini-grants to sub-recipients completing project objectives through an award process.

Note: All draft subcontracts must be submitted to OTS for reimbursement approval prior to fully executing contract.

2.5.4 Equipment

This category should include only those nonexpendable, tangible personal property items with a useful life of more than one year, which cost $5,000 or more per item, and are specifically required to carry out project activities. The total cost of equipment includes modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for project purposes including tax, shipping, and installation, excluding any discounts. Examples of typical traffic safety related equipment include motorcycles, radar trailers, and some extrication equipment.

2.5.5 Other Direct Costs

This category should include direct items of expense, such as educational materials, promotional items, supplies, minor equipment, and services not requiring contractual agreements, acquired or consumed for purposes of the project.

Note: The cost of any items or services, which would not otherwise be allowable, using applicant agency's general funds are not allowable using project funds. In addition any joint costs that are prorated as direct costs to the project must have allocation method reviewed for reimbursement eligibility in advance by OTS.

2.6 INDIRECT COSTS

Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. Indirect cost pools should be distributed to benefited cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Typical indirect costs may include depreciation and use allowances on buildings and equipment, the costs of operating and maintaining facilities and equipment, and general administration and general expenses.

The Office of Traffic Safety (OTS), in accordance with permissible limits of federal funding guidelines (OMB Circular A-87), limits indirect cost reimbursement for its project agreements and their primary contractual service agreements based on the following policies.

2.6.1 Grant agreements shall not be eligible for reimbursable indirect costs if:

- They are to subsidize the acquisition of equipment or fixed assets such as ambulances, check point trailers, and extrication equipment
- They are less than $20,000

2.6.2 Allowable indirect costs, as defined in the circular, shall be reimbursed at a predetermined fixed rate using the following guidelines:

- Up to 15 percent of total direct personnel costs, including fringe benefits, of the applicant agency if personnel costs are included in the budget
- Up to three percent of the subcontract amount, excluding nonexpendable property if the applicant agency subcontracts the project activities or services to a second external entity, for administrative oversight costs

2.7 ALLOWABLE COSTS WITH SPECIFIC CONDITIONS OR LIMITATIONS

The following is a list of selected costs that are allowable under specific conditions. Contact your Regional Coordinator for additional guidance on allowable costs or refer to the appropriate OMB Circular for cost principles referenced in 2.3(a).

- Travel for Out-of-State Individuals – Costs for travel related expenses for out-of-state individuals are allowable if expenses are for specific services benefiting the project.

- New Training Curricula and Materials – Costs for development are allowable if they will not duplicate materials already developed for similar purposes by U.S. DOT/NHTSA/FHWA or the State of California.

- Meetings and Conference – Costs of meetings and conferences, where the primary purpose is the dissemination of technical information, are allowable, including meals, transportation, rental of meeting facilities, and other incidental costs. Adequate records must be maintained to document that the primary purpose of the meeting was for dissemination of technical information.

- Promotional Items and Activities – Costs are allowable to support a project with promotional activities, which offer incentives or encourage the general public to adopt highway safety practices. Documentation must be available to show activities do not violate local laws. Promotional items and activities must directly relate to the project objectives and contain a traffic safety message related to the project.

  Note: Cash, gift certificates, and scholarships, will be considered on an exception basis as allowable promotional costs. OTS must approve a separate written request detailing special circumstances in advance for their allowance. These authorizations will be considered on a limited basis.

- Paid Media – Costs are allowed for the purchase of program advertising space in the mass communication media such as television, radio time, cinema, internet, print media, and billboard space. However, special reporting documents are required. Additional information is available from your Regional Coordinator.

  Note: Costs should be displayed as a separate line item in the budget specifically identifying paid media.

2.8 UNALLOWABLE COSTS FOR SELECTED ITEMS

The following is a list of selected costs that are ineligible for reimbursement under the Highway Traffic Safety Program. For additional information relating to unallowable costs please refer to the appropriate OMB Circular on cost principles referenced in 2.3(a) or ask your Regional Coordinator.

Facilities and Construction

- Highway construction, maintenance, or design

2.8 UNALLOWABLE COSTS FOR SELECTED ITEMS (CONT'D)

- Construction or reconstruction of permanent facilities, such as paving, driving ranges, towers, and non-portable skid pads

- Highway safety appurtenances including longitudinal barriers (such as guardrails), regulatory and warning signs and supports, field reference markers, luminaire supports, and utility poles

- Construction, rehabilitation, or remodeling of any building or structure

- Cost of land

- Purchase of office furnishings and fixtures such as but not limited to the following:

Desk	Credenza	Storage Cabinet
Chair	Book	Portable Partition
Table	Filing Cabinet	Picture, Wall Clock
Shelving	Floor Covering	Draperies & Hardware
Coat Rack	Office Planter	Fixed Lighting/Lamp

Equipment – Traffic signal preemption systems

Training – Cost of individual's salary while pursuing training or the salary of the individual's replacement, unless salary is already supported by project

Program Administration

- Supplanting, which includes the use of funds for routine and/or existing governmental expenditures, or activities that constitute general expenses required to carry out overall responsibilities of governmental entity

- Coffee, bottled water, or any other beverages, candy, donuts, snacks, or any other food items (See 2.7, Meetings and Conferences, for meal exception)

- Entertainment costs including amusement, and social activities and any costs directly associated with such costs (such as tickets to shows or sporting events, meals, lodging, rentals, transportation, and gratuities)

- Alcoholic beverages for any consumption purposes including controlled training settings for law enforcement

- Cost of overnight or courier mail service
- Contributions and donations, including cash, property, and services to others, regardless of the recipient
- Cost of fund raising, including financial campaigns, solicitation of gifts, and similar expenses incurred to raise capital or obtain contributions
- Contingency provisions for contributions to a contingency reserve or similar provision for unforeseen events excluding self-insurance reserves
- Fines, penalties, damages, and other settlements resulting from violations or non-compliance
- Costs of commercial insurance that protects contractor for correction of defects in materials or workmanship
- Costs not recovered under one grant agreement are unallowable under other grant agreements.

Chapter 3
Implementation and Control of Approved Projects

3.1 GENERAL

This chapter describes the implementation process for project agreements and defines responsibilities for the applicant agency, project director, fiscal or accounting official and OTS for project control. This chapter also contains information on revising project agreements, withholding, reducing, disallowing, or terminating funds, and closing out or terminating projects.

3.2 APPROVED AGREEMENT

When the project has been approved, the applicant agency receives notification from OTS to proceed according to the conditions and design authorized in the approved project agreement. A copy of the approved project agreement and required forms for grant monitoring will be included with this notification. The agreement will show an effective date on Page 2 (OTS-38a).

Note: Claims for reimbursement may be made only for costs incurred on or after the effective date. No reimbursement will be provided for expenses incurred <u>prior to the effective date or after the project period ending date</u>.

3.3 PRE-OPERATIONAL MEETING

Within the first 75 grant period days, a detailed meeting will be scheduled to review the Quarterly Performance Report (QPR) format, grant requirements and conditions, and the reimbursement claim process. The actual grantee personnel responsible for preparing the QPRs and reimbursement claims must attend the meeting.

3.4 FISCAL OR ACCOUNTING OFFICIAL

The fiscal or accounting official named in the project agreement should be the applicant agency's fiscal representative responsible for ensuring budgeted costs are in accordance with the applicant agency's standard policies and procedures and accounting records are maintained that will separate and accurately record project costs. In addition they will ensure claims for reimbursement of project costs are limited to those specifically authorized in the project agreement and are prepared using project accounting records or a process that reconciles claims no less than once a quarter with the project records.

3.5 PROJECT DIRECTOR

The project director should be one of the applicant agency personnel assigned to the project, i.e., traffic engineer, chief of police, etc., and must be available for periodic operational reviews with OTS representatives. The project director is responsible for

establishing operating procedures and controls, which will ensure adequate administration of the project in accordance with the terms of the agreement with emphasis on:

- Meeting work schedules
- Maintaining costs within the approved budgets
- Maintaining sufficient documentation for validation of project progress and accountability funds expended (Chapter 4)
- Submitting required project reports (Chapter 7)
- Conducting project evaluations

3.6 OTS RESPONSIBILITY

OTS has the responsibility and authority to review and evaluate each project. Such review and evaluation will be made for the purpose of assisting the applicant agency to understand and comply with the required procedures and to gain maximum benefits from the funds expended. OTS will also assist in the coordination of meetings with other agencies having similar projects and provide any information required.

3.7 APPLICANT AGENCY RESPONSIBILITY

Applicant agencies are responsible for promptly notifying their OTS Regional Coordinator regarding any changes or problems that arise during the project period. They are also encouraged to have meetings with other agencies having similar projects in operation, for the purpose of coordinating related activities.

State applicant agencies must comply with all state requirements including those for feasibility reports and the provisions of Section 0911 of the State Administrative Manual. In addition, if the project is not approved in the state budget, the agency must comply with Section 6236.5 of the State Administration Manual (Section 28, Reporting).

3.8 PROJECT REVISIONS

Project revisions include any project agreement change(s) that are necessary to enhance the operational efficiency of the project. As OTS recognizes that budgets are estimates of actual costs, grantees are permitted to rebudget during the current year within existing line items shown in either the Detailed Budget Estimate (Schedule B) or the Budget Narrative (Schedule B-1) without OTS approval as long as the costs are reasonable, allowable, and further the grant objectives, and do not exceed ten percent of the total amount shown in the cost category.

3.9 REVISION REQUESTS FOR OTS APPROVAL

The following table provides examples of how and when to request a revision.

Examples of Requested Changes/Revisions to the Project Agreement	May be accomplished at the discretion of grantee without OTS approval. Costs must be reasonable, allowable, and further the grant objectives.	Requires a formal grant revision approved by OTS.	Reimbursement requires written approval from OTS. Request and approval may be a fax, email, memo, or letter. Also, no change to Schedules B or B-1 is required.
1. Project period time extension. ***See Note in Section 3.10**		X	
2. A change in Project Director, Authorizing Official, Fiscal or Accounting Official		X	
3. A budgeted cost category increase in excess of 10 percent – progress claim only.		X	
4. Significant changes to the project goals and objectives that affect the scope of the project.		X	
5. Significant changes to the Method of Procedure that affects the project ending date.		X	
6. An increase to the total project budget.		X	
7. A redistribution of monies between line items within a particular cost category or an increase in the number of items purchased that are already listed in Schedules B or B-1 – as long as the total cost category amount does not exceed 10 percent.	X		

Examples of Requested Changes/Revisions to the Project Agreement	May be accomplished at the discretion of grantee without OTS approval. Cost must be reasonable and allowable.	Requires a formal grant revision approved by OTS.	Reimbursement requires written approval from OTS. Request and approval may be a fax, email, memo, or letter. Also, no change to Schedules B or B-1 is required.
8. A specific cost item not included in Schedules B or B-1 for which funding is available within the appropriate cost category and funding for the item would not exceed that cost category by 10 percent.			X
9. Travel either in state or out of state not identified in the Schedule B-1.			X

Note: Grantees should discuss changes/revisions to project agreements with their OTS Regional Coordinator to help determine the appropriate method to complete the change/revision.

3.10 FORMAL REVISION REQUESTS

A formal revision request must be submitted to OTS and consist of:

- One cover letter or memorandum supporting the request
- Five copies of new Page 1 (OTS-38) (Two must have original signatures)
- Five copies of revised project agreement pages affected

Note: Time extension requests must be submitted by fax, email, or letter and approved by OTS prior to the project ending date. Once OTS approves the time extension request, the grantee must in a timely manner submit the necessary paperwork to formalize the revision process.

Reminder: Whiteout may not be used on the Page 1 and no one may sign "for" individuals whose names appear on the Page 1.

3.11 APPROVAL OF REVISION REQUESTS

In determining approval of project revision requests, the following will be considered:

- Current and past performance
- Availability of funds
- Timeliness and quality of claims and Quarterly Performance Reports
- Circumstances and justification for the request

3.12 CARRY OVER OF UNEXPENDED FUNDS

Projects continuing into a subsequent year must submit a written justification to support the carry over of unexpended funds into the next federal fiscal year. The due date for carry over requests is October 31. After receiving the justification letter, OTS will determine the amount of unexpended funds, based on the September 30 reimbursement claim, approved to carry over into the new year. A reduction of unexpended funds will not change the funding budgeted for the new year. OTS will mail a revised Page 2 (OTS-38a) of the project agreement to the grantee indicating the new year appropriation with the amount of carry over available for expenditure.

3.13 WITHHOLDING, DISALLOWANCE, REDUCTION, TERMINATION AND/OR DENIAL OF GRANT FUNDS

The OTS Regional Coordinator has the responsibility of recommending to the Director of OTS the cancellation of any project, which is not being implemented in accordance with applicable federal and state laws, or pursuant to the terms of the signed project agreement. In addition, OTS will withhold or disallow grant payments, reduce or terminate grant funds, and/or deny future grant funding to any grantee that fails to comply with any term or condition of the project agreement or program guidelines. This may include, but is not limited to, the following:

- Failure to submit acceptable and timely draft and final project agreements;
- Failure to submit acceptable and timely reimbursement claims;
- Failure to submit acceptable and timely quarterly and final reports; and
- Failure to submit acceptable and timely Schedule C's (Quarterly Evaluation Data Form OTS-38g).

Should OTS deem it necessary to reduce or terminate grant funds, the project director will first receive a certified letter citing unacceptable project discrepancies, required corrective action, and penalty for not rectifying the discrepancies by a specified deadline. If corrective action is not taken by the deadline date, the stated penalty will be imposed. Payment for allowable costs up to the date of termination or reduction of grant funds will be subject to negotiation and availability of federal funds.

