

**Grant Agreement
for
China Lake NAWS/Burroughs HS (SP)
FAIN: HQ0051310078**

This Agreement is between the Sierra Sands Unified School District, Ridgecrest, California, the Grantee, and Department of Defense, the Grantor, acting through the Office of Economic Adjustment (OEA). The Grantee will undertake activities as described in the Application for Federal Assistance, dated November 13, 2012, at the estimated cost of \$31,909,274. The \$31,909,274 consists of \$25,527,419 from the Grantor and \$6,381,855 from non-Grantor sources.

1. Compliance by the Grantee

A. Overall Compliance: The Grantee's actions under this Grant shall comply with all applicable Federal, State, interstate, and local laws and regulations. The Grantee shall comply with the following: Part 33 of title 32, Code of Federal Regulations (CFR), "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," Part 225 of title 2, CFR, "Cost Principles for State, Local, and Indian Tribal Governments," and Part 28 of title 32, CFR, "New Restrictions on Lobbying."

B. Debarment and Suspension: The Grantee agrees to comply with Parts 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," and 1125, "Department of Defense Nonprocurement Debarment and Suspension," of title 2, CFR. The Grantee also agrees to communicate the requirement to comply with Parts 180 and 1125 to entities and persons at the next lower tier with whom the recipient enters into transactions that are "covered transactions" under Parts 180 and 1125.

C. Drug-Free Workplace: The Grantee agrees to comply with Subpart B, "Requirements for Recipients Other Than Individuals," of Part 26 of title 32, CFR, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)."

D. Hatch Act: The Grantee is advised that its employees may be subject to the Hatch Act (5 U.S.C. § 1501-1508). If doubt exists in particular cases, the Grantee should seek legal counsel.

E. Universal Identifier Requirements and Central Contractor Registration. The Grantee agrees to comply with the requirements of Part 25 of title 2, CFR, "Universal Identifier and Central Contractor Registration." The full text of this award term is provided in Attachment B to this Agreement.

F. Grant Terms and Conditions: The Grantee shall comply with the terms of this Agreement. The decision of the Grantor in interpreting the Terms and Conditions of this Agreement shall be final.

G. The Grantee shall ensure that every consultant and every contractor it employs under the Grant complies with the terms of this Agreement as though the consultant or contractor were a party to this Agreement.

2. Terms and Conditions

A. The Grant period is from October 1, 2011, through December 31, 2015. Eligible costs incurred between October 1, 2011, and the date of this Agreement are allowable and reimbursable.

B. The Grantee assures that \$6,381,855 shall be contributed by non-Grantor sources.

C. The Grantor may suspend or terminate this Agreement in whole, or in part, if the Grantee materially fails to comply with conditions of this Agreement. Suspension or termination may occur if the Grantee materially fails to comply with any term of this Agreement. The Grantee shall not incur new obligations for the terminated portions after receiving notice of the termination, and shall cancel as many outstanding obligations as possible. Additional enforcement remedies for non-compliance and termination provisions, in Part 33 of title 32, CFR, apply to this award.

D. The Grantee is the responsible authority, without recourse to the Grantor, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of the Grant.

E. Activities Prohibited

(1) Duplication of Work: The purpose and scope of work for which this Agreement is made shall not duplicate programs for which moneys have been received, are committed, or are applied for from other sources, public or private. Upon request of the Grantor, the Grantee shall submit full information about related programs that will be initiated within the Grant period.

(2) Other Funding Sources: Grantor's funds budgeted or granted for this program shall not be used to replace any financial support previously provided or assured from any other source.

(3) Funds for Attorney/Consultant Fees: The Grantee hereby agrees that no funds made available from this Grant shall be used, directly or indirectly, for paying attorneys' or consultants' fees in connection with securing grants or other services provided by the Grantor, for example, preparing the application for this assistance. However, attorneys' and consultants' fees incurred for meeting this Agreement's requirements may be eligible project costs and may be paid out of funds made available from this Agreement provided such costs are otherwise eligible.

(4) The Grantee is prohibited from using funds provided from this Grant or personnel employed in the administration of this program for political activities, sectarian or religious activities, lobbying, political patronage, or nepotism activities.

F. Use of Consultants/Contractors

(1) Procurement of consultant or contractor services shall be in accordance with all standards and procedures set forth in Part 33 of title 32, CFR. The following terms, which are drawn from the Department of Defense Grant and Agreement Regulations, Parts 21 through 37 of title 32, CFR, are intended merely to highlight some of these standards and are, therefore, not inclusive.

(2) All procurement transactions, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition.

(3) Formal advertising, with adequate purchase description, sealed bids, and public openings, shall not be required for small purchase procurements under \$100,000 in the aggregate unless otherwise required by State or local law or regulations. If small purchase procedures are used, price or rate quotations shall be obtained.

(4) The Grantee shall maintain a code or standards of conduct which shall govern the performance of its officers, employees, or agents in contracting with and expending Federal grant funds. Grantee's officers, employees, or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from a contractor or potential contractors. To the extent permissible by State or local law, rules, or regulations, such standards shall provide for penalties, sanctions, or other disciplinary actions to be applied for violations of such standards by either the Grantee's officers, employees, or agents, or by contractors or their guests.

(5) The Grantee will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7).

G. Separate Bank/Fund Accounts

(1) The Grantee is not required to establish a separate bank account but may do so. The Grantee, however, must maintain accounting records to adequately identify the source and application of Grant funds. Other considerations, such as FDIC coverage, shall be in accordance with the provisions of Part 33 of title 32, CFR.

(2) Interest earned on Grant funds shall be reported to the Grantor and used to reduce the Federal share of this Grant. Grantees shall promptly, but no less often than quarterly, remit to the Grantor any interest earned on advances the Grantor provided. The Grantee may retain interest on any Grant funds not to exceed \$100 per year for administrative expenses.

H. Grant Payments

- (1) A Standard Form (SF) 271, "Outlay Report and Request for Reimbursement for Construction Programs," shall be submitted when requesting funds.
- (2) All financial information on the SF 271 shall be shown as: Column (a).
- (3) Grant payments will be made by electronic funds transfer.
- (4) Grant funds for contractual services will be disbursed on a reimbursement basis only.
- (5) Grantee's payments to contractors/consultants shall be contingent upon the Grantee's acceptance of deliverables.
- (6) Requests for Federal funds (SF 271's) for payment of consultant/contractor deliverables should be submitted to the Grantor after Grantee's acceptance of the deliverables.

I. Reimbursement for Travel

Reimbursement for travel (transportation, food, and lodging) in the performance of Grant activities shall be consistent with those normally allowed in like circumstances in the non-Federally sponsored activities of the Grantee. Grantees may follow their own established rate but any travel allowance policies in excess of Federal limits must receive prior approval from the Grantor.

J. Expenses and Purchases Excluded

- (1) Grant funds may not be used for marketing or entertainment expenses.
- (2) Grant funds may not be used for capital assets, such as the purchase of vehicles, improvements and renovation of space, and repair and maintenance of privately owned vehicles.

K. Grantee Reporting

- (1) The Grantee shall provide interim performance reports and a final performance report. The performance reports will contain information on the following:
 - (a) A comparison of actual accomplishments to the objectives established for the period.
 - (b) The reasons for slippage if established objectives were not met.
 - (c) Additional pertinent information when appropriate.

(d) An accounting, by the budget line items approved for this project, of expenses incurred during the reporting period, including the amount of Grant funds on hand at the beginning and end, and non-Grantor share of contributions over the term.

(e) The final performance report must contain a summary of activities for the entire Grant period. All required deliverables should be submitted with the final performance report.

(2) Interim SF 425, "Federal Financial Reports" and a final SF 425 are required for this Grant.

The final SF 425 covering the entire period of this Grant, shall be submitted to the Grantor within 90 days after the end date of the Grant. Any grant funds actually advanced and not needed for Grant purposes shall be returned immediately to the Grantor.

(3) The "Schedule of Reports" in Attachment A provides reporting periods and dates due.