3.14 TERMINATION REQUESTED BY APPLICANT AGENCY

Agreements may be rescinded upon request by the applicant agency when the agency is unable to implement the project. Upon review and approval by OTS, an agreement may be terminated without prejudice when the agency finds it is unable to continue with the work for justified reasons beyond its control. In such circumstances, the maximum reimbursement of claimed costs to the date of termination is limited to the amount determined to be allowable (Chapter 2) by a fiscal audit of the project records.

3.15 CLOSE OUT OF PROJECTS

Approximately 30 days prior to the project ending date, a close out package is mailed to the project director. This serves as a reminder of the project end date and includes information to assist the project director with the final report, *executive summary,* final reimbursement claim and OTS-25, Equipment Report, if applicable (Chapter 4.6).

3.16 FUND AVAILABILITY

If, during the term of the grant award, federal funds become reduced or eliminated, OTS may immediately terminate or reduce the grant award upon written notice to the project director.

3.17 LIMITATION ON LIABILITY

The applicant agency shall be responsible for the settlement of any and all claims and lawsuits arising from or incident to OTS' non-payment of the applicant agency's claim. The applicant agency expressly acknowledges their responsibility includes the payment of all damages, expenses, penalties, fines, costs, charges, and attorney fees, if the claims and lawsuits are based upon OTS' non-payment of claims. The applicant agency shall defend any suits brought upon all such claims and lawsuits and pay all costs and expenses.

The project agreement entered into with OTS is subject to any applicable restrictions, limitations, or conditions enacted by the United States Government subsequent to the execution of the project agreement.

Chapter 4
Fiscal Requirements

4.1 GENERAL

This chapter describes the applicant agency's fiscal responsibilities and requirements related to project accounting and property records for OTS projects. Specific requirements for project accounting records, equipment management and disposition, record retention, and audits are detailed in subsequent sections of this chapter. In general, it is the applicant agency's responsibility to ensure that project costs are:

- Recorded in the agency's accounting system in a separate project account
- Incurred in accordance with agency's standard procurement policies and procedures
- Supported by detailed source documents that reliably account for funds expended
- Allowable and in accordance with authorized costs defined in the project agreement

Note: All project transactions are subject to audit. Failure to comply with the provisions of this chapter or any portion of the Grant Program Manual, Volume II, will result in audit exceptions and subsequent loss of funds.

4.2 INTERNAL CONTROL

Effective control and accountability must be maintained for all OTS grant and sub-grant cash, real and personal property, and other assets. Applicant agencies are responsible for ensuring that all such property is adequately safeguarded and used solely for authorized purposes.

4.3 ACCOUNTING RECORDS

Any system of accounting may be used as long as it conforms to generally accepted accounting principles. In general, this means the existing accounting system of an applicant agency may be used as long as:

- Records contain project information to include total project amount authorized, obligations, outlays or expenditures, unobligated balances, and income
- Project revenues and expenditures including labor are recorded in special project accounts
- Project expenditures can be clearly identified with authorized budgeted costs

Note: Separate project records should include an itemized list of expenditures for each billing period to facilitate audits of project expenditures and preparation of reimbursement claims.

4.4 ADEQUATE SOURCE DOCUMENTATION

As mentioned in Chapter 2.3, in order for costs to be eligible for reimbursement, they must be adequately documented. This section provides the criteria for source documentation to be considered sufficient for each cost category.

4.4.1 Personnel Costs

Personnel costs must be based on documented payrolls and approved by a responsible official of the agency. In addition, the distribution of costs to OTS grants must be supported by personnel activity reports for all professional and nonprofessional staff billed. For each employee, these reports must be prepared at least monthly and coincide with one or more pay periods. At a minimum they must contain:

- An after-the-fact determination of actual activities worked
- All activities they were compensated for whether grant related or not
- Signatures of employee and an official with first-hand knowledge of activities

Note: Governmental entities may submit advance written requests to OTS for exemption from this requirement if they are using another federally accepted method of support.

4.4.2 Travel Expenses

Travel expenses must be supported by promptly prepared employee expense reimbursement claims and include appropriate itemized receipts. Conference and seminar expenses must also be supported by event agendas. If costs are billed for the use of agency-owned vehicles, records must be maintained indicating who used the vehicle, when, for what purpose, and for how many miles. The agency's cost records must show how the mileage rate or other billing rates were developed.

4.4.3 Contractual Services

Services provided by an individual, organization, firm, or agency, must be supported by a properly executed contractual or interagency agreement. Payments on contractual agreements must be supported by itemized invoices and made in accordance with the terms of the agreement. Agencies must also maintain records sufficient to detail the significant history of the procurement.

Note: See Chapter 6 for detailed information regarding OTS requirements for procurement and administration of reimbursable contractual services.

4.4.4 Equipment

Equipment is non-expendable, tangible personal property with a useful life of more than one year and an acquisition cost of more than $5,000. The total cost of equipment includes modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for project purposes including tax, shipping, and installation, excluding any discounts. Equipment purchases must be supported by purchase orders or other original documents authorizing procurement, signed by appropriate authorities. In addition, itemized invoices or properly signed and dated itemized delivery and/or packing slips must be on file.

Note: At the time of purchase, equipment must be reported to OTS using the OTS-25 Equipment Reporting Form (see EXHIBIT 4-A). OTS utilizes this form to maintain accountability of equipment acquired for its projects. This form should not replace the applicant agency's regular property control records.

4.4.5 Other Direct Costs

The purchase of any other project supplies, materials, or minor equipment (less than $5,000) or the procurement of services not requiring contractual agreements must be supported by purchase orders or other original documents authorizing procurement, signed by the appropriate authorities. In addition, itemized invoices or properly signed and dated itemized delivery and/or packing slips must be on file. Rental or lease costs must be supported by appropriate detailed agreements.

4.4.6 Indirect Costs

Indirect costs must be supported by a cost allocation plan or an indirect cost rate proposal. Source documentation must be available to support the rate authorized by OTS for reimbursement.

4.5 EQUIPMENT MANAGEMENT REQUIREMENTS

If equipment is purchased using OTS funds, applicant agencies will be accountable to OTS for the equipment as long as the current fair market value remains in excess of $5,000. Applicant agency procedures for managing project equipment (including replacement equipment) acquired in whole or in part using OTS funds, until disposition takes place, must at a minimum include:

- Adequate controls for safeguarding against loss, damage, or theft of equipment
- Provisions for replacing equipment lost due to circumstances other than normal wear
- Maintenance procedures that will keep equipment in good working condition

- Properly maintained property records with the following information:

  - Description with serial or other identification number
  - Acquisition date and total cost
  - Source of property and who holds title
  - Location, condition, and use of property
  - Percentage of federal participation in cost
  - Ultimate disposition data including date of disposal and sale price

Note: Physical inventory and reconciliation to property records is required to be performed every two years.

4.6 OTS RECORDS AND REPORTING REQUIREMENTS

Property records for project equipment, which are subject to audit by OTS, shall also be made available in the project file and retained for three years after final disposition of the property or for three years after final project payment is made, whichever is later.

Equipment Certification (EXHIBIT 4-B) is to be sent to OTS every two years starting from the date of acquisition, that includes identification of equipment, current fair market value, current location and use, and anticipated further need. Applicant agency must contact OTS:

- Immediately after discovery of any project equipment loss
- To obtain approval before selling, transferring, or conveying project equipment

4.7 EQUIPMENT DISPOSITION

At the end of a project, which includes any equipment purchase, the applicant agency must submit an updated OTS-25, Equipment Report (EXHIBIT 4-A), with their final claim that indicates final disposition using the following criteria:

- Items with a current per-unit fair market value reported to OTS of less than $5,000 may be retained, sold or otherwise disposed of with no further obligation to OTS.

- Items with a current per-unit fair market value of more than $5,000 may be retained if it will be used for, and there is a continued need to accomplish, the purpose of the original project or it can be used in connection with any other OTS or federally sponsored activities.

- Items with a current per-unit fair market value in excess of $5,000 that can no longer be used in connection with any OTS or other federally sponsored activities – Contact OTS and the following options will be discussed:

  - Property may be retained, or sold, and an amount equal to the current fair market value, or proceeds from sale, multiplied by the percentage of OTS funds used in original purchase will be refunded to OTS.

  - Property may be returned to OTS for program use by other OTS funded agencies.

Note: If the disposition report reflects a current fair market value of $5,000 or more and the applicant agency has indicated a continued need for the property, OTS will require a yearly certification, EXHIBIT 4-B, until the property value is less than $5,000 or a request has been made to otherwise dispose of the property. The estimated useful life for equipment typically funded by OTS is contained in EXHIBIT 4-C.

4.8 COPYRIGHTS/TRADEMARKS

OTS reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal or state government purposes the following:

- The copyright/trademark in any work developed under a grant, sub-grant, or contract under a grant or sub-grant.

- Any rights of copyright/trademark to which a grantee, sub-grantee, or a contractor purchases ownership with grant funds.

4.9 PROGRAM INCOME - RECORDS/REPORTING

Program income must be maintained in a separate account that identifies disposition by documenting the expansion of services or reduction of project costs. Any balance remaining in the program income account at the close of fiscal year shall be carried forward. Quarterly Performance Reports will include the reporting of current and year-to-date program income balances.

4.10 RECORDS RETENTION

The applicant agency must retain all project source documents and records and make them available for federal and state audit for a period of three years following the date of the final reimbursement of project expenditures. Records shall be retained beyond this date if audit findings have not been resolved.

4.11 SINGLE AUDIT REQUIREMENTS

OTS has the responsibility of ensuring that applicant agencies have complied with the requirements of the Single Audit Act in accordance with the Office of Management and Budget (OMB) Circular A-133. The State Controller's Office (SCO) notifies OTS of those cities, counties, and special districts that have not submitted an audit report or have not indicated to SCO that they are exempt each fiscal year. Applicant agencies that are not in compliance will be notified and required to provide verification of compliance.

4.12 OTS AUDIT REVIEWS

Periodic audits of applicant agency, subrecipient, and subcontractor records for projects funded by OTS, are conducted as both on-site and desk reviews to ensure compliance with the provisions of this and any other chapters of the Grant Program Manual, Volume II. Failure to comply with any of these provisions may result in audit exceptions and subsequent loss of funds.

Chapter 5
Preparation of Reimbursement Claims

5.1 GENERAL

This chapter provides the guidelines for the preparation and submission of claims for project reimbursement using form OTS-39, Project Claim Invoice and OTS-39a, Project Claim Detail as shown in EXHIBIT 5-A. Claims should be prepared using the agency's accounting records and based only on recorded costs for the period covered. To ensure proper accounting for reimbursements, invoices submitted to OTS should be recorded as a receivable in the accounting system.

Note: Claims not submitted on OTS-39 and OTS-39a will not be reimbursed. The computerized version of this form is available at http://www.ots.ca.gov/forms/default.asp or from your Regional Coordinator.

5.2 CLAIM SUBMISSION

Claims are to be submitted in triplicate with an original signature on one copy and appropriate support documents attached. The project director, authorizing official, or fiscal officer listed on Page 1 of the project agreement must sign the claim. Written delegation for any other official must be on file with OTS and include signature samples of the authorized individual. No one may sign "for" the designated official listed.

Note: A quarterly claim must be submitted even if no expenses were incurred during the quarter. The claim would be submitted showing a zero net for current period.

5.3 CLAIM DUE DATES

Claims are due on a quarterly basis (3/31, 6/30, 9/30, 12/31), no later than 30 days following the end of each quarter, with the exception of the final claim. Final Claims are due to OTS no later than 60 days following the project end date, but may not be paid until OTS has received the project's final report. On an exception basis, claims may be approved for monthly submission.

Note: Failure to submit reimbursement claims by the appropriate due dates may result in a loss of grant funding and/or a denial of future grant funding.

5.4 CLAIM PREPARATION

Claims should be prepared using the detailed instructions provided in EXHIBIT 5-B. To ensure your claims are not returned and reimbursements are timely, make sure they meet the following criteria:

- Do not use white out or corrective tape

- Do not round-off costs
- Do not re-number claims at the end of the fiscal year
- Do not attach claim forms to the Quarterly Performance Reports
- Attach legible invoices for contractual service and equipment costs
- Attach a signed and completed OTS- 25, Equipment Report, EXHIBIT 4-A, for all equipment purchases (Must reconcile to invoices submitted)
- Submit three sets of separately collated claims with appropriate attachments
- Be sure claims are correctly computed and reconciled
- Be sure to correctly record "prior claimed" amounts
- Ensure authorized signatures are on the claim
- Ensure costs claimed match the line items authorized in the budget for each category

Note: Claims not meeting these criteria may be returned and delay reimbursement.

Chapter 6
Procurement & Contract Administration

6.1 GENERAL

This chapter highlights the more significant procurement standards that must be adhered to when purchasing goods or services for OTS projects. Specific requirements are provided for sole source procurements, procurement records, contractual services, contract management, and contracting with non-profit organizations. In general agencies must follow the same policies and procedures it uses for procurements from its non-federal funds provided they conform to applicable federal laws and standards.

6.2 FEDERAL LAWS AND STANDARDS

The following contain the federal laws and standards that must be adhered to when procuring goods or services for OTS projects:

- Title 41 CFR, Part 105-71, Uniform Administrative Requirements for Grants and Cooperative Agreements (available at web site http://www.access.gpo.gov/)
- Title 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements
- Title 49 CFR, Part 19, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-profit Organizations
- Title 49 CFR, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs
- Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions (OMB circulars are available at website http://www.whitehouse.gov/omb)
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government, A Guide for State, Local and Indian Tribal Governments, Implementation Guide for OMB Circular A-87 (available at website http://www.hhs.gov/grantsnet/state/ft.html)
- OMB Circular A-122, Cost Principles for Non-profit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Note: State agencies must comply with contract and procurement policies and procedures as set forth in the State Administrative and State Contracting Manuals.

All other agencies must have copies of established procurement procedures available for audit purposes upon request by OTS.