L. Reporting Subaward and Executive Compensation Information

The Grantee agrees to comply with the requirements of Part 170 of title 2, CFR, "Reporting Subaward and Executive Compensation Information." The full text of this award term is provided in Attachment C to this Agreement.

M. Audits

(1) The Grantee agrees to comply with OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the Single Audit Act, 31 U.S.C. § 7502(h).

(2) This award is not for Research and Development, and is made under Code of Federal Domestic Assistance (CFDA) title: Community Economic Adjustment, CFDA Number 12.600.

(3) The Grantee shall ensure audits are properly performed, and furnish the required data collection forms and audit reporting packages to the Federal Audit Clearinghouse (FAC). The Grantee shall upload audit reports into the FAC through the Internet Data Entry System (IDES) at <https://harvester.census.gov/fac/collect/ddeindex.html#>.

(4) The Grantee shall provide any audit with findings related to this award, with copies of the reporting package (including corrective action plans), management letters issued by an auditor, and audit working papers, to the Grantor.

(5) The Grantor will seek to issue a management decision to the Grantee within 6 months of receipt of an audit report with findings, and the Grantee shall take timely and corrective action to comply with the management decision.

(6) The Department of Defense reserves the right to conduct an independent follow-up audit.

3. Special Conditions

A. The purpose and scope of this award is to undertake activities related to the construction, renovation, repair or expansion of Burroughs High School on Naval Air Weapons Station China Lake, California. Changes in the specific activities described in the application and the terms and conditions of this award are allowable only if approved by the Grantor.

B. Prior to the start of construction, the Grantee shall provide to the Grantor evidence of adequate access and site control to permit necessary construction, renovation, repair, expansion, demolition and/or swing space activities as well as operation and maintenance of the completed facility.

C. The Grantee agrees to retain ownership of the new, expanded, or renovated facility and to operate and maintain or replace the facilities to the same standard and conditions as any other Grantee-owned property, to include scheduling and funding necessary maintenance and replacement of the improved real property on the same basis as any other Grantee-owned property and facilities.

D. The Grantee agrees to provide educational programs and services on the same basis as such programs are made available at any other Grantee-operated facility. The Grantee may not charge students or school personnel for the ordinary use of facilities, furnishing, or equipment purchased with grant funds.

E. The Grantee shall administer and supervise implementation of the project, maintaining competent architectural supervision and inspection at the project site to ensure the work conforms to the approved drawings and specifications.

F. Project underrun amounts shall be added to the Contingencies line item. Contingency funds are to be used to address situations resulting from unknown conditions and changes required for the fulfillment of authorized activities under this Award. In the event the final project cost exceeds the currently estimated total project cost, the Grantee agrees to provide any additional funding needed to complete the project.

G. The Grantee understands that, as of the date of this Grant Agreement, the Grantor has not satisfied the requirements of the National Environmental Policy Act. The Grantee consequently shall not issue any advertisement for construction bids or notice to proceed with construction, or undertake any other ground-disturbing project activities, prior to receiving written notice from the Grantor that the requirements of the National Environmental Policy Act have been met. This restriction does not apply to project design, development of environmental information, administrative activities, securing permits, or other activities associated with the project that are not ground-disturbing and present no risk of irreparable injury to the environment.

H. Project Development Time Schedule:

Completion of Design: March 30, 2014
Start of Construction: June 30, 2014
Completion of Construction: December 31, 2015

Failure to meet the Project Development Time Schedule is considered a violation of the Grant Agreement and may result in action by the Grantor to suspend and/or terminate the Grant. The Project Development Time Schedule may only be extended as a result of a written request from the Grantee and a written approval by the Grantor.

I. Deliverable

The Grantee will provide the Grantor with a copy of the certificate of occupancy for the completed facility issued by the appropriate jurisdiction.