6.3 DEFINITIONS

Applicant Agency

Applicant agency means the government entity, either state or local, to which an OTS grant is awarded and which is accountable for the use of the funds provided. The applicant agency is the entire legal entity even if only a particular component of the agency is designated to handle the project. Also referred to as the grantee.

Community Based Organization (CBO)

Non-governmental entities which are organized to work together on a community-based issue, need or problem; they are often non-profit corporations (26USC501.C.3). Generic term to indicate any local or regional group that is not an official, government agency. CBOs are not "top down" agencies, but evolve over time from mutual interest or need at the community level. CBOs may also be known as public interest groups, community service groups, injury prevention advocacy groups, and grassroots groups.

Note: To receive OTS funding through an applicant agency, a CBO must be a legal entity registered with the Secretary of State.

6.4 PROCUREMENT STANDARDS

All procurement and contractual transactions will be conducted in a manner providing full and open competition consistent with the standards of 49 CFR Section 18.36. Sole source procurement or contracting is discouraged because it is inconsistent with a policy of "full and open competition."

When procuring goods or services with grant funds, applicant agencies must also ensure costs are reasonable. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The following must also be taken into consideration in determining the reasonableness of a given cost:

- Is the cost of a type generally recognized as ordinary and necessary for the performance of the governmental agency?
- Does the cost exceed the market price for comparable goods or services?
- Were the restraints or requirements imposed by such factors as sound business practices and arms length bargaining used?

- Did the individuals concerned act with prudence in the circumstances considering their responsibilities regarding the use of public funds?

- Were there significant deviations from the established practices of the applicant agency, which may unjustifiably increase OTS's cost?

6.5 PROCUREMENT RECORDS

Applicant agencies must also maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following:

- A rationale for the method of procurement and selection of contract type

- Written selection procedures and documented reasons for rejections

- The basis for the contract price

Note: Procurement documentation must be made available for audit purposes upon request from OTS.

6.6 SOLE SOURCE PROCUREMENTS

Purchases or award of contracts by noncompetitive processes may be used only when small purchase procedures, sealed bids, or competitive proposals are infeasible and one of the following applies: [Reference: 49 CFR 18.36(d)(4)(i)]

- Goods or services are only available from a single source

- Public exigency or emergency for requirement will not permit a delay resulting from competitive solicitation

- After solicitation of a number of sources, competition is determined inadequate

Note: Sole source approvals should be in accordance with the agency's procurement and contracting directives regarding non-competitive procurement and contracting.

6.7 SOLE SOURCE RECORDS

Procurement records supporting a sole source approval must be consistent with applicant agency's procedures but at a minimum must contain the following:

- Justification why the purchase/service cannot logically and reasonably be made through a competitive bidding process including consequences if not approved

- A list of the vendor's/contractor's unique qualifications, experience, etc.

- A cost analysis, i.e., verifying the proposed cost data, the projections of data, and the evaluation of the specific elements of cost is necessary, unless reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation

6.8 CONTRACTUAL SERVICES

All proposed contracts must be reviewed and approved for reimbursement by OTS prior to contract execution. The applicant agency must identify sole sourced contracts when draft is submitted to OTS. Costs incurred under contracts not approved in advance by OTS may not be reimbursed.

A pre-award review will be performed on proposed contracts in excess of $50,000, and other contracts, as OTS deems necessary. The review will include:

- A determination of the propriety of amounts set forth in the cost proposal

- A determination of the adequacy of the contractor's system to segregate and accumulate reasonable allocable and allowable costs for charges to the proposed contract

- A determination that the agreement complies with all state and federal cost criteria

6.9 CBO'S AND NON-PROFIT CORPORATIONS/ORGANIZATIONS

Contractual agreements with non-profit and community-based corporations or organizations must be on a cost reimbursement basis and include detailed budgets with budget narratives descriptive enough to limit misinterpretation of allowable cost items. In addition, contract language must stipulate a requirement to submit source documentation supporting actual costs billed with invoice such as:

- Itemized receipts/vendor invoices

- Timesheets clearly indicating project time and all other non-project funded time personnel compensated for

Note: Applicant agencies are also responsible for conducting pre-award internal control and financial responsibility assessments on CBO's receiving more than $25,000.

6.10 CONTRACT PROVISIONS

Agencies generally have their own standard contract format and language; therefore OTS does not dictate a standard format. While OTS does not require a specific format, within the context of the agency format, each contract must contain:

- Contract Number.
- Taxpayer identification number.
- Identification of the parties.
- Purpose of the contract expressed in a short paragraph.
- Term for the performance or completion of the contract (specific dates or length of time).
- Cost. The contract must clearly express the ***maximum amount to be paid*** and ***the basis on which payment is to be made.*** Enough information must be present to be able to associate specific costs with services, tasks, or other deliverables in order to assess reasonableness of costs. Cost reimbursement contracts must include budgets and budget narratives that clearly define authorized costs and how they relate to the services provided.
- Scope. The work, service, or product to be performed, rendered, or provided. Clear and concise language must be used to describe the scope. The scope of work, or statement of work, should be specific and not be expressed in broad terms. Work to be performed should be broken down into specific tasks and each task should have a corresponding completion date.
- Subcontracting provisions. Any subcontracts are subject to audit, by the Office of Traffic Safety. The same general terms, conditions, and certifications (EXHIBIT 6-A) that apply to contractors also shall apply to subcontractors.
- Reporting requirements. Specify reporting requirements including content, due dates, format, distribution, etc.
- Other general or unique terms and conditions of the agreement. According to 49 CFR 18.36(i) and National Highway Traffic Safety Administration (NHTSA) prescribed certifications and assurances, each contract shall include the provisions listed in EXHIBIT 6-A. These provisions shall be referenced in the body of the contract and by reference made a part thereto.
- Signature, printed name, and title of a person representing each party who is authorized to bind that party.

6.11 CONTRACT CHECKLIST

The checklist, used by OTS to assist in the contract reimbursement approval process, is included as EXHIBIT 6-B. Use of the checklist is required in preparing the contract and will assist in expediting the approval process.

6.12 CONTRACT MANAGEMENT RESPONSIBILITY

The applicant agency is responsible for the management of all contracts issued using OTS fund and must:

- Ensure contractor's compliance with contract provisions
- Ensure services are performed according to the quality, quantity, objectives, timeframes, and manner specified in the contract
- Ensure that all work is completed and accepted by the agency before the contract expires
- Assess and request amendments, renewals, or new contracts as required allowing sufficient time to process, obtain OTS approval, and execute such changes before the contract expires or funds are depleted in order to prevent a lapse in service.
- Review and approve invoices for payment ensuring payments are made in accordance with contract terms and work has been performed
- Monitor contract expenditures to ensure there are sufficient funds to pay for all services rendered as required by the contract
- Verify all requirements of the contract are fulfilled before approving final invoice

Chapter 7
Project Reports

7.1 GENERAL

This chapter contains information about the project reports that must be submitted to the Office of Traffic Safety (OTS). These reports include the Quarterly Performance Report (QPR), Quarterly Evaluation Data Form (Schedule C), Final Report, and Executive Summary. For each report there is an explanation of why it is required, what information must be provided, what formatting should be used, and when the report is due to OTS. Provided at the end of this chapter is a quick reference timetable that shows the due dates for all these reports plus claim invoices.

7.2 QUARTERLY PERFORMANCE REPORT (QPR)

The QPR should be a thorough report on project activities conducted during each quarter, as it is the main source of information used to determine project success and commitment. In addition, the information and data provided in this report is incorporated into the "Annual Performance Report" submitted by OTS to National Highway Traffic Safety Administration (NHTSA), Federal Highway Administration (FHWA), and the State Legislature. It is therefore critical that the QPR contain the following:

- Description of activities conducted to achieve goals and objectives
- Relationship of these activities to the project phase or time schedule
- Current and project-to-date report on progress for each goal and objective
- Comprehensive explanation of any challenges/difficulties/delays
- Anticipated effect of delays on total project cost and time schedule
- Detailed plan of action to correct any deficiencies in meeting goals and objectives
- Report of current and year-to-date program income received and expended

Note: Your Regional Coordinator will provide additional QPR format requirements and forms at the "pre-operational" meeting. Pre-operational meetings are typically scheduled within the first 75 days of the grant period.

7.3 QPR DUE DATES

One copy of the QPR must be provided to OTS, no later than 30 days after the end of each quarter or partial quarter that the grant is active (i.e., no later than January 30, April 30, July 30, and October 30, of each year of project activity). Please do not mail the QPR and claim together. Also, be sure to include your agency name, project name, project number, OTS Regional Coordinator's name, and the quarter being reported on in the form of a cover page for each QPR.

(a) The initial QPR for a new project is required on the first due date shown above which follows the effective start date of the project. This may result in the first report covering less than a full quarter period.

(b) A final QPR is required for any portion of activity occurring during the final quarter of project operations and may also cover less than a full quarter. Your Regional Coordinator may waive the requirement for this last report, unless it falls within the July-September reporting period.

Note: Failure to submit QPRs on time may result in the withholding or disallowance of grant payments, the reduction or termination of grant funds, and/or the denial of future grant funding (Chapter 3, Section 3.9.1).

7.4 QUARTERLY EVALUATION DATA FORM - SCHEDULE C

Most grantees must complete a Quarterly Evaluation Data Form, Schedule C (EXHIBIT 1-A). The calendar base year will be determined in discussions with your OTS Regional Coordinator. Your OTS Regional Coordinator will define the appropriate Schedule C data elements. The calendar base year data must be compiled from the grantee's internal records and reports.

(a) The applicable Schedule C calendar base year data elements must reconcile to the corresponding goals and objectives in the "Performance Measures" section in Schedule A of the Project Agreement.

(b) Each calendar quarter, grantees are required to submit a timely and correct Schedule C with the narrative QPR no later than 30 days following the end of each calendar quarter. Grantees must use their own internal collision records and reports to complete the Schedule C.

(c) Failure to submit a timely and correct Schedule C will result in the withholding or disallowance of grant payments, the reduction or termination of grant funds, and/or the denial of future grant funding (Chapter 3, Section 3.9).

7.5 FINAL REPORT

One copy of a Final Report of project accomplishments must be submitted to OTS not later than 60 days following the termination date of the project. The Final Report is used to:

- Determine project impact in reducing or solving identified traffic safety problem
- Determine project contribution to applicant's/California's Traffic Safety Program
- Evaluate benefits derived in relation to costs incurred
- Assist other agencies with similar program deficiencies

Chapter 7
Project Reports

The Final Report should be creative and resourceful. The Final Report must include, but is not limited to, the following factors:

(a) Credits - "This project is a part of the California Traffic Safety Program and was made possible through the support of the California Office of Traffic Safety, and the National Highway Traffic Safety Administration."

(b) Disclaimer - "The opinions, findings, and conclusions expressed in this publication are those of the authors and not necessarily those of the State of California Business Transportation and Housing Agency, or the National Highway Traffic Safety Administration."

(c) Project Personnel - Identify the key personnel who worked on the project together with their job classifications and give a brief description of their contribution.

(d) Goals and Objectives - Restate the objectives of the project as identified in the project agreement. This will allow analysis of the report as a self-contained document and will aid other agencies in defining their deficiencies.

(e) Methodology - Describe in detail how the project was implemented. This description should speak specifically on how each task identified in the project agreement was accomplished. This will be helpful to other agencies that may desire assistance in the same program area. OTS can use the methodology description to develop cost ratios for work performed and to develop an outline for implementing similar projects with maximum benefits.

(f) Problems - Describe any operational or cost problems that were encountered in project implementation. If known, state alternate methods that would have avoided the problem and increased the effectiveness of the project. This information will assist other agencies in avoiding the same problems.

(g) Results - Describe in detail the results of the project in terms of meeting <u>each</u> original goal and objective. Also describe the results in terms of how they will be specifically applied for future improvement of the agency's continuing traffic safety program. Where possible, describe estimated savings resulting from implementing project results. Describe how equipment purchased under the grant was utilized in accomplishing the objectives.

(h) Implementation Schedule - Outline the actual and/or planned schedule for implementation of the project results, recommendations or countermeasures. Include the amounts budgeted for immediate implementation or the estimated fiscal requirements for future plans.

(i) Documentation - Include as a part of the Final Report, input and output documents developed. Examples are: new or revised forms, diagrams, management reports, photos, coding manuals, instructional manuals, etc. Other agencies may be able to adapt this material for their benefit. If applicable a Quarterly Evaluation Data Form, Schedule C (OTS-38g), must be submitted for the entire life of the project.

Note: The 60-day grace period for the submission of the Final Report is not authorization for reimbursement of costs incurred after the project end date. Costs, recorded as expense after the project end date, are not allowable. Failure to submit the Final Report within 60 days may result in loss of grant funds (Chapter 3, Section 3.9).

7.6 EXECUTIVE SUMMARY

The Executive Summary is a maximum two-page project summary that is not attached to but submitted with the Final Report. A sample Executive Summary may be obtained from your Regional Coordinator. This document includes:

- Problem Identification
- Goals and Objectives
- Strategies and Activities
- Major Goal and Objective Results
- Funding, Contact Person, Address and Phone Number

Noteworthy Executive Summaries will be submitted to NHTSA for publication in the "Traffic Safety Digest" and will be eligible to receive a recognition award at the OTS Traffic Safety Summit.

7.7 REPORTING AND CLAIMS TIMETABLE

The following is a quick reference timetable indicating the due dates for all reports and claim invoices:

Quarter	Due Date	PROJECT RELATED REPORTS REQUIRED				
		QPR	Schedule C (If applicable)	Claim Invoices	Final Claim Invoice	Final Report/Executive Summary
Jan 1 – Mar 31	April 30	X	X	X		
Apr 1 – June 30	July 30	X	X	X		
July 1 – Sept 30	October 30	X	X	X		
Oct 1 – Dec 31	January 30	X	X	X		
30 days after project end date					X	
60 days after project end date			X			X

State of California
Business, Transportation & Housing Agency

OFFICE OF TRAFFIC SAFETY GRANT AGREEMENT

PROJECT NUMBER
PT0499

PAGE 1 (To be completed by applicant Agency)

1. PROJECT TITLE
DUI AND SEAT BELT PROGRAM

2. NAME OF APPLICANT AGENCY
CITY OF ANYTOWN

3. AGENCY UNIT TO HANDLE PROJECT
ANYTOWN POLICE DEPARTMENT

4. PROJECT PERIOD
Month – Day – Year
FROM: 10/01/03
TO: 12/31/05

5. PROJECT DESCRIPTION (Summarize the project plan covering the objectives, method of procedures, evaluation, and end product in approximately 100 words. Space is limited to 6 lines.)

The Anytown Police Department will create a dedicated traffic safety unit consisting of two motorcycle officers to develop and implement a program focusing on education and enforcement efforts. The main goals of the program are to reduce alcohol involved fatal and injury collisions, and to increase seat belt compliance. Traffic safety programs will be presented to all elementary, middle and high schools, and monthly DUI checkpoints and enhanced traffic safety enforcement will be conducted. Project success will be evaluated on accomplishments of stated goals and objectives, and data collected.

6. FEDERAL FUNDS ALLOCATED UNDER THIS AGREEMENT SHALL NOT EXCEED $274,815.00

7. APPROVAL SIGNATURES

A. PROJECT DIRECTOR
NAME: John K. Smith
PHONE: (909) 443-2711
TITLE: Chief of Police
FAX: (909) 443-6708
ADDRESS: 2700 Main Street
Anytown, CA 90001
E-MAIL:
(Signature) (Date)

B. AUTHORIZING OFFICAL OF APPLICANT AGENCY
NAME: Janet Jones
PHONE: (909) 442-2641
TITLE: City Manager
FAX: (909) 442-8627
ADDRESS: 2700 Main Street
Anytown, CA 90001
E-MAIL:
(Signature) (Date)

C. FISCAL OR ACCOUNTING OFFICIAL
NAME: Fred T. Carter
PHONE: (909) 442-4712
TITLE: Finance Director
FAX: (909) 442-1812
ADDRESS: 2700 Main Street
Anytown, CA 90001
E-MAIL:
(Signature) (Date)

D. OFFICE AUTHORIZED TO RECEIVE PAYMENTS
NAME: City Treasurer
ADDRESS: 2700 Main Street
Anytown, CA 90001

EFFECTIVE DATE OF AGREEMENT: _	GRANTEE ANYTOWN	PROJECT NO. PT0499
8. Action No. 1 Date:	10. TYPE OF AGREEMENT Initial X Revision Cont.	
Revision No. Date:	FUND 402 / PROGRAM / TASK NO. / F.Y. 2003	

9. Action Taken

Initial approval. 2004 HSP funds obligated.

State FY 2003-04
2700-101-0890(324/1998)

Federal Catalog No. 20.600

11. FUNDING DISPOSITION & STATUS

Fiscal Year	Amount
2003-04	
2004-05	
2005-06	
Total	$ -

Obligated This Action	$ -
Previously Obligated	$ -
Total Amount Obligated	$ -
Amount Suspend	$ -
TOTAL FUNDS PROGRAMMED	$ -

12. BUDGET SUMMARY (From Schedule B Detail) - FISCAL YEAR GRANT PERIOD ENDING: 9/30/2005

COST CATEGORY	2003 GRANT PERIOD	PRIOR GRANT	2003 TOTAL GRANT	TOTAL PROJECT BUDGET ESTIMATE
A. Personnel Costs				
B. Travel Expenses			0.00	
C. Contractual Services				
D. Equipment				
E. Other Direct Costs			0.00	
F. Indirect Costs				
TOTAL FEDERAL FUNDS	$ -	$ -	$ -	$ -

13. PROJECT APPROVAL & AUTHORIZATION TO EXPEND OBLIGATED FUNDS

A. APPROVAL RECOMMENDED BY	B. AGREEMENT & FUNDING AUTHORIZED BY
NAME;	**NAME:**
TITLE:	**TITLE:**
PHONE:	
E-MAIL:	
Office of Traffic Safety 7000 Franklin Blvd., Suite 440 Sacramento, CA 95823	Office of Traffic Safety 7000 Franklin Blvd., Suite 440 Sacramento, CA 95823
Signature _____	*Signature* _____

To Be Completed By OTS

BACKGROUND

A. GENERAL CHARACTERISTICS

Anytown has a population of approximately 200,000, with the daytime and early evening population increasing to approximately 250,000 due to major shopping centers and financial institutions attracting citizens from surrounding communities. The city, consisting of 30 square miles, is the fourth largest city in Clark County. The city is located in the valley at the base of the California Coastal Range. The city has a moderate climate year around.

B. STREETS AND HIGHWAYS

The roadway system in Anytown has a total of 300 miles of paved roadway. The city is traversed by five freeways running north, south, east, and west on all sides, and east and west through the center of the city.

There are a total of 100 miles of arterial roads, conforming to a basic grid plan that connects with roadways of similar nature in those cities and areas bordering Anytown. The remaining 200 miles of paved roadway is made up of collector and residential streets.

C. OPERATING DEPARTMENTS

The Anytown Police Department consists of 200 total personnel, including non-sworn employees. The Traffic Division is a separate unit, but a part of total field operations, and consists of one Sergeant and seven Motor Officers. The Traffic Division has the primary responsibility for enforcement of traffic laws and investigation of traffic collisions. Development of traffic personnel provides field coverage from 0630 to 1800 hours daily.

D. EXISTING SYSTEMS

DUI enforcement is done by regular patrol units on an as-time-available basis. DUI arrestees are processed at the main jail and normally held six hours before they are released on their own recognizance. Data pertaining to the arrest is processed into our central automated data processing (ADP) system. The ADP system is compatible with SWITRS and contains all data elements used by the California Highway Patrol.

PROJECT DESCRIPTION PAGE #

PROBLEM STATEMENT

Anytown, like most communities in California, has realized an increase in population of approximately ten percent during the decade of the 1980's. Caltrans estimates that the Anytown traffic volume will continue to increase at approximately two percent per year beginning with 2000. Along with the population increase, the city has realized the revitalization of its business community. Anytown recently created a Redevelopment Agency to attract larger businesses to increase a dwindling tax base. The overall effect of the population and business adjustments is the overtaxing of the city streets and enforcement of traffic violations.

The city of Anytown requested an enforcement/engineering analysis to be conducted by the Institute of Transportation Studies, University of California at Berkeley. The study, which was conducted in February of 1999, identified several major areas of concern. Most important among these was the immediate need for dedicated traffic personnel to help decrease fatal and injury traffic collisions.

The study recognized the difficulties the department has had in selective enforcement because of the heavy traffic congestion during peak hours. Compounding the aging street system, is the volume of traffic created by the geographical location of the city, which is in the center of a densely populated urban area with direct access routes to the freeway.

The study recommended that the department implement dedicated traffic units utilizing motorcycles. Their studies indicate that motorcycles are highly visible to the motoring public, and can give the perception of police omnipresence. Motorcycles are also highly maneuverable, allowing officers to reach traffic violators and collision scenes quickly with first aid and communications equipment.

The Office of Traffic Safety (OTS) uses a statewide collision ranking system to help establish funding priorities for California cities. For comparison purposes, all cities are assigned to one of seven population categories. Cities of similar population are compared to determine their vehicle fatal and injury collision rates "per-thousand-population" and "per-thousand-daily vehicle-miles-of-travel". In addition to a composite rate, separate rates are computed for the following collision types: total fatal and injury, alcohol - involved, pedestrian-involved, bicycle-involved, speed as the primary collision factor, nighttime, and hit-and-run. Data from the Statewide Integrated Traffic Records System (SWITRS) for non-CHP collisions is used to establish the rankings.

The city of Anytown *"per thousand-daily-vehicle-miles-of travel"* ranking for hit-and-run fatal and injury collisions is 3 of 45 cities in it's population category. This means 42 cities of similar size had a lower hit-and-run fatal and injury collision rate.

- 1 of 45 identifies the city with the highest collision rate.
- 45 of 45 identifies the city with the lowest collision rate.

PROJECT DESCRIPTION PAGE #

The city of Anytown *"per 1,000 population"* ranking for alcohol-involved fatal and injury collisions is 7 of 45 cities in it's population category. This means 38 cities of similar size had a lower alcohol-involved fatal and injury collision rate.

- 1 of 45 identifies the city with the highest collision rate.
- 45 of 45 identifies the city with the lowest collision rate.
- Anytown's 2001 average population was 200,000.
- 45 cities in California have a population between (100,001 - 250,000)

	Per 1000 Daily Vehicle Miles of Travel	Per 1000 Population
Total Fatal and Injury	5/45	7/45
Alcohol Involved	9/45	7/45
Pedestrians	14/45	13/45
Bicycle	23/45	28/45
Speed	19/45	22/45
Nighttime (9 p.m. - 3 am)	11/45	2/45
Hit-and-Run	3/45	8/45
Composite*	13/45	12/45

*Average of all collision categories

OTS uses a DUI Arrest Ranking system to determine DUI arrest rates for cities. The arrest rate is developed by dividing a city's total number of DUI arrests by the city's estimated average number of licensed drivers for one year. DUI arrest data is provided by the Department of Justice. Arrest totals do not include arrests made by CHP.

For comparison purposes, all cities are assigned to one of seven population categories. Cities of similar population are compared to determine their arrest rates. For example, a rank of 1 of 45 is assigned to the city with the lowest DUI arrest rate among cities with a population of 100,001 to 250,000.

The city of Anytown's 2002 DUI arrest ranking is 37 of 45 cities in its population category. This means 36 cities of similar size had a lower DUI arrest rate. Statewide the city of Anytown ranks 455 out of 471 cities.

PROJECT DESCRIPTION PAGE #

The International Association of Chiefs of Police (IAP) suggests that a benchmark of DUI arrests equaling 1% of the licensed population is needed to impact a drunk driving population. The city's low DUI arrest rate further indicates the city is making too few DUI arrests.

The Anytown Police Department has determined through an analysis of its traffic records that driving under the influence (DUI) is increasing as a major cause of traffic-related injuries and fatalities. Alcohol involved collisions have increased from 30% of the city's fatal and injury collisions in 1997 to 37.5% of the fatal and injury collisions in 2002. In 1995, 13% of all fatal and injury collisions were alcohol involved. Since 1997, the city's population has increased 14%; however, alcohol related collisions have increased 73% during the same period.

The Department, in it's enforcement efforts in regard to the intoxicated driver, conducted no DUI checkpoints, no saturation patrols for the apprehension of the intoxicated driver and made no publicized effort in the attempt to reduce the number of the intoxicated drivers through the perceived threat of possible arrest.

Low seat belt compliance added to the high injury rate in 2002. Of the total 266 injured vehicle occupants, 131 of them were not belted. The injury compliance rate is about 51%. In the fatal traffic collisions, of the 20 people killed in 2002, 16 or 80% were not wearing their seat belts. An informal survey conducted of a random 100 vehicles showed a compliance rate of about 45%. The statewide seat belt compliance rate is 90%.

An informal survey and review of the available data found that the Anytown Police Department is currently not enforcing the safety restraint laws. Seat belt and child safety citations equaled only 3% and 1% respectively of all hazardous citations issued during 2002.

The Anytown Police Department lacks a traffic safety presentation program for the schools in Anytown, and a review of the materials which are employed for traffic safety education found that no instructional program has been employed and no presentations at either the schools or civic and community groups. The two police officers currently assigned to the School Traffic Safety Program have a primary function as overseers of the Adult and Student Guard Programs. Traffic education is a limited secondary responsibility.

PROJECT NO: PT0499

PROJECT DESCRIPTION PAGE #

TOP TEN COLLISION SEGMENTS

SEGMENTS	January 1, 2002 through December 31, 2002									
	Total	Alc		Hit/ Run	Night	Bike		Ped.		
Florin Road: Franklin Blvd. - Power Inn Rd.	142	15		15	18	8		10	3	
Greenback Lane: Interstate 80 - San Juan Avenue	96	5		4	4	4		5	3	
Greenback Lane: San Juan Avenue - Fair Oaks Blvd.	156	16		9	23	7		6	4	
Madison Avenue: Airbase Drive - Manzanita Avenue	125	13		9	15	7		6	2	
Madison Avenue: Manzanita Avenue - Sunrise Blvd.	87	5		7	11	2		1	0	
Sunrise Blvd.: Placer County Line - Greenback Lane	100	6		15	15	7		2	4	
Sunrise Blvd.: Greenback Lane - American River	110	7		16	15	4		3	3	
Watt Avenue: Elkhorn Blvd. - Interstate 80	179	8		11	16	10		7	0	
Watt Avenue: Interstate 80 - Butano Drive	128	9		13	10	10		5	0	
Watt Avenue: Butano Drive - American River	74	5		7	3	2		1	2	
TOTALS	1,197	89		106	130	61		46	21	

DUI arrestee profiles of 100 randomly selected DUI arrest reports found that 76% lived in the city of Anytown; 66% of the arrests were near the highest alcohol collision intersection; 95% were male; and 85% were between ages 19 and 24.

ATTEMPTS TO SOLVE THE PROBLEM

The following is a summary of the various efforts that have been made by the department to deal with the problem:

1. In-service training classes were provided to educate officers in Drug Recognition to better recognize drunk drivers with low blood alcohol levels.

2. The department has sent three patrol officers to DRE (Drug Recognition Expert) training to certify them as experts.

3. The department has installed moving radar in two patrol units and has two additional hand held units which are assigned on a regular basis to patrol personnel.