THE TERMS OF THIS GRANT ARE AGREED TO BY:

Patrick J. O'Brien
Director
Office of Economic Adjustment

DATE

Joanna Blair Rummer
Superintendent
Sierra Sands Unified School District

DATE

Schedule of Reports
For
China Lake NAWS/Burroughs HS (SP)
FAIN: HQ00051310078

October 1, 2011 through December 31, 2015

<u>Interim Performance Reports</u>	<u>Due Date</u>
10/01/2011 through 12/31/2012	01/31/2013
01/01/2013 through 03/31/2013	04/30/2013
04/01/2013 through 06/30/2013	07/31/2013
07/01/2013 through 09/30/2013	10/31/2013
10/01/2013 through 12/31/2013	01/31/2014
01/01/2014 through 03/31/2014	04/30/2014
04/01/2014 through 06/30/2014	07/31/2014
07/01/2014 through 09/30/2014	10/31/2014
10/01/2014 through 12/31/2014	01/31/2015
01/01/2015 through 03/31/2015	04/30/2015
04/01/2015 through 06/30/2015	07/31/2015
07/01/2015 through 09/30/2015	10/31/2015
10/01/2015 through 12/31/2015	03/31/2016
 <u>Final Performance Report</u>	
10/01/2011 through 12/31/2015	03/31/2016
 <u>Interim Federal Financial Report (SF 425)</u>	
10/01/2011 through 12/31/2012	01/31/2013
01/01/2013 through 12/31/2013	01/31/2014
01/01/2014 through 12/31/2014	01/31/2015
 <u>Final Federal Financial Report (SF 425)</u>	
10/01/2011 through 12/31/2015	03/31/2016
 <u>Deliverables</u>	 03/31/2016

System for Award Management (SAM) (previously identified as the Central Contractor Registration) and Universal Identifier Requirements

A. Requirement for registration in the System for Award Management (SAM)

Unless you are exempted from this requirement under 2 CFR § 25.110, you as the recipient must maintain the currency of your information in SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

C. Definitions

For purposes of this award term:

1. *System for Award Management (SAM), previously identified as the Central Contractor Registration (CCR)*, means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).

2. *Data Universal Numbering System (DUNS) number* means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).

3. *Entity*, as it is used in this award term, means all of the following, as defined at Subpart C of Part 25 of title 2, CFR:

- a. A Governmental organization, which is a State, local government, or Indian Tribe;
- b. A foreign public entity;

- c. A domestic or foreign nonprofit organization;
- d. A domestic or foreign for-profit organization; and
- e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. *Subaward*:

a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, *see* Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. *Subrecipient* means an entity that:

- a. Receives a subaward from you under this award; and
- b. Is accountable to you for the use of the Federal funds provided by the subaward.

Reporting Subawards and Executive Compensation

A. *Reporting of first-tier subawards.*

1. *Applicability.*

Unless you are exempt as provided in paragraph D. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. *Where and when to report.*

i. You must report each obligating action described in paragraph A.1 of this award term to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. *What to report.*

You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov>.

B. *Reporting Total Compensation of Recipient Executives.*

1. *Applicability and what to report.*

You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(a) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

(b) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.*

You must report executive total compensation described in paragraph B.1 of this award term:

i. As part of your registration profile at <http://www.sam.gov>.

ii. By the end of the month following the month in which this award is made, and annually thereafter.

C. *Reporting of Total Compensation of Subrecipient Executives.*

1. *Applicability and what to report.*

Unless you are exempt as provided in paragraph D of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. in the subrecipient's preceding fiscal year, the subrecipient received—

(a) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

(b) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.*

You must report subrecipient executive total compensation described in paragraph C.1 of this award term:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

D. *Exemptions*

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

i. Subawards, and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

E. *Definitions.*

For purposes of this award term:

1. *Entity* means all of the following, as defined in Part 25 of title 2, CFR:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization;

iv. A domestic or foreign for-profit organization;

v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. *Executive* means officers, managing partners, or any other employees in management positions.

3. *Subaward*:

i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. *Subrecipient* means an entity that:

i. Receives a subaward from you (the recipient) under this award; and
ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR § 229.402(c)(2)):

i. *Salary and bonus.*

ii. *Awards of stock, stock options, and stock appreciation rights.*

Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

iii. *Earnings for services under non-equity incentive plans.*

This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. *Change in pension value.*

This is the change in present value of defined benefit and actuarial pension plans.

v. *Above-market earnings on deferred compensation which is not tax-qualified.*

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.