4. Selective enforcement has been used by patrol units as time permits.

5. High collision locations have been identified and the data is provided to the police department for enforcement purposes.

PROJECT GOALS

These goals serve as the foundation upon which the project is built, and what we hope to accomplish by implementing a traffic safety grant program.

1. To reduce total fatal and injury collisions 10% from the calendar year 2002 total of 425 to 383 by December 31, 2005.

2. To reduce persons killed in alcohol involved collisions 10% from the calendar year 2002 total of 30 to 27 by December 31, 2005.

3. To reduce persons injured in alcohol involved collisions 10% from the calendar year 2002 total of 100 to 90 by December 31, 2005.

4. To increase seat belt compliance rate 5 percentage points from the calendar year 2002 rate of 90% to 95% by December 31, 2005.*

5. To reduce hit-and-run fatal and injury collisions 10% from the calendar year 2002 total of 42 to 38 by December 31, 2005.

6. To reduce nighttime (2100-0300 hours) fatal and injury collisions 15% from the calendar year 2002 total of 43 to 37 by December 31, 2005.

(*Surveys are to be conducted in March and September of each grant year.)

PROJECT DESCRIPTION PAGE #

PROJECT OBJECTIVES

These objectives are the tasks, activities, or strategies undertaken during the project period to make the goals a reality; and designed to move us closer to achieving our overall goals.

1. To conduct six DUI checkpoints by December 31, 2004, and an additional six checkpoints by December 31, 2005.

2. To conduct six DUI patrols by December 31, 2004, and an additional six patrols by December 31, 2005.

3. To increase DUI arrests by 20% from the calendar year 2002 base year total of 200 to 240 by December 31, 2004, and an additional 10% to 264 by December 31, 2005.

4. To conduct six warrant service programs targeting multiple DUI offenders who violate probation terms or fail to appear in court.

5. To conduct Standardized Field Sobriety Testing training for 50 officers by June 30 2005.

6. To conduct "Real DUI Trials" in each of the four local high schools by December 31, 2005.

7. To conduct three "Reality Check" student press conferences involving high school journalism students by April 1, 2004, and three additional "Reality Checks" by December 31, 2005.

8. To organize and facilitate a student journalism contest among high school students in conjunction with the "Reality Check" student press conference. Prizes will be awarded to the winners.

9. To conduct two "Every 15 Minutes" high school assembly programs by December 31, 2005.

10. To establish a Youthful Visitation Program by June 1, 2004.

11. To enlist the participation of at least ten community-based organizations by March 30, 2004.

12. To coordinate a "High School Seat Belt Challenge" at four local high schools by December 31, 2004.

13. To issue seat belt citations equaling at least 15 % of total hazardous citations.

14. To conduct eight highly publicized seat belt saturation operations by December 31, 2005.

15. To notify OTS of all people "saved by" wearing a seat belt.

Note: Nothing in this agreement shall be interpreted as a requirement, formal or informal, that a particular police officer issue a specified or predetermined number of citations in pursuance of the obligations hereunder.

METHOD OF PROCEDURE

Program Preparation and Training

Phase I (October 1,2003 - December 31, 2004)

One command officer and the traffic sergeant will attend the OTS Police Traffic Services Seminar to gather ideas and methods from OTS staff and project personnel from other agencies.

A Traffic Unit will be formed consisting of two motor officers, and one motor sergeant. The two motorcycle officers will be funded by the OTS Grant.

We will develop a training program for all department personnel to outline the goals and objectives and methods of the project. One major thrust of this training will be the necessary support by all patrol personnel in the meeting of goals and objectives.

We will secure the services of a Youth Program Coordinator on a contractual basis who will organize and coordinate the educational activities to be conducted in Anytown's elementary and high schools. The Youth Program Coordinator will serve under the direction of the Project Director.

We will develop a strong community awareness campaign through local newspapers, radio stations, city newsletter and other available media, informing the public of our efforts in combination with the Office of Traffic Safety to create a safer traffic environment in our city. The community will be advised of our goals and objectives and solicited to become involved in reducing the problem(s). In addition, processes will be put into place to provide current enforcement location information to the media, specifically targeting the commuter audience.

We will develop responsibilities of each program member and patrol officers as they relate to the project.

We will procure all material, services and equipment in accordance with city's standard procurement process.

Project goals and objectives will be reviewed and implementation of procedures will be put into place by department staff.

PROJECT DESCRIPTION PAGE #

Enforcement techniques and scheduling for project personnel will be developed by the DUI and Seat Belt Safety Program sergeant.

Necessary computer software modifications to capture pertinent data and generate timely, accurate and relevant reports will be identified by department and project staff. The modifications will be completed by the systems administrator.

We will provide specialized training for the motorcycle team members including attending a two-week motorcycle riding school. Coordinate with other local police departments utilizing motorcycle units to obtain follow-up field training to assure safe and proper riding techniques

All members of the Comprehensive DUI and Seat Belt Traffic Safety Program will be scheduled to receive National Highway Traffic Safety (NHTSA) approved Standardized Field Sobriety (SFST) training. All Department enforcement personnel with traffic enforcement responsibilities will be scheduled for NHTSA approved FST training on an ongoing basis.

We will coordinate with the District Attorney's Office to obtain their input for a DUI arrest report which lends itself to successful criminal prosecution.

Project personnel and the Youth Program Coordinator will coordinate efforts with high school officials, District Attorney's Office, Public Defender's Office, local hospitals and MAAD to obtain approval to conduct the "High School Seat Belt Challenge," "Real DUI Trials," and "Every 15 Minutes" programs at Anytown's high schools.

The first month the traffic clerk will receive training and become familiar with the computer-mapping program and begin statistical analysis for evaluation of the DUI and Seat Belt Program effects.

Phase II - Implement DUI and Seat Belt Program (January 1, 2004- March 30, 2004)

Implementations of the DUI and Seat Belt Program will be accomplished by deploying program personnel during the peak traffic flow times at locations identified as high collision locations.

We will conduct DUI checkpoints, saturation patrols and warrant service programs throughout the project period. Locations and timing of enforcement activities will be determined by DUI arrest records, collision statistics, and seat belt compliance surveys.

We will obtain the services of a Youth Coordinator on a contractual basis, to organize and coordinate the youth/student activities for this project. The Youth Coordinator will work under the direction of the project director.

PROJECT DESCRIPTION PAGE #

Phase III - Community Involvement (Throughout Project Period)

We will provide public information through specially prepared literature and public service announcements on traffic safety, DUI, and occupant protection.

We will provide articles on project goals and objectives, progress, and traffic safety to the city newsletter which is distributed to every household in the city on a quarterly basis. We will also provide weekly press release updates to local newspapers and reports to local radio stations. The radio station reports will include the areas and type of violations that will be targeted by DUI and Seat Belt Program personnel for a given period. The radio releases will target the commuter audience.

We will prepare public service announcements to coincide with specific statewide traffic safety programs, holidays and other times drivers need to be aware of increased hazards or priorities.

We will publish the availability of personnel to speak to community groups about traffic safety, DUI, and occupant protection in the local newspaper and strive to meet those requests.

We will complete arrangements with the Anytown's County Traffic Court and Coroner's Office to establish and schedule a Youthful Visitation Program which will be available to the court for use with youthful traffic offender sentencing.

We will continue to meet with school officials and school journalism departments to organize a student journalism contest, complete with prizes, to be held in conjunction with the "Reality Check" student press conference.

Phase IV - Data Gathering and Analysis (Throughout Project Period)

Statistical data relating to the project goals and objectives will be collected, analyzed, and incorporated in Quarterly Performance Reports (QPRs). QPRs for the quarter ended September 30 will include year-to-date comparisons of goals and objectives. The Quarterly Evaluation Data Form - Schedule C form will be completed each quarter and submitted as part of the QPR.

These reports will compare actual project accomplishments with the planned accomplishments. They will include information concerning changes made by the Project Director in planning and guiding the project efforts.

The following are some of the methods to be used in constant monitoring and evaluation of the project:

A. Computerized Reports

Statistical information concerning data listed in the project goals and objectives will be available on a timely basis throughout the project. In addition, the computer-mapping program will provide automated pin-maps with layering capabilities to compare enforcement and awareness (SMART System) efforts with traffic collision data by location. This information will provide an ongoing evaluation to measure project goals and objectives and to aid in proper deployment of resources.

B. Activity Logs

The Anytown Police Department has in place, a sophisticated Computer Aided Dispatch System that will keep accurate activity logs of project personnel. This system will allow the city to measure the number of traffic stops, disposition (verbal warning, citation, arrest), and gather data about the time expended on various activities. This information will be used to evaluate the effectiveness of project personnel.

C. Supervision

Close supervision of the project and project personnel will be maintained by the Traffic Sergeant who will deploy project personnel to maintain maximum program effectiveness. The Anytown Police Department also encourages ideas from all employees. The project staff will be expected to provide suggestions for improvement throughout the project.

Phase VI (December 31, 2005)

Begin the Final Report and Executive Summary for submission to OTS within 60 days.

METHOD OF EVALUATION

Using the data compiled in Phase V, the project manager will evaluate: (1) how well the stated project goals and objectives were accomplished; (2) if all the activities outlined in the "Method of Procedure" were performed in accordance with the project agreement; and (3) was the project cost effective?

STATEMENT OF INTENT

We have considered the continuing operational costs of this DUI and Seat Belt Program, and it is the intent of the city to absorb the entire cost of this project after the expiration date.

PROJECT NO: PT0499

ADMINISTRATIVE SUPPORT STATEMENT - Explain what type of priority this project has in your jurisdiction.

The City Council of Anytown has endorsed this project by resolution and by budgeting funds as shown below support for of the program. The Chief of Police is dedicated to the goal of traffic collision reduction and fully intends to meet the goals and objectives of this project.

AGENCY CONTRIBUTION - Explain what services or funds are being contributed by your agency in support of this project.

The city of Anytown will provide services necessary for coordinator, supervision, administration and evaluation of this project. The three-year contribution will be as follows:

		FY-1	FY-2	FY-3
Traffic Unit	100%	$10,051	$11,000	$2,000
Program Manager	15%	8,000	8,000	1,000
Traffic Sergeant Supervision	15%	9,000	9,000	1,500
Clerk Typist	15%	8,077	7,000	1,000
2 Fully Equipped Patrol Cars	100%	43,000	0	0
Vehicle Operation And Maintenance	100%	7,000	7,000	1,000
Direct Salary And Benefits (50% Second Year)	50%	0	48,320	16,107
Indirect Costs		8,000	9,000	870
TOTAL AGENCY CONTRIBUTION		$93,128	$99,320	$23,477

SCHEDULE B **EXHIBIT 1-A(Cont'd)**

Page 1

Detailed Budget Estimate

PROJECT NO: PT0499

COST CATEGORY	FISCAL YEAR ESTIMATES				TOTAL COST TO PROJECT
	FY-1 10-01-03 09-30-04	FY-2 10-01-04 09-30-05	FY-3 10-01-05 12-31-05	FY-4	
A. PERSONNEL COSTS					
Positions and Salaries					
2 Police Officers					
FY-1					
9 Months @ $4,194 @ 100%	75,492.00				75,492.00
FY-2					
3 Months @ 4,194 @ 100%		25,164.00			25,164.00
9 Months @ 4,403 @ 50%		39,627.00			39,627.00
FY-3					
3 Months @ 4,403 @ 50%			13,209.00		13,209.00
Employee Benefits @ 37.9%	28,611.00	24,556.00	5,006.00		58,173.00
Category Sub-Total	**$104,103.00**	**$89,347.00**	**$18,215.00**	**$0.00**	**$211,665.00**
B. TRAVEL EXPENSE					
In-State	2,000.00	2,000.00	1,000.00		5,000.00
Category Sub-Total	**$2,000.00**	**$2,000.00**	**$1,000.00**	**$0.00**	**$5,000.00**
C. CONTRACTUAL SERVICES					
Youth Coordinator	3,750.00	15,000.00	15,000.00		33,750.00
Category Sub-Total	**$3,750.00**	**$15,000.00**	**$10,000.00**	**$0.00**	**$23,750.00**

SCHEDULE B
Page 2
Detailed Budget Estimate

PROJECT NO: PT0499

COST CATEGORY	FISCAL YEAR ESTIMATES				TOTAL COST TO PROJECT
	FY-1 10-01-03 09-30-04	FY-2 10-01-04 09-30-05	FY-3 10-01-05 12-31-05	FY-4	
D. EQUIPMENT					
DUI Trailer – Fully Equipped	15,000.00				15,000.00
Category Sub-Total	**$15,000.00**	**$0.00**	**$0.00**	**$0.00**	**$15,000.00**
E. OTHER DIRECT COSTS					
Printing	3,000.00	3,000.00			6,000.00
Promotional Items	4,000.00	3,000.00			7,000.00
Computer w/Printer	4,000.00				4,000.00
3 PAS Breath Alcohol Testing Devices	2,400.00				2,400.00
Category Sub-Total	**$13,400.00**	**$6,000.00**	**$0.00**	**$0.00**	**$19,400.00**
F. INDIRECT COSTS					
Category Sub-Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
PROJECT TOTAL	**$138,253.00**	**$112,347.00**	**$34,215.00**	**$0.00**	**$274,815.00**

BUDGET NARRATIVE PAGE 1

PERSONNEL COSTS

The Anytown Police Department will hire two additional police officers responsible for the achieving the DUI and Seatbelt Program goals and objectives described in the project. The new officers will replace two officers taken from the present department complement to become part of the Traffic Unit. The funds will be used to pay 100% of the salaries for the two Traffic Unit officers the first operational year and 50% of their salary the second year. The salary category represents their estimated actual base salaries, plus the established city benefit of 37.9% consisting of:

Retirement	16.7%
Workers' Compensation	8.5%
Long-term Disability Insurance	1.6%
Uniform Allowance	1.4%
Health Insurance	9.2%
Life Insurance	.5%
	37.9%

To avoid personnel supplanting, the city agrees to maintain the current complement of police personnel throughout the grant period. The traffic unit will maintain a minimum of nine officers (seven existing and two grant funded) and at least one sergeant dedicated to traffic safety throughout the grant period. To maintain project continuity, the city will not transfer the traffic sergeant to a lateral assignment during the grant period.

TRAVEL EXPENSE

Travel funds will be utilized for staff travel expenses to attend the annual OTS Summit and Police Traffic Services Seminar. Funds may be used to attend OTS approved training. *All conferences, seminars or training not specifically identified in Schedule B, whether in-state, or out-of-state, must receive prior approval from OTS. All travel claimed would be at the city of Anytown's approved rate. Per Diem may not be claimed for meals provided at conferences where registration fees were paid with OTS grant funds.*

CONTRACTUAL SERVICES

A Youth Coordinator will be retained on a contractual basis for the period of the grant, to organize and coordinate the youth/student activities for this project. The Youth Coordinator will work under the direction of the project director. The contractual agreement covering the services of the Youth Coordinator will comply with all requirements of the city of Anytown and OTS, and may receive a pre-award audit as deemed necessary.

BUDGET NARRATIVE PAGE 2

EQUIPMENT

DUI Checkpoint Trailer: One new transport trailer designed and equipped for DUI checkpoints will be purchased in FY-1 to facilitate and aid in conducting the twelve DUI checkpoints planned for this project and projected future DUI enforcement programs.

OTHER DIRECT COSTS

Printing: Funds will be used to purchase printing services necessary to produce educational brochures, pamphlets, posters, etc.

Promotional Items: Funds will be used to purchase promotional items that contain a traffic safety message directly relating to this project and when feasible appropriate logos (OTS, BT&H) and will be items such as pens, cups, t-shirts, pins, sticker, etc. These items will be distributed at traffic safety fairs to promote increased use of bicycle helmets and child safety seats.

Funds will be used to purchase one desktop computer with printer necessary for the completion of project related reports and maintaining data relevant to meeting project goals and objectives.

Funds will be used to purchase three PAS Blood Alcohol Breath Testing Devices, for use in DUI enforcement activities.

INDIRECT COSTS

Indirect costs will not be charged to this project.

PROGRAM INCOME

No program income will be generated from this project.

EXHIBIT 1-B

Terms, Conditions, and Certifications Specific to the Agreement Between the Office of Traffic Safety and the Applicant Agency

APPLICANT AGENCY	OTS PROJECT NUMBER
Anytown	PT0499

The following are included herein and constitute a part of this Agreement:

OTS-38 – Page 1	Schedule B-1 – Budget Narrative
Schedule A – Project Description	Schedule C – Quarterly Evaluation Data (when required)
Schedule A-1 – Administrative Support Statement	OTS-33 – Terms, Conditions, and Certifications Specific to the Agreement Between OTS and the Applicant Agency
Schedule B – Detailed Budget Estimate	General Terms, Conditions, and Certifications*

*See OTS **Grant Program Manual, Volume II, Chapter 6**. **Volume II** is available on-line at **www.ots.ca.gov**.

TERMS AND CONDITIONS

It is understood and agreed by the Project Director and Authorizing Official that any grant received as a result of this Agreement is subject to all federal and state regulations governing grants and to those controls expressed in the California Traffic Grant Program Manuals which include, but are not limited to:

1. Quarterly Performance Reports and Reimbursement Claims must be submitted by the Project Director to the Office of Traffic Safety by January 31, April 30, July 31, and October 31, during each year of project operation.

2. OTS will withhold or disallow grant payments, reduce or terminate grant funds, and/or deny future grant funding anytime a grantee fails to comply with any term or condition of the grant contract or program guidelines (**Volume II, Chapter 3.13**). This may include, but is not limited to, the following:
   - Failure to submit acceptable and timely reimbursement claims.
   - Failure to submit acceptable and timely quarterly performance reports; and
   - Failure to submit an acceptable and timely Schedule C (Quarterly Evaluation Data OTS-38g). (Applies only when a Schedule C has been required.)

3. If, during the term of the grant award, federal funds become reduced or eliminated, OTS may immediately terminate or reduce the grant award upon written notice to the project director.

4. By October 31, "continuing" projects must submit a September 30 claim and a written justification to support carrying forward prior year unexpended funds. September 30 claims and written justifications, supporting the carrying forward of prior year unexpended funds, submitted after November 30, will not be processed. The prior claim (i.e., June 30) will be

considered the year-end claim in order to close out the federal fiscal year ending September 30. In addition, prior year unexpended funds will be deobligated and allocated to new projects.

5. All documentation required to request a project revision (i.e., time extensions, budget category changes, and etc.) must be submitted to OTS prior to the effective date of change(s). For example: OTS will not consider a request for a grant period time extension unless all necessary paperwork is submitted prior to the existing grant termination date. Prior approval is required for all project revisions (**Volume II**, **Chapter 3.8**).

6. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

7. Additional terms and conditions identified in the OTS **Grant Program Manual, Volume II**, **Chapter 6, General Terms, Conditions, and Certifications (Exhibit 6-A)**, are incorporated herein by reference and made a part of this document.

We, the officials named below, hereby swear that we are duly authorized legally, to bind the contractor or grant recipient to the above described terms and conditions. Executed on the date and in the county below, and is made under penalty of perjury under the laws of the State of California.

PROJECT DIRECTOR'S NAME	
John K. Smith	
DATE EXECUTED	EXECUTED IN THE COUNTY OF
7/1/03	Clark
PROJECT DIRECTOR'S SIGNATURE	
➢	
TITLE	
Chief of Police	
AUTHORIZING OFFICIAL'S NAME	
Janet Jones	
DATE EXECUTED	EXECUTED IN THE COUNTY OF
7/1/03	Clark
AUTHORIZING OFFICIAL'S SIGNATURE	
➢	
TITLE	
City Manager	

EXHIBIT 4-A

STATE OF CALIFORNIA ● OFFICE OF TRAFFIC SAFETY

EQUIPMENT REPORT

OTS-25 (Rev. 6/03)

1. AGENCY: _____ PROJECT NO.: _____

PROJECT TITLE: _____

PROJECT DATES: _____

2. DATE OF RECEIPT	3. DESCRIPTION (Mfg., model, serial #)	4. TOTAL AMOUNT FEDERAL FUNDS	5. LOCATION OF EQUIPMENT	6. CURRENT FAIR MARKET VALUE

7. Describe method for determining current fair market value:

8. I hereby certify that the information above is complete and accurate to the best of my knowledge, and that all conditions set forth in Chapter 4, Volume II of the Grant Program Manual are being compiled with.

FISCAL/ACCOUNTING OFFICIAL _____ SIGNATURE _____ DATE _____

PROJECT DIRECTOR _____ SIGNATURE _____ DATE _____

9. Final disposition at end of project: If property value listed above is less than $5,000, no further information will be needed in the future. If property value is greater than $5,000, what will property be used for? (check one box)

☐ Continuing with the same purpose though not federally sponsored. Explain how property will be used:

☐ OTS/Other Federal Project (Project # and Name) _____

☐ Property cannot be used on any Federal project but will be retained or sold by agency and current market value multiplied by the percentage originally funded will be refunded to OTS.

Amount to be refunded _____ (Contact OTS for instructions)

☐ Property will be returned to OTS for use on other OTS projects. (Contact OTS for instructions)

FISCAL/ACCOUNTING OFFICIAL _____ SIGNATURE _____ DATE _____

PROJECT DIRECTOR _____ SIGNATURE _____ DATE _____

NOTE: THIS FORM MUST BE COMPLETED ONLY FOR THOSE ITEMS WITH AN ACQUISITION COST OF $5,000 EACH.

1. Enter the name of Applicant Agency, Project Number, Project Title, and Project Dates indicated on Page 1 of Traffic Safety Project Agreement, Form OTS-38.

2. Enter the date equipment was received.

3. Enter short description of equipment including make, model, and serial number.

4. Enter total amount of Federal funds used toward purchase of this equipment including sales tax, cost of modification, installation, attachments, accessories or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired less any discounts. Removable items such as lights, bars, etc., should be listed separately if they have a unit cost of $5,000 or more.

5. Enter the name and address of the department where the equipment is physically located.

6. At time of certification or at the end of project, the current fair market value should be listed. Current Fair Market Value can be determined through dealer quotes, appraisal, or expert opinion.

7. Provide a brief description of the method used to determine current fair market value. Include sources if based on dealer quotes, appraisals, or expert opinion. If book value used, indicate the useful life and depreciation method used.

8. Signatures of the current Project Director and Fiscal or Accounting Official from Page 1 of the project agreement are required.

9. This section is to be filled out for the final claim process only. Once property is reported to OTS with a value less than $5,000, no further reporting is necessary. If value at the end of project term is reported at more than $5,000, annual certifications will be required until the value is reported at less than $5,000 or request is made to OTS for other disposition.

EXHIBIT 4-B

Equipment Certification

We hereby certify the following equipment has been physically inventoried and reconciled with our property records on _____. We further certify this equipment is being used to further the objectives of current federally sponsored project number_____ or continuing with the same purpose as previously sponsored by OTS.

Equipment Funded Under OTS Project No.:_____

Date of Acquisition:_____

Equipment Description:_____

Identification Number:_____

Current Fair Market Value:_____

Current Location:_____

Describe Use of Equipment:_____

_____

_____

Signatures:

Fiscal/Accounting Official _____Date:_____

Project Director_____Date:_____

EQUIPMENT ACQUIRED WITH FUNDS PROVIDED BY OTS MAY NOT BE CONVEYED, SOLD, SALVAGED, OR TRANSFERRED WITHOUT THE EXPRESS WRITTEN CONSENT OF OTS.

EXHIBIT 4-C

EQUIPMENT
Estimated Useful Life

	Life Expectancy (Number of Years)
A. ***TRANSPORTATION EQUIPMENT***	
1. Rescue Vehicles	4
2. Ambulances	4
3. Motorcycles	4
B. ***AUDIO-VISUAL AND COMMUNICATIONS EQUIPMENT***	
1. Mobile Radios	4
2. Portable Radios	4
C. ***TECHNICAL, ENGINEERING AND SPECIALTY EQUIPMENT***	
1. Radar Units	5
2. Generators	5
3. Traffic Counters	5
4. Scientific Testing Equipment	5
5. Photo-logging Equipment	5
6. Extrication Equipment	5
7. Medical Apparatus	5
8. Plotters	5
D. ***OFFICE AND ALLIED EQUIPMENT***	
1. Office Machines (copy machines, etc.)	5
E. ***OTHER***	
1. Training Equipment (safety towns, simulators)	5
2. Radar Trailer	5
3. Checkpoint Trailers	5
4. Rollover Simulators	5
5. Robotics	5
6. Laser Speed Radar	5
7. Helicopters	5
8. Fixed Wing Aircraft	5

EXHIBIT 5-A

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION & HOUSING AGENCY
OFFICE OF TRAFFIC SAFETY

PROJECT CLAIM INVOICE
For work performed under provisions of the California Vehicle Code, Chapter 1492 and the Public Law 8-564, Highway Safety Act of 1966 as amended

TO: State Office of Traffic Safety
7000 Franklin Boulevard, STE 440
Sacramento, CA 95823

1. a.

Progress: ☐
Final: ☐

FROM:
Agency Name: _____
Mail Address: 1. b.
Project Title: _____

Project No: 1. c. Claim No: 1. d.

Total Project Costs Reported From (Project Start Date): 1. e. thru 1. f.

COST CATEGORY	TOTAL COST TO DATE	LESS PRIOR CLAIMS	NET AMOUNT CURRENT PERIOD
PERSONNEL COSTS			
TRAVEL EXPENSE	1. i.	1. h.	1. g.
CONTRACTUAL SERVICES			
EQUIPMENT			
OTHER DIRECT COSTS			
INDIRECT COSTS			
TOTAL REIMBURSABLE AGENCY COSTS	$ 1. j.	$ 1. j.	$ 1. j.

I CERTIFY that I am duly appointed and acting officer of the herein named agency; that the costs being claimed herein are in all respects true, correct, and in accordance with the contract provisions; that funds were expended or obligated during the grant period; and the net amount claimed above has not been previously presented to or reimbursed through the Office of Traffic Safety.

SUBMITTED BY: 1. k. TITLE: 1. k.

SIGNATURE: 1. l. DATED: 1. m.

OTS OPERATIONAL REVIEW: 1.n. DATED: 1.n.

EXHIBIT 5-A

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION & HOUSING AGENCY
OFFICE OF TRAFFIC SAFETY

PROJECT CLAIM DETAIL FOR CURRENT PERIOD

Agency 2. a. Project No. 2. a. Claim No. 2. a.

Costs Incurred From 2. b. Thru 2. c.

Personnel Costs:
(By Position Classification)

	Salary	Overtime	Benefits	Total
2. d. (1)	2. d. (2)	2. d. (3)	2. d. (4)	2. d. (5)
TOTAL COSTS	$ 2. d. (5)	$ 2. d. (5)	$ 2. d. (5)	$ 2. d. (5)

% Claimed: 2. d. (6) *Total Personnel Costs:* 2. d. (7)

Travel Expenses:

INSTATE: **(List each trip for which costs are claimed and individuals traveling)**

2. e. (1)

Total cost instate travel: 2. e. (2)

OUT-OF-STATE: **(List each trip for which costs are claimed and individuals traveling)**

2 e. (3)

Total cost out-of-state travel: 2 e. (4)

Total Travel Expenses: $ 2. e. (5)

Contractual Services:

Contractor(s) 2 f. (1)

Total Invoiced (Attach Invoice(s)) 2. f. (2)

Percent Retention 2. f. (3) Less Retention: 2. f. (4)

Total Contractual Services: $ 2. f. (5)

Equipment: Invoiced Amount (Attach Invoices and Equipment Report OTS-25)

Item(s) Purchased

2. g. (1)	2. g. (2)

Total Equipment Costs: $ 2. g. (3)

Other Direct Costs:

Item(s) Purchased/Charged

2. h. (1)	2. h. (2)

Total Other Direct Costs: $ 2. h. (3)

Indirect Costs:

Base (i.e., Salaries, Total Personnel Costs) 2. i. (1)

Approved Rate: 2. i. (2)

Total Indirect Costs: $ 2. i. (3)

TOTAL AMOUNT CLAIMED: $ 2. j.

1. INSTRUCTIONS FOR PROJECT CLAIM INVOICE (OTS-39):

a. Indicate whether claim is progress or final by placing a check mark in the appropriate box.

b. Enter the applicant agency name, office authorized to receive payment address (Section D.), city, and project title from Page 1 of the Project Agreement.

c. Enter the OTS Project Number from Page 1 of the Project Agreement.

d. Claim numbers should be in numeric order starting with one for the first claim submitted for the project. Do not start sequence over at the beginning of the next fiscal year.

e. Enter project period starting date from Page 1 of the Project Agreement (This should remain the same on all claims submitted)

f. Enter the last day of the month or quarter for which this claim is submitted.

g. Enter the cost category total from the Project Claim Detail (OTS 39a) in this column for each cost category.

h. Enter each cost category amount from the Total Cost to Date column of the previous claim here. If previous claim was reduced or changed, be sure these amounts reflect the adjustments.

i. Enter the amount of column (g) plus column (h) for each cost category.

j. Enter the total for each column.

k. Enter the name and title of the individual signing the project claim. This must be an authorized individual. (See Chapter 5.2.2.)

l. Original signature of person identified in (k).

m. Enter date claim signed.

n. To be completed by OTS Regional Coordinator.

2. INSTRUCTIONS FOR PROJECT CLAIM DETAIL (OTS-39a):

a. Enter the applicant agency name, project number, and claim number. This information should match the information provided in 1(a), 1(b), and 1(c) on the Project Claim Invoice (OTS-39).

b. Enter the first day of the period for which current costs are submitted.

c. Enter the last day of the period for which current costs are submitted.

d. Personnel Costs

   (1) Enter each position classification personnel costs are being claimed for. The classifications billed must match the classifications authorized in the Schedule B.

   (2) Enter the actual regular project salary and wage cost incurred for each position classification listed.

   (3) Enter the actual overtime project salary and wage cost incurred for each position classification listed.

   (4) Enter the actual benefit cost incurred as a result of project related salaries and wages claimed.

   (5) Enter the total for each column and for each row.

   (6) Enter the percentage of listed personnel costs. If requesting reimbursement for all costs listed, this should read 100%.

   (7) Enter the total of column 2. d. (5) multiplied by the percentage listed in 2. d. (6).

e. Travel Expense

   (1) List each in-state trip, and the individuals that traveled, included in costs billed.

   (2) Enter the total cost for all in-state travel listed in 2. e. (1).

   (3) List each out-of-state trip, and the individuals that traveled, included in costs billed.

   (4) Enter the total cost for all out-of-state trips listed in 2. e. (3).

(5) Enter the sum of all travel costs {2. e. (2) + 2. e. (4) + 2. e. (8)}.

f. Contractual Services

(1) Enter the name of each contractor being billed. Attach a copy of each contractor's invoice(s).

(2) Enter the total amount invoiced by contractor(s) listed in f. (1). This amount should equal the total of all invoices attached.

(3) Enter retention percentage if applicable.

(4) Multiply the amount listed in 2. f. (2) by the percentage listed in 2. f. (3) and enter here.

(5) Subtract amount listed in 2. f. (4) from the amount in 2. f. (2) and enter here.

g. Equipment

(1) List each item of equipment. The cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make equipment usable for project purposes including tax, shipping, and installation, billed separately should list the equipment first, then the associated cost (i.e., motorcycle – radio installation).

Note: An OTS-25 (See Chapter 4.4.4 and EXHIBIT 4-A) and copies of invoices must be attached for reimbursement.

(2) Enter the amount for each equipment item listed. The amounts billed for each equipment item must reconcile to the attached invoices for that item and the equipment value listed on the OTS-25 (See EXHIBIT 4-A).

(3) Enter the sum of all amounts listed in 2. g. (2). This amount must match invoices. Altered invoices will not be accepted.

h. Other Direct Costs

(1) List cost items being billed for this period. These line items must match the line items approved in the Schedule B and B-1.

(2) Enter the amount for each cost item listed.

(3) Enter the sum of all amounts listed in 2. h. (2).

i. Indirect Costs

(1) Enter the total cost amount the indirect rate will be applied to. This must match the approved base listed in the Schedule B and B-1 (i.e., total personnel costs, total contractual services).

(2) Enter the approved Indirect Rate shown in the Schedule B (i.e., 15%, 3%).

(3) Multiply the amount in 2. i. (1) by the rate in 2. i. (2) and enter here.

j. Enter the sum of all cost category totals; this represents the total amount claimed for the current period.

NOTE: All subtotals must match the amounts listed on the OTS-39.

GENERAL TERMS, CONDITIONS, AND CERTIFICATIONS

These terms and conditions, when applicable, are to be incorporated by reference and made a part of, but not necessarily limited to, the following documents: grants, subgrants, contracts, subcontracts, interagency agreements, invitations for bid, and requests for proposal for goods or services for which Office of Traffic Safety grant funding reimbursement is requested.

1. **Amendment**. No amendment or variation of the terms of this agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the agreement is binding on any of the parties. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

2. **Antitrust claims**. The contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the contractor shall comply with the requirements of the Government Code sections set out below.

    a. The Government Code chapter on antitrust claims contains the following definitions:

        (1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the state or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

        (2) "Public purchasing body" means the state or the subdivision or agency making a public purchase. (Reference: GC Section 4550)

    b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it my have under Section 4 of the Clayton Act (15 USC 15 [Title 15 Commerce and Trade, Chapter 1, Monopolies and Combinations in Restraint of Trade, Section 15, Suits by Persons Injured]) or under the Cartwright Act (Chapter 2) commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. (Reference: GC Section 4552)

    c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal

costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. (Reference: GC Section 4553)

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. (Reference: GC Section 4554)

3. **Approval**. This agreement is of no force or effect until signed by both parties and approved by the Office of Traffic Safety. Subgrantee, contractor, or subcontractor may not commence performance until such approval has been obtained. (Reference: California Department of General Services (DGS) Standard Agreement "General Terms and Conditions," form GTC800)

4. **Assignment**. This agreement is not assignable by the contractor, either in whole or in part, without the consent of the Office of Traffic Safety in the form of a formal written amendment. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

5. **Audits and access to records**. Contractor agrees that the California Office of Traffic Safety, the National Highway Traffic Safety Administration, or their designated representative(s), shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, contractor agrees to include a similar right of the state to audit records and interview staff in any subcontract related to the performance of this agreement. (Reference: Government Code (GC) 8546.7, Public Contract Code (PCC) 10115 et. seq., California Code of Regulations (CCR) Title 2, Section 1896).

6. **Availability of funds**. It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

   This contract is valid and enforceable only if sufficient funds are made available to the state by the United States Government for the purpose of this program. In addition, this

contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.

The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

The Administrator has the option to void the contract under the thirty-day cancellation clause or to amend the contract to reflect any reduction for funds.

(Reference: State Contracting Manual, Chapter 3)

7. **Buy America Act.** (Applies only to Federal-aid construction projects located on federal-aid highways, highways classified as local roads and rural minor collectors and transportation enhancement projects.) Only steel, iron and manufactured products produced in the United States may be purchased with Federal funds unless the Secretary of Transportation determines that such domestic purchases would be inconsistent with the public interest; that such materials are not reasonably available and of a satisfactory quality; or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. Clear justification for the purchase of non-domestic items must be in the form of a waiver request submitted to and approved by the Secretary of Transportation. (Reference: "Buy America Act" 23 USC 101 Note)

8. **Byrd Anti-Lobbying Amendment (31 USC 1352).** Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 USC 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient.

9. **Child support compliance act**. "For any agreement in excess of $100,000, the contractor acknowledges in accordance with, that:

   a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department." (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

10. **Clean Air Act (42 USC 7401 et seq.) and the Federal Water Pollution Control Act (33 USC 1251 et seq.), as amended**. Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 USC 1251 et seq.). Violations shall be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

11. **Compensation**. The consideration to be paid contractor, as provided herein, shall be in compensation for all of contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

12. **Consultant contracts**.

Competition. No grantee shall draft, or cause to be drafted, any invitation to bid or request for proposal, in connection with the awarding of a consulting services contract, in such a manner as to limit the bidding directly to any one bidder. At least three competitive bids or proposals shall be secured for each consulting services contract. (Reference: PCC §§ 10372 and 10373)

Progress schedule. Grantees entering into a contractual agreement for consultant services totaling one thousand dollars ($1,000) or more shall include detailed criteria and a mandatory progress schedule. (Reference: PCC § 10371)

Progress payments: Grantees may provide for progress payments to consultants for work performed or costs incurred in the performance of the contract. Not less than 10 percent of the contract amount shall be withheld pending final completion of the contract and an evaluation of the contractor's performance. If the contract consists of the performance of separate and distinct tasks, then any funds so withheld with regard to a particular task may be paid upon completion of that task and an evaluation of the contractor's performance. (Reference: PCC § 10379)

13. **Contract Work Hours and Safety Standards Act (40 USC 327-333).** Where applicable, all contracts awarded by recipients 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 USC 327-333), as

supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor 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 1 ½ times 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 of transmission of intelligence.

14. **Convict/forced labor**. No foreign-made equipment, materials, or supplies furnished pursuant to this contract may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction. (Reference: PCC § 6108)

15. **Copeland "Anti-Kickback" Act (18 USC 874 and 40 USC 276c).** All contracts and subgrants in excess of $2,000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 USC 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the federal awarding agency.

16. **Copyrights (41 CFR 105-71.134).** The federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal government purposes: (a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and (b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

17. **Credits (OTS Grant Program Manual, Volume II, Chapter 7).** The Final Report, in addition to any other credits, shall include the following statement: "This project is a part of the California Traffic Safety Program and was made possible through the support of the California Office of Traffic Safety; Business, Transportation and Housing Agency; State of California; and the National Highway Traffic Safety Administration (or Federal Highway Administration if the project is roadway related.)"

18. **Davis-Bacon Act, as amended (40 USC 276a to a-7).** When required by federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than $2,000 shall include a provision for compliance with the Davis-Bacon Act (40 USC 276a to a-7) 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, contractors 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, contractors 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.

19. **Debarred and suspended parties**. Grantees, subgrantees, contractors, and subcontractors must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension." (Reference: 49 CFR 18.35)

20. **Disadvantaged business enterprise/small business affirmative steps**: Grantees, subgrantees, contractors, or subcontractors will take all necessary affirmative steps to assure that disadvantaged business enterprises (DBE), as defined in 49 CFR Section 26.5, and labor surplus area firms are used when possible. Affirmative steps shall include:

    Placing qualified DBEs and small businesses on solicitation lists.

    Assuring that DBEs and small businesses are solicited whenever they are potential sources.

    Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and DBEs.

    Establishing delivery schedules, where the requirement permits, which encourage participation by small and DBEs.

    Using the services and assistance of the Samll Business Administration, and the Minority Business Development Agency of the Department of Commerce.

    Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

    (Reference: 49 CFR 18)

21. **Disclaimer (OTS Grant Program Manual, Volume II, Chapter 7).** The Final Report shall include the following statement: The opinions, findings, and conclusions expressed in this publication are those of the authors and not necessarily those of the State of

California, the National Highway Traffic Safety Administration, or the Federal Highway Administration."

22. **Disclosure requirements**.

    a. Any document or written report prepared for or under the direction of a state or local agency, which is prepared in whole or in part by nonemployees of such agency, shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such document or written report; provided, however, that the total cost for work performed by nonemployees of the agency exceeds five thousand dollars ($5,000). The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

    b. When multiple documents or written reports are the subject or product of the contract, the total contract amount may represent compensation for multiple documents or written reports. (Reference: GC § 7550)

23. **Disputes**. Contractor shall continue with the responsibilities under this agreement during any dispute. (Reference: DGS Standard Agreements "General Terms and Conditions," form GTC800)

24. **Equipment**. Equipment acquired under this agreement for use in highway safety program areas shall be used and kept in operation for highway safety purposes by the state; or the state, by formal agreement with appropriate officials of a political subdivision or state agency, shall cause such equipment to be used and kept in operation for highway safety purposes. (Reference: 23 CFR 1200.21)

25. **Equal employment opportunity.** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." (Reference: OMB Circular A-110, Appendix A—reference applies to Clauses 31 through 37)

26. **Financial management system**. The grantee, subgrantee, contractor, or subcontractor will comply with all applicable state, local, and federal procurement procedures and will maintain a financial management system that complies with the minimum requirements of 49 CFR 18.20.

27. **Governing law**. This contract is governed by and shall be interpreted in accordance with the laws of the State of California. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

28. **Indemnification**: Contractor agrees to indemnify, defend, and save harmless the state, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by contractor in the performance of this agreement. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

29. **Independent contractor**. Contractor, and the agents and employees of contractor, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of the state. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

30. **Intangible property**.

    a. The recipient (grantee, subgrantee, contractor, or subcontractor) may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under award. The California Office of Traffic Safety and the National Highway Traffic Safety Administration reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes, and to authorize others to do so.

    b. Recipients are subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements."

    c. The federal government has the right to:

        (1) obtain, reproduce, publish or otherwise use the data first produced under an award; and

        (2) authorize others to receive, reproduce, publish, or otherwise use such data for federal purposes.

    d. (1) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the federal government in developing an agency action that has the force and effect of law, the federal warding agency shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the federal awarding agency

obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the agency, the recipient, and applicable subrecipients. This fee is in addition to any fees the agency may assess under the FOIA (5 USC 552(A)(4)(a)).

(2) The following definitions apply for purposes of paragraph (d) of this section:

(i) Research data is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also do not include:

(A) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and

(B) Personnel and medical information and similar information the disclosure of which would consisute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

(ii) Published is defined as either when:

(A) Research findings are published in a peer-reviewed scientific of technical journal; or

(B) A federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(iii) Used by the federal government in developing an agency action that has the force and effect of law is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(e) Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally-authorized purpose, and the recipient shall not encumber the property without approval of the federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur in accordance with the provisions of OMB Circular A-110, paragraph 34(g).

(Reference: Office of Management and Budget (OMB) Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments)

31. **Logos**. The OTS, Business, Transportation and Housing Agency, and California energy logos will appear on all promotional materials where appropriate and practical. Contact the appropriate OTS regional coordinator for computer disk copies of the logos.

32. **Non-discrimination clause**.

State requirements: During the performance of this agreement, contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Federal requirements: In addition to state non-discrimination requirements, grantees, subgrantees, contractors, and subcontractors will comply with all federal statutes and implementing regulations relating to nondiscrimination. Federal nondiscrimination statutes include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin and 49 CFR Part 21; (b) Title IX of the Education Amendments of 1972, as amended (20 USC §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 USC § 794), which

prohibits discrimination on the basis of handicaps; Americans with Disabilities Act of 1990 42 USC §§ 12101 et seq. and implementing regulations, relating to nondiscrimination on the basis of disability, 29 CFR Parts 160, 1602 (Title I, EEOC), 28 CFR Part 35 (Title II, Department of Justice) 49 CFR Parts 27, 37, 38 (Title II, III, Department of Transportation) 28 CFR Part 36 (Title III, Department of Justice), 47 CFR §§ 64.601 et seq. (Title IV, FCC), and 49 CFR Part 27 (d) the Age Discrimination Act of 1975, as amended (42 USC §§ 6101-6107, which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse of alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 USC §§ 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 USC §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of house; (i) any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the agreement.

33. **Political Activity (Hatch Act)**. All individuals employed by a State or local agency whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the United States or a Federal agency, including grants from the California Office of Traffic Safety, have been made aware of the provisions of 5 USC, Government Organization and Employees; Part II, Civil Service Functions and Responsibilities; Chapter 15, Political Activity of Certain State and Local Employees; Sections 1501 through 1508. This statute does not include individuals employed by an educational or research institution, establishment, agency, or system which is supported in whole or in part by a State or political subdivision thereof, or by a recognized religious, philanthropic, or cultural organization. (Reference: 5 USC §§ 1501-1508 and 5 CFR 151)

34. **Priority hiring considerations**: For contracts in excess of $200,000, the contractor, in accordance with the California Public Contracting Code § 10353, shall consider filling vacancies in positions funded by the contract to qualified recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, in accordance with Article 3.9 (commencing with Section 11349) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

This section and Article 3.9 (commencing with Section 11349) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code shall not be applicable to any contracts for a project as defined in Section 10105. (Section 10105 defines a project as ". . . the

erection, construction, alteration, repair or improvement of any state structure, building, road, or other state improvement of any kind which will exceed a total cost calculated pursuant to subdivision (b)."

This section and Article 3.9 (commencing with Section 11349) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code shall not be construed so as to do any of the following:

(a) Interfere with or create a violation of the terms of valid collective bargaining agreements.

(b) Require the contractor to hire an unqualified recipient of aid.

(c) Interfere with, or create a violation of, any federal affirmative action obligation of a contractor for hiring disabled veterans or veterans of the Vietnam era.

(d) Interfere with, or create a violation of, the requirements of Section 12990 of the Government Code.

(Reference: PCC § 10353)

35. **Program Income (41 CFR 105-71.125 and OTS Grant Program Manual, Volume II, Chapter 1)**. Project/contract activities that generate revenues as a result of NHTSA-OTS funding must be reported to OTS. Written notification of the source and amount of such income must be made to OTS at the earliest opportunity. A separate account must be maintained for the collection, expenditure, and disposition of program income. Program income generated shall be utilized to further the objectives of the project or reduce current project costs. Records shall be held for a period of three years after the final reimbursement and close of the project/contract.

36. **Recycling certification**. The contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this agreement, regardless of whether the produce meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (Reference: PCC § 10233, 10308.5, 10354)

37. **Rights to inventions made under a contract or agreement.** Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the federal government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and

Cooperative Agreements," and any implementing regulations issued by the awarding agency.

38. **Solicitation.** No employee of the applicant agency, the contractor, or any agency acting on behalf of the agency, may solicit or accept gratuities, favors, or anything of monetary value from contractors or potential contractors.

39. **Termination for cause**. The Administrator may terminate this agreement and be relieved of any payments should the Contractor fail to perform the requirements of this agreement at the time and in the manner herein provided. In the event of such termination the Administrator may proceed with the work in any manner deemed proper by the Administrator. All costs to the state shall be deducted from any sum due the contractor under this agreement and the balance, if any, shall be paid to the contractor upon demand. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

40. **Termination without cause**. The Administrator may terminate unilaterally and without cause upon thirty days written notice to the Contractor. All work performed pursuant to the contract and prior to the date of termination may be claimed for reimbursement. (Reference: State Contracting Manual, Chapter 3)

41. **Timeliness**. Time is of the essence in this agreement. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

42. **Unenforceable provision**. In the event that any provision of this agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this agreement have force and effect and shall not be effected thereby. (Reference: DGS Standard Agreement "General Terms and Conditions," form GTC800)

43. **Year 2000 language**. "The contractor warrants and represents that the goods or services sold, leased, or licensed to the state of California, its agencies, or its political subdivisions, pursuant to the contract are "Year 2000 compliant." For purposes of this contract, a good or service is Year 2000 compliant if it will continue to fully function before, at, and after the Year 2000 without interruption and, if applicable, with full ability to accurately and unambiguously process, display, compare, calculate, manipulate, and otherwise utilize date information. This warrant and representation supersedes all warranty disclaimers and limitations and all limitations on liability provided by or through the contractor." (Reference: DGS Standard Agreements "General Terms and Conditions," form GTC800)

CERTIFICATIONS AND ASSURANCES

1. **STATEMENT OF COMPLIANCE**: Contractor has, unless exempted, complied with the nondiscrimination program requirements (GC 12990 (a-f) and CCR, Title 2, Section 8103). (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS**: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

   a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

   b. Establish a Drug-Free Awareness Program to inform employees about:

      (1) the dangers of drug abuse in the workplace;
      (2) the person's or organization's policy of maintaining a drug-free workplace;
      (3) any available counseling, rehabilitation, and employee assistance programs; and,
      (4) penalties that may be imposed upon employees for drug abuse violations.

   c. Every employee who works on the proposed agreement will:

      (1) receive a copy of the company's drug-free workplace policy statement; and,
      (2) agree to abide by the terms of the company's statement as a condition of employment on the agreement.

   Failure to comply with these requirements may result in suspension of payments under the agreement or termination of the agreement or both and grantee, subgrantee, contractor, or subcontractor may be ineligible for award of any future state agreements if the Office of Traffic Safety or the National Highway Traffic Safety Administration determines that any of the following has occurred: (1) the grantee, subgrantee, contractor, or subcontractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.) (The Drug-Free Workplace Act of 1988 49 CFR Part 29 Subpart F)

3. **NATIONAL LABOR RELATIONS BOARD CERTIFICATION**: Grantee, subgrantee, contractor, or subcontractor certifies that no more than one (1) final unappealable finding of contempt of court by a federal court has been issued against contractor within the immediately preceding two-year period because of contractor's

failure to comply with an order of a federal court which orders contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST**. Grantee, subgrantee, contractor, or subcontractor needs to be aware of the following provisions regarding current or former state employees. If grantee, subgrantee, contractor, or subcontractor has any questions on the status of any person rendering services or involved with the agreement, the awarding agency must be contacted immediately for clarification.

   Current State Employees (PCC 10410)

   1) No officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity, or enterprise is required as a condition of regular state employment.

   2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

   Former State Employees (PCC 10411)

   1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant tot the contract while employed in any capacity by any state agency.

   2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving state service.

   If grantee, subgrantee, contractor, or subcontractor violates any provisions of above paragraphs, such action by grantee, subgrantee, contractor, or subcontractor shall render this agreement void. (PCC 10420)

Members or boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430(e))

2. **LABOR CODE/WORKERS' COMPENSATION**: Grantee, subgrantee, contractor, or subcontractor needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and grantee, subgrantee, contractor, or subcontractor affirms to comply with such provisions before commencing the performance of the work of this agreement. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT**: Grantee, subgrantee, contractor, or subcontractor assures the state that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 USC 12101 et seq.)

4. **CONTRACTOR NAME CHANGE**: An amendment is required to change the grantee's, subgrantee's, contractor's, or subcontractor's name as listed on this agreement. Upon receipt of legal documentation of the name change an amendment will be processed. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. **CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA**:

   a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

   b. "Doing business" is defined in Revenue and Taxation Code (R&TC) Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

   c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. **RESOLUTION**: Upon request, a county, city, district, or other local public body must provide the state with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. **AIR OR WATER POLLUTION VIOLATION**: Under the state laws, the grantee, subgrantee, contractor, or subcontractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

CERTIFICATION REGARDING NON-DUPLICATION OF GRANT FUNDING

The certifying applicant has no ongoing or completed projects under agreement with other federal funding sources which duplicate or overlap any work contemplated or described in this traffic safety project. It is further agreed that any pending or proposed request for other federal grant funds which would duplicate or overlap work under this traffic safety project will be revised to exclude any such duplication of grant fund expenditures. It is understood that any such duplication of federal fund expenditures subsequently determined by audit will be subject to recovery by the Office of Traffic Safety.

CERTIFICATION REGARDING FEDERAL LOBBYING

Certification for grants, subgrants, contracts, subcontracts, and cooperative agreements. Signatories to this agreement certify to the best of their knowledge and belief that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the above signed, 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 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 above signed shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. Signatories to this agreement shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, contracts, and subcontracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon 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, US 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.

CERTIFICATION REGARDING STATE LOBBYING

None of the funds under this program will be used for any activity specifically designed to urge or influence a state or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any state or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a state official whose salary is supported with National Highway Traffic Safety Administration funds from engaging in direct communications with state or local legislative officials, in accordance with customary state practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to this proposal. (49 CFR 29)

ENVIRONMENTAL IMPACT

Signatories to this agreement hereby declare that no significant environmental impact will result from implementing this project or service. If, under a future amendment, this project or service will be modified in such a manner that a project would be instituted that could affect environmental quality to the extent that a review and statement would be necessary, the Office of Traffic Safety has certified to the National Highway Traffic Safety Administration that it is prepared to take the action necessary to comply with the National Environmental Policy Act of 1969 (42 USC 4321 et seq.). (Council on Environmental Quality regulations on compliance with the National Environmental Policy Act of 1969, as amended, 40 CFR 1500 et seq.)

ENERGY EFFICIENCY

It is understood the certifying applicant will purchase only energy efficient equipment, whenever possible and appropriate.

LIMITED ENGLISH PROFICIENCY (LEP)

The certifying applicant will take reasonable steps to ensure meaningful access by persons with limited English proficiency to the information and services provided through federal financial assistance.

STATE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY

EXHIBIT 6-B

CONTRACTUAL CERTIFICATION CHECKLIST

OTS-85 (Rev. 9/04)

Project No. _____

☐ DRAFT ☐ FINAL

Contract No. _____

Contract Between _____

Date Received _____ **$** _____ **Period Covered** _____

Yes	No	N/A	Item
			1. Contract number assigned?
			2. Amendment number assigned, if applicable?
			3. Taxpayer identification number entered? (Use SSN if contracting with an individual.)
			4. Parties to contract identified?
			5. Purpose of contract outlined in short paragraph?
			6. Term of the contract defined?
			7. Cost of the contract clearly expressed, including maximum amount to be paid and amount to be paid per FFY? Do the budget and budget narrative include enough detail to relate costs to specific tasks identified in the scope of work? Is sufficient detail presented to determine that costs are reasonable for services provided?
			8. Payment terms are stated, including any percentage of retention?
			9. Scope of work, or statement of work, is comprehensive and broken down into specific tasks? Each task has an assigned due date?
			10. Subcontracting provision included requiring OTS approval of subcontracts?
			11. Reporting requirements are specified, including credit line, disclaimer, review/approval by OTS and grantee of draft final report before publication, and oral or written release subject to approval by grantee and OTS?
			12. The following clause has been included: "GENERAL TERMS, CONDITIONS, AND CERTIFICATIONS: Contractor and any and all subcontractors agree to abide by the General Terms, Conditions, and Certifications contained in OTS Program Manual, Volume II, Chapter 6, Exhibit 6-A, all of which by reference herein shall be made a part of this agreement."
			13. Signatures of parties to contract are included?

Certification: We, the officials named below, hereby attest that the above noted items numbered 1-13 are included component parts of the contract(s) that our agency executes relative to the referenced OTS grant. Additionally, we attest that all local procurement policies and conditions have been observed and complied with and that we are duly authorized legally to bind grantee agency contractually. To continue, we also certify that every effort has been made to ensure that the most cost effective and economical rates are obtained for the goods/services charged to this project.

Project Director: ☐ Yes ☐ No

Authorizing Official: ☐ Yes ☐ No

Name and Title _____ (please print)

Name and Title _____ (please print)

Signature _____

Signature _____

Comments: