

**Procurement Technical Assistance Program
General Terms and Conditions**

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PREAMBLE

Applicability. These are the Procurement Technical Assistance Program (PTAP) General Terms and Conditions. Your cooperative agreement will refer to these general terms and conditions when they are applicable.

Order of precedence. These general terms and conditions will not take precedence over any Federal statute or Federal regulation published in the Code of Federal Regulations (CFR). The order of precedence of sources of requirements, if applicable to your award, is as follows: Federal statutes; Federal regulations in the CFR; OMB guidance in the CFR, at 2 CFR Part 200; award-specific terms and conditions; these general terms and conditions.

Process for improvement. Except for Part 10, “For-Profit Recipients,” these general terms and conditions are designed to conform to OMB guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” published at 2 CFR Part 200 and implemented by DoD at 2 CFR Part 1103. If a conflict arises between these general terms and conditions and any requirement in Federal statute, Federal regulation in the CFR, or OMB guidance at 2 CFR Part 200, please contact the awarding office so that we may resolve the conflict. As recipients gain operating experience with these general terms and conditions, we may find areas requiring clarification or correction. Your alerting us to potential issues therefore will help us improve both these general terms and conditions and DoD’s regulatory implementation of the OMB guidance at 2 CFR Part 200.

Use of plain language. These general terms and conditions use plain language to communicate requirements, including personal pronouns “you” to denote the recipient and “we” or “us” to denote DLA or another DoD Component.

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Appendix A - DLA Form 1806

PART 1: DEFINITIONS (May 2016)

Section A. Purpose of this part. This part provides definitions of terms used in these general terms and conditions.

Section B. Precedence of definitions of terms in national policy requirements.

Some portions of these general terms and conditions use a term in relation to compliance with a national policy requirement in a statute, Executive order, or other source that defines the term differently than Section D of this part. For purposes of that particular national policy requirement, the definition of a term provided by the source of the requirement and any regulation specifically implementing it takes precedence over the definition in this part. For the purpose of determining eligibility for an award under the Procurement Technical Assistance Cooperative Agreement Program, the definitions in 10 U.S.C. 2411 take precedence over the definitions in this part.

Section C. Definitions of terms used in the Governmentwide cost principles or single audit requirements.

1. These general terms and conditions incorporate by reference the provisions of:
 - a. The implementation of the Single Audit Act requirements for audits of recipients and subrecipients that are in Subpart F of OMB guidance in 2 CFR Part 200;
 - b. The Governmentwide cost principles for institutions of higher education, nonprofit entities, States, local governments, and Indian tribes that are contained in Subpart E of OMB guidance in 2 CFR Part 200; and
 - c. The cost principles for for-profit entities at subpart 31.2 of the Federal Acquisition Regulation (FAR) at 48 CFR Part 31, as supplemented by provisions of the Defense Federal Acquisition Regulation Supplement (DFARS) at subpart 231.2 of 48 CFR Part 231.
2. This part includes the definition of a term used in any of the issuances listed in paragraph 1 of this Section only if these terms and conditions use that term directly. If the only usage is indirect--i.e., through an issuance incorporated by reference--then this part will not include a definition and you should consult definitions in:
 - a. Subpart A of the OMB guidance in 2 CFR Part 200 for terms used in Subparts E and F of that Part; and
 - b. FAR Part 2 (48 CFR Part 2) for terms used in the cost principles at 48 CFR Part 31.

Section D. Definitions.

1. Acquire.

Acquire means to:

- a. When the term is used in connection with a DoD Component action at the prime tier, obtain property or services by purchase, lease, or barter for the direct benefit or use of the United States Government.
- b. When the term is used in connection with a recipient action or a subrecipient action at a tier under a DoD Component's award:
 - i. Purchase services;
 - ii. Obtain property under the award by:
 - A. Purchase;
 - B. Construction;
 - C. Fabrication;
 - D. Development;
 - E. The recipient or subrecipient entity's donation of the property to the project or program under the award to meet cost sharing or matching requirements (i.e., including within the entity's share of the award's project costs the value of the remaining life of the property or its fair market value, rather than charging depreciation); or
 - F. Otherwise.

2. Acquisition.

Acquisition means the process of acquiring as described in the definition of "acquire".

3. Acquisition cost.

Acquisition cost means the cost of an asset to a recipient or subrecipient, including the cost to ready the asset for its intended use.

- a. For example, when used in conjunction with:

- i. The purchase of equipment, the term means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.
- ii. Equipment that a recipient or subrecipient constructs or fabricates--or software that it develops--under an award, the term includes, when capitalized in accordance with generally accepted accounting principles (GAAP):
 - A. The construction and fabrication costs of that equipment; and
 - B. The development costs of that software.
- b. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation may be included in, or excluded from, the acquisition cost in accordance with the recipient's or subrecipient's regular accounting practices.

4. Administrative offset.

Administrative offset means an action whereby money payable by the United States Government to, or held by the Government for, a recipient is withheld to satisfy a delinquent debt the recipient owes the Government.

5. Advance payment.

Advance payment means a payment that DoD or a recipient or subrecipient makes by any appropriate payment mechanism, including a predetermined payment schedule, before the recipient or subrecipient disburses the funds for project or program purposes.

6. Approved budget.

Approved budget means, in conjunction with a DoD Component award to a recipient, the most recent version of the budget the recipient submitted and the DoD Component approved (either at the time of the initial award or subsequently), to summarize planned expenditures for the project or program under the award. It includes:

- a. All Federal funding made available to the recipient under the award to use for project or program purposes.
- b. Any cost sharing or matching that the recipient is required to provide under the award.
- c. Any options that have been exercised but not any options that have not been exercised.

7. Assistance.

Assistance means the transfer of a thing of value to a recipient to carry out a public purpose of support or stimulation authorized by a law of the United States (see 31 U.S.C. 6101(3)). Grants, cooperative agreements, and technology investment agreements are examples of legal instruments that DoD Components use to provide assistance.

8. Award.

Award means a grant, cooperative agreement, technology investment agreement, or other nonprocurement instrument subject to one or more parts of the DoDGARs. Within each part of the regulations, the term includes only the types of instruments subject to that part.

9. Award administration office.

Award administration office means a DoD Component office that performs assigned post-award functions related to the administration of grants, cooperative agreements, technology investment agreements, or other nonprocurement instruments subject to one or more parts of the DoDGARs.

10. Award-specific terms and conditions.

Award-specific terms and conditions means requirements that are included in an individual award and pertain to that particular award specifically. Award-specific terms and conditions may be used to modify or supplement general terms and conditions.

11. Capital asset.

Capital asset means a tangible or intangible asset used in operations having a useful life of more than one year which is capitalized in accordance with GAAP. Capital assets include:

- a. Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- b. Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

12. Claim.

Claim means a written demand or written assertion by one of the parties to an award seeking as a matter of right, the payment of money in a sum certain, the adjustment

or interpretation of award terms, or other relief arising under or relating to the award. A routine request for payment that is not in dispute when submitted is not a claim. The submission may be converted to a claim by written notice to the grants officer if it is disputed either as to liability or amount, or is not acted upon in a reasonable time.

13. Cognizant agency for indirect costs.

Cognizant agency for indirect costs means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans and indirect cost proposals on behalf of all Federal agencies. The cognizant agency for indirect costs for a particular entity may be different than the cognizant agency for audit. The cognizant agency for indirect costs:

- a. For an institution of higher education, nonprofit organization, State, or local government is assigned as described in the appendices to OMB guidance in 2 CFR Part 200. See 2 CFR 200.19 for specific citations to those appendices.
- b. For a for-profit entity, normally will be the agency with the largest dollar amount of pertinent business, as described in the FAR at 48 CFR 42.003.

14. Contract.

Contract means a procurement transaction, as that term is defined in this part. A contract is a transaction into which a recipient or subrecipient enters. It is therefore distinct from the term “procurement contract,” which is a transaction that a DoD Component awards at the prime tier.

15. Contractor.

Contractor means an entity to which a recipient or subrecipient awards a procurement transaction (also known as a contract).

16. Cooperative agreement.

Cooperative agreement means a legal instrument which, consistent with 31 U.S.C. 6305, is used to enter into the same kind of relationship as a grant (see definition of “grant” in this part), except that substantial involvement is expected between the Department of Defense (DoD) and the recipient when carrying out the activity contemplated by the cooperative agreement. The term does not include “cooperative research and development agreements” as defined in 15 U.S.C. 3710a.

17. Cost allocation plan.

Cost allocation plan means either a:

- a. Central service cost allocation plan, as defined at 2 CFR 200.9 and described in Appendix V to OMB guidance in 2 CFR Part 200; or
- b. Public assistance cost allocation plan as described in Appendix VI to 2 CFR Part 200.

18. Cost sharing or matching.

Cost sharing or matching means the portion of project costs not borne by the Federal Government, unless a Federal statute authorizes use of any Federal funds for cost sharing or matching.

19. Cost-type contract.

Cost-type contract means a procurement transaction awarded by a recipient or a subrecipient at any tier under a DoD Component's grant or cooperative agreement that provides for the contractor to be paid on the basis of the actual, allowable costs it incurs (plus any fee or profit for which the contract provides).

20. Cost-type subaward

Cost-type subaward means a subaward that:

- a. A recipient or subrecipient makes to another entity at the next lower tier; and
- b. Provides for payments to the entity that receives the cost-type subaward based on the actual, allowable costs it incurs in carrying out the subaward.

21. Debarment.

Debarment means an action taken by a Federal agency debarring official to exclude a person or entity from participating in covered Federal transactions, in accordance with debarment and suspension policies and procedures for:

- a. Nonprocurement instruments, which are in OMB guidance at 2 CFR Part 180, as implemented by the DoD at 2 CFR Part 1125; or
- b. Procurement contracts, which are in the FAR at 48 CFR 9.4.

22. Debt.

Debt means any amount of money or any property owed to a Federal agency by any person, organization, or entity except another United States Federal agency. Debts include any amounts due from insured or guaranteed loans, fees, leases, rents, royalties, services, sales of real or personal property, or overpayments, penalties, damages, interest, fines and forfeitures, and all other claims and similar sources.

23. Delinquent debt.

Delinquent debt means a debt:

- a. That the debtor fails to pay by the date specified in the initial written notice from the agency owed the debt, normally within 30 calendar days, unless the debtor makes satisfactory payment arrangements with the agency by that date; and
- b. With respect to which the debtor has elected not to exercise any available appeal or has exhausted all agency appeal processes.

24. Direct costs.

Direct costs means any costs that are identified specifically with a particular final cost objective, such as an award, in accordance with the applicable cost principles.

25. DoD Components.

DoD Components means the Office of the Secretary of Defense; the Military Departments; the National Guard Bureau (NGB); and all Defense Agencies, DoD Field Activities, and other organizational entities within the DoD that are authorized to award or administer grants, cooperative agreements, and other non-procurement instruments subject to the DoDGARs.

26. Equipment.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of:

- a. \$5,000; or
- b. The recipient's or subrecipient's capitalization threshold for financial statement purposes.

27. Expenditures.

Expenditures mean charges made by a recipient or subrecipient to a project or program under an award.

- a. The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.
- b. For reports prepared on a cash basis, expenditures are the sum of:
 - i. Cash disbursements for direct charges for property and services;

- ii. The amount of indirect expense charged;
 - iii. The value of third-party in-kind contributions applied; and
 - iv. The amount of cash advance payments and payments made to subrecipients.
- c. For reports prepared on an accrual basis, expenditures are the sum of:
- i. Cash disbursements for direct charges for property and services;
 - ii. The amount of indirect expense incurred;
 - iii. The value of third-party in-kind contributions applied; and
 - iv. The net increase or decrease in the amounts owed by the recipient or subrecipient for:
 - A. Goods and other property received;
 - B. Services performed by employees, contractors, subrecipients, and other payees; and
 - C. Programs for which no current services or performance are required, such as annuities, insurance claims, or other benefit payments.

28. Federal interest.

Federal interest means, in relation to real property, equipment, or supplies acquired or improved under an award or subaward, the dollar amount that is the product of the:

- a. Federal share of total project costs; and
- b. Current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

29. Federal share.

Federal share means the portion of the project costs under an award that is paid by Federal funds.

30. Fixed-amount subaward.

Fixed-amount subaward means a subaward:

- a. That a recipient or subrecipient makes to another entity at the next lower tier; and
- b. Under which the total amount to be paid to the other entity is based on performance and results, and not on the actual, allowable costs that entity incurs.

31. General terms and conditions.

General terms and conditions mean requirements that apply broadly to a class of awards rather than specifically to a particular award. For example, these are general terms and conditions because they apply, except as modified or supplemented by award-specific terms and conditions, to all applicable awards under the PTAP.

32. Grant.

Grant means a legal instrument which, consistent with 31 U.S.C. 6304, is used to enter into a relationship:

- a. Of which the principal purpose is to transfer a thing of value to the recipient to carry out a public purpose of support or stimulation authorized by a law of the United States, rather than to acquire property or services for the DoD's direct benefit or use.
- b. In which substantial involvement is not expected between the DoD and the recipient when carrying out the activity contemplated by the grant.

33. Grants officer.

Grants officer means a DoD official with the authority to enter into, administer, and/or terminate grants or cooperative agreements.

34. Indian tribe.

Indian tribe means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. Chapter 33), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians (25 U.S.C. 450b(e)). See the annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.

35. Indirect costs (also known as "Facilities and Administrative," or F&A, costs).

Indirect costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

36. Institution of higher education.

Institution of higher education has the meaning specified at 20 U.S.C. 1001.

37. Intangible property.

Intangible property means:

- a. Property having no physical existence, such as trademarks, copyrights, patents and patent applications; and
- b. Property such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership, whether the property is considered tangible or intangible.

38. Local government.

Local government means any unit of government within a State, including a:

- a. County;
- b. Borough;
- c. Municipality;
- d. City;
- e. Town;
- f. Township;
- g. Parish;
- h. Local public authority, including any public housing agency under the United States Housing Act of 1937;
- i. Special district;
- j. School district;
- k. Intrastate district;
- l. Council of governments, whether or not incorporated as a nonprofit corporation under State law; and

- m. Any other agency or instrumentality of a multi-, regional, or intra-state or local government.

39. Management decision.

Management decision means a written decision issued to an audited entity by a DoD Component, another Federal agency that has audit or indirect cost cognizance or oversight responsibilities for the audited entity, or a recipient or subrecipient from which the audited entity received an award or subaward. The DoD Component, cognizant or oversight agency, recipient, or subrecipient issues the management decision to specify the corrective actions that are necessary after evaluating the audit findings and the audited entity's corrective action plan.

40. Nonprocurement instrument.

Nonprocurement instrument means a legal instrument other than a procurement contract that a DoD Component may award. Examples include an instrument of financial assistance, such as a grant or cooperative agreement, or an instrument of technical assistance, which provides services in lieu of money.

41. Nonprofit organization.

Nonprofit organization means any corporation, trust, association, cooperative, or other organization, not including an institution of higher education, that:

- a. Is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
- b. Is not organized primarily for profit; and
- c. Uses net proceeds to maintain, improve, or expand the operations of the organization.

42. Obligation.

Obligation means:

- a. When used in conjunction with a DoD Component's action, a legally binding agreement that will result in outlays, either immediately or in the future. Examples of actions through which a DoD Component incurs an obligation include the signature of a grant, cooperative agreement, or technology investment agreement authorizing the recipient to use funds under the award.
- b. When used in conjunction with a recipient's or subrecipient's use of funds under an award or subaward, an order placed for property and services, a contract or subaward made, or a similar transaction during a given period that requires payment during the same or a future period.

43. Office of Management and Budget.

Office of Management and Budget means the Executive Office of the President, United States Office of Management and Budget.

44. Outlays.

Outlays means “expenditures,” as defined in this part.

45. Participant support costs.

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

46. Period of performance.

Period of performance means the time during which a recipient or subrecipient may incur new obligations to carry out the work authorized under an award or subaward, respectively.

47. Personal property.

Personal property means property other than real property. It may be tangible, having physical existence, or intangible, such as copyrights, patents, and securities.

48. Procurement contract.

Procurement contract means a legal instrument which, consistent with 31 U.S.C. 6303, reflects a relationship between the Federal Government and a State, a local government, or other recipient when the principal purpose of the instrument is to acquire property or services for the direct benefit or use of the Federal Government. A procurement contract is a prime tier transaction and therefore distinct from a recipient’s or subrecipient’s “procurement transaction” or “contract” as defined in this part.

49. Procurement transaction.

Procurement transaction means a legal instrument by which a recipient or subrecipient purchases property or services it needs to carry out the project or program under its prime award or subaward, respectively. A procurement transaction is distinct both from “subaward” and “procurement contract,” as those terms are defined in this part.

50. Program income.

Program income means gross income earned by a recipient or subrecipient that is directly generated by a supported activity or earned as a result of an award or subaward (during the period of performance unless the award or subaward specifies continuing requirements concerning disposition of program income after the end of that period).

a. Program income includes, but is not limited to, income from:

- i. Fees for services performed;
- ii. The use or rental of real or personal property for which the recipient or subrecipient is accountable under the award or subaward (whether acquired under the award or subaward, or other Federal awards from which accountability for the property was transferred);
- iii. The sale of commodities or items fabricated under the award or subaward; and
- iv. License fees and royalties on patents and copyrights.

b. Program income does not include:

- i. Interest earned on advances of Federal funds;
- ii. Proceeds from the sale of real property or equipment under the award; or
- iii. Unless otherwise specified in Federal statute or regulation, or the terms and conditions of the award or subaward:
 - A. Rebates, credits, discounts, and interest earned on any of them; or
 - B. Governmental revenues, taxes, special assessments, levies, fines, and similar revenues raised by the recipient or subrecipient.

51. Project costs.

Project costs means the total of:

- a. Allowable costs incurred under an award by the recipient, including costs of any subawards and contracts under the award; and
- b. Cost sharing or matching contributions that are required under the award, which includes voluntary committed (but not voluntary uncommitted) contributions and the value of any third-party in-kind contributions.

52. Property.

Property means real property and personal property (equipment, supplies, intangible property, and debt instruments), unless stated otherwise.

53. Real property.

Real property means land, including land improvements, structures and appurtenances thereto, but excluding moveable machinery and equipment.

54. Recipient.

Recipient means an entity that receives an award directly from a DoD Component. The term does not include subrecipients.

55. Research.

Research means basic, applied, and advanced research.

56. Simplified acquisition threshold.

Simplified acquisition threshold means the dollar amount set by the FAR at 48 CFR Subpart 2.1, which is adjusted periodically for inflation in accordance with 41 U.S.C. 1908.

57. State.

State means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments.

58. Subaward.

Subaward means a legal instrument by which a recipient or subrecipient at any tier below a DoD Component prime award, transfers--for performance by an entity at the next lower tier--a portion of the substantive program for which the DoD Component's prime award provided financial assistance. A subaward is either a cost-type or a fixed-amount subaward.

59. Subrecipient.

Subrecipient means an entity that receives a subaward.

60. Supplies.

Supplies means all tangible personal property, including a computing device, acquired under an award that does not meet the definition of equipment in this part.

61. Suspension.

Suspension means either:

- a. When used in the context of a specific award or subaward to an entity, the temporary withdrawal of authority for that entity to obligate funds under the award or subaward, pending its taking corrective action or a decision to terminate the award or subaward.
- b. When used in the context of an entity, an action by a DoD Component's suspending official under 2 CFR Part 1125, DoD's regulation implementing OMB guidance on nonprocurement debarment and suspension in 2 CFR Part 180, to immediately exclude the entity from participating in covered Federal Government transactions, pending completion of an investigation and any legal or debarment proceedings that ensue.

62. Technology Investment Agreement.

Technology investment agreement means one of a special class of assistance instruments used to increase involvement of commercial firms in defense research programs and for other purposes related to integration of the commercial and defense sectors of the nation's technology and industrial base. Technology investment agreements include one kind of cooperative agreement with provisions tailored for involving commercial firms, as well as one kind of assistance transaction other than a grant or cooperative agreement. Technology investment agreements are subject to, and described more fully in, 32 CFR Part 37.

63. Termination.

Termination means the ending of an award or subaward, in whole or in part, at any time prior to the planned end of period of performance.

64. Third-party in-kind contribution.

Third-party in-kind contribution means the value of a non-cash contribution (i.e., property or services) that:

- a. A non-Federal third party contributes, without charge, either to a recipient or subrecipient at any tier under a DoD Component's award; and
- b. Is identified, and included in the approved budget of the DoD Component's award, as a contribution being used toward meeting the award's cost sharing or matching

requirements (which includes voluntary committed, but not voluntary uncommitted, contributions).

65. Unique entity identifier.

Unique entity identifier means the identifier required for System for Award Management registration to uniquely identify entities with which the Federal Government does business (currently the Dun and Bradstreet Data Universal Numbering System, or DUNS, number).

66. Unobligated balance.

Unobligated balance means the amount of funds under an award or subaward that the recipient or subrecipient has not obligated. The amount is computed by subtracting the cumulative amount of the recipient's or subrecipient's unliquidated obligations and expenditures of funds from the cumulative amount of funds that it was authorized to obligate under the award or subaward.

67. Voluntary (committed or uncommitted) cost sharing.

- a. *Voluntary cost sharing* means cost sharing that an entity pledges voluntarily in its application or proposal (i.e., not due to a stated cost sharing requirement in the program announcement to which the entity's application or proposal responds).
- b. *Voluntary committed cost sharing* means voluntary cost sharing that a DoD Component accepts through inclusion in the approved budget for the project or program and as a binding requirement of the terms and conditions of the award made to the entity in response to its application or proposal.
- c. *Voluntary uncommitted cost sharing* means voluntary cost sharing that does not meet the criteria in paragraph 67.b of this Section.

68. Working capital advance.

Working capital advance means a payment method under which funds are advanced to a recipient or subrecipient to cover its estimated disbursement needs for a given initial period, after which payment is made by way of reimbursement.

PART 2: PROGRAM REQUIREMENTS (September 2020)

Section A. Purpose of this award. You must establish and maintain a Procurement Technical Assistance Center (PTAC) with physical location(s) to serve as a resource for large and small businesses to obtain procurement technical assistance. Procurement technical assistance means professional, specialized assistance provided to clients that enables them to identify potential contractual opportunities and obtain or perform under contracts, innovation and technology grants, and other DoD-funded instruments, with DoD, other Federal agencies, State and/or local governments, and with Federal, State and/or local government contractors. Clients may include any business pursuing or performing these types of contracts or subcontracts at any tier. As used in this part, the terms “State” and “local government” have the meanings provided in 10 U.S.C. 2411. Procurement technical assistance consists of, but is not limited to, the counseling services described in this part.

Innovation and technology grants refer to awards issued pursuant to the Small Business Innovation Research and/or Small Business Technology Transfer programs. You must collaborate with DoD and other Federal agencies and work cooperatively with them to accomplish the work under this award. You must not limit services to businesses based solely on business size, time in business, or quantity of employees.

Section B. Assistance to small business. You must make a concerted effort to seek out and assist small business concerns, Small Disadvantaged Businesses concerns (SDB), Women-Owned Small Businesses concerns (WOSB), HUBZone small business concerns, and Service- Disabled Veteran-Owned Small Business concerns (SDVOSB). These terms are defined in Part 2 of the FAR.

Section C. Methods and procedures.

1. Outreach effort. You must have ongoing outreach procedures in place to make the public aware of your PTAC. Advertising costs for this purpose are allowable (refer to 2CFR 200.421 or 48 CFR 31.205-1, as applicable). Information you disseminate through your outreach efforts must include:
 - a. The types of assistance you offer to clients;
 - b. What is required to become your client; and
 - c. Information about events, including workshops, seminars, or other training, that you plan to offer or participate in.
2. Counseling Services. You must provide your clients with counseling and information regarding marketing their products and services to DoD, other Federal agencies, and State and local governments. You must provide this one-on-one counseling service free of charge. You must assist, as appropriate, your clients with understanding Federal, State and local government requirements applicable to contracting for services, manufacturing, construction or other markets. PTAC client data should usually only be used to comply with the award’s terms and conditions and to support the client in areas related to their desire and capacity to

pursue government contract opportunities. This may include, but is not limited to, sending lists inclusive of client contact and capability information to government procurement offices and government prime contractors in response to their market survey requests. The following are core services you must offer:

- a. Identifying marketing opportunities for clients consistent with the client's products and services.
- b. Advising and assisting clients in the preparation and proper submission of applications, certifications, registrations, bids, and proposals etc. to prepare them for doing business with Federal, State and local government entities.
- c. Advising and assisting clients concerning post-award functions.
- d. You must advise and assist clients in pursuing and securing subcontracting opportunities from Federal, State and local government prime contractors and subcontractors at any tier.
- e. As a minimum, the PTAC must make available, advice and assistance on the following topics at no-cost to businesses:
 - i. Federal, State and local government contracting laws, policies and procedures. Emphasis must be placed on requirements and procedures used by DoD and other Federal agencies, including registration in systems such as the System for Award Management (SAM) .
 - ii. The DoD Mentor-Protégé Program (MPP) and similar Government programs.
 - iii. Accounting system requirements and contract payments;
 - iv. Wide Area Work Flow (WAWF)
 - v. Subcontracting;
 - vi. DLA Internet Bid Board System (DIBBS)
 - vii. Small Business (SB) Innovative Research (SBIR) / SB Technology Transfer (STTR)
 - viii. DoD Cybersecurity clause compliance and the Cybersecurity Maturity Model Certification (CMMC) process
 - ix. Obtaining federal contract data from data repositories (e.g. beta.SAM.gov)
 - x. Finding federal procurement opportunities using SAM
 - xi. Business size and type (socioeconomic) certifications
- f. You may charge businesses exhibitor, sponsorship, and advertising fees for specific outreach events to generate program income when that activity does not conflict or interfere with the PTAP's purpose and intent. The focus must remain on maximizing quality service to clients and not on generating income. You must make it clear to clients that optional, fee-based, services are optional and not required to receive other no-cost services. You may charge up to \$50 per month (\$600 per year) for each subscription type service, such as electronic bid match delivery. You may charge for optional customized reports that provide clients with historical contract data. You must limit charges to event attendees to the minimum amount anticipated necessary to cover the facilities and food costs of that event. PTACs must collaborate with each other to minimize expenses and maximize value to the program. When charging another PTAC is necessary, you may only charge the actual cost experienced by the hosting recipient (e.g. PTAC 1 hosts an event at their location and charges exhibitor fees of

\$100, which includes tables PTAC 1 owns and paid labor services to set up the table; PTAC 1 may only charge PTAC 2 the actual cost of the setup labor). The gross program income generated must be reported, see FMS Article VII for more information.

3. You must include links on the PTAC website to help prospective and active clients find information needed to contract with local, state, and Federal government. (e.g. Defense Pricing and Contracting, Acquisition.gov, SBA, SBIR/STTR, Assist.dla.mil, DHS/FEMA, SAM, DIBBS, etc...)
4. You must operate within the scope of this award. Procurement technical assistance does not include:
 - a. General business training or financial assessments. For example, you must not offer clients training, advice, or assistance on topics such as access to loans, human resources, hiring, retention, health care, quality certifications, Lean, Six Sigma, or manufacturing, except where the assistance specifically relates to compliance with Federal, State and/or local government-specific contract requirements;
 - b. Assistance to Pre-startup or newly started businesses unless they satisfy the overarching requirement that their potential for success in government contracting in the near term is apparently only limited due to lack of registration in SAM and/or understanding of the government contracting process.
 - c. Acting as the client's representative. (e.g. you must not call a contracting officer and assert that you speak for the client, or call a help desk and act as if you are the client.) You must always maintain your role as an advisor to, and not a representative of, the client). However, PTACs may facilitate information exchanges (e.g. you may send client(s)' contact and capability information to government, government prime contractors, or subcontractors when they request a list of potentially interested suppliers, you may make introductions in-person, or participate in three-way conversations among clients, government or prime contractors); or
 - d. Employee development related training (e.g., vocational type training, basic writing skills, program management) for client personnel.
 - e. The PTAC may counsel clients regarding their rights to file protests and claims, including the applicable time limits and venues for these processes. The PTAC must not advise or participate in clients' decisions to protest or file claims. Once a client has filed a protest or claim, the PTAC must not provide further counseling on matters that are the subject of the specific protest or claim.

Section D. Resources. You must maintain the resources necessary to carry out the program. As a minimum, these resources must consist of:

1. Personnel.
 - a. Program Manager. You must have a Program Manager (PM) employed on a full-time basis (i.e., must devote 100% of his/her time to the PTAC). The PM must direct and administer the operations of the PTAC and must have full authority to make expenditures under the PTAC's

budget as well as to manage the program activities. The PM is considered key to the effectiveness of the PTAC in meeting its objectives and must have appropriate management qualifications and a thorough understanding of the requirements of this award. The PM should also have knowledge and understanding of Federal, State and local government contracting policies and procedures gained from direct experience and/or formal training. The PM is required to receive a minimum of 40 hours of management, leadership, and/or contracting training each year. The PM will be DLA's primary point of contact. Any individual listed in the SF424 may be contacted as a secondary point of contact.

- b. PTAC Staff including Subrecipients. Except for personnel whose duties do not include counseling or training clients, you must employ personnel consisting of individuals who are qualified to counsel and advise business firms/clients on how to seek, obtain and perform on Federal, State and local government prime contracts and subcontracts). These employees must remain current in their knowledge of Federal, State and local government contracting laws, regulations, policies and procedures. In addition to technical competency, they must have interpersonal skills and counseling abilities such as translating government contracting requirements into plain language, teaching clients how to do things for themselves, and able to foster the trust of the client through listening, empathy, and their willingness to assist. You must have appropriate professional development and training programs in place to address this requirement:
 - i. Full-time personnel are required to obtain 40 hours of training per year on Federal contracting laws, regulations, systems, and procedures, a minimum of 20 of those hours must be from a Federal source (including Federal employees presenting at non-federal venues, and virtual training such as that offered at DAU.mil and via SBA webinars). They are also encouraged to additionally obtain a minimum of 20 hours of training in the areas of interpersonal skills or counseling.
 - ii. Part-time employees charging 20 or more hours per week to the PTAC must obtain 20 hours of training per year on Federal contracting laws, regulations, systems, and procedures, a minimum of 10 of those hours must be from a Federal source (including Federal employees presenting at non-federal venues, and virtual training). These personnel are also encouraged to additionally obtain a minimum of 20 hours of training in the areas of interpersonal skills and counseling.
 - iii. Part-time employees charging fewer than 20 hours per week to the PTAC must obtain 10 hours of training per year on Federal contracting laws, regulations, systems, and procedures, a minimum of 5 of those hours must be from a Federal source (including Federal employees presenting at non-federal venues, and virtual training).
 - iv. Hours of training are calculated according to actual hours participating in the training (i.e. an 8-hour training day may include 7 hours of training and 1 hour for lunch so 7 hours of training should be credited if the employee participated in the entire session)

You must fill any vacant positions included in your approved budget promptly.

You must maintain qualification standards and training achievements for all positions and provide them for our review upon request. With the exception of clerical personnel, you must maintain resumes and evidence of training compliance for all personnel that are charged to

the program. An [optional](#) use training log is available on the DLA Resources for PTACs web page.

You must require personnel, including those of subrecipients and consultants, to adhere to a code of generally accepted standards of professional conduct. Personnel must perform their PTAC duties with ethics and integrity and avoid any real or perceived conflict of interest. Recipients with PTAC employees, subaward personnel, or consultants who perform labor for more than one PTAC must report details of the work performed for or sold to other PTACs. PTACs should usually invest in full-time employees. Costs of consultants must not exceed 10% of the total program cost.

2. Facilities. You and any subrecipients, as applicable, must have a facility(s) for providing assistance to clients that is readily identifiable as a PTAC by signage and easily accessible to the public. At a minimum, PTAC location(s) must be open to the public during the normal business hours of the recipient organization. You must be able to provide various methods of counseling in a confidential environment but must not have extravagant or excessive facilities or facility costs that are beyond the type generally recognized as ordinary and necessary for the operation of a PTAC.
3. Website, Social Media, and email.
 - a. You must maintain a website that prominently includes identification as a PTAC and provides, at minimum:
 - i. A description of the services offered by the PTAC;
 - ii. Email and phone point of contact for potential PTAC clients;
 - iii. The PTAC's service area (e.g., list of counties serviced);
 - iv. Links to government regulations and other contracting-related sites (e.g. DoD Defense Pricing and Contracting, Acquisition.gov, SBA, SBIR/STTR, Assist.dla.mil, DHA/FEMA, SAM.gov, DIBBS, etc...)
 - v. PTAC events and other events of potential interest to clients. PTAC-affiliated events, those events that incur any expense to the PTAC award, must indicate the PTAC's participation (e.g. hosted by PTAC, PTAC and MEP partnership, co-hosted by PTAC and GSA, etc...)
 1. Your website may be a standalone website, or may consist of a dedicated, PTAC-specific web page that is separate and distinct, but accessible via a link from the recipient organization's website. When the PTAC is referenced on other than the PTAC-specific web page, this statement must be used: "The Procurement Technical Assistance Center is funded in part through a cooperative agreement with the Defense Logistics Agency". You must share the URL for DLA's webpage feedback form on the PTAC web page. The URL is:
<https://www.dla.mil/SmallBusiness/PTAPFeedback/>

The recipient must ensure their websites do not create the impression that the PTAC is part of any other Federal program and must not create the appearance that the PTAC is affiliated in any way with any non-DoD Federal agency. (e.g. Powered by SBA, PTAC employees listed among employees of other Federal programs as if PTAC is part of the other program(s))

- b. The PTAC must have a social media account on LinkedIn and should also have a presence on other social media platforms determined to reach the target market for PTAC services. This is a form of outreach and advertising of PTAC services. The social media account content must be managed by the PTAC PM or one of his/her employees such that postings can be made quickly and with content determined appropriate by the PM to further the objectives of the PTAC and no other program. Social Media accounts must meet the requirements listed in Section E.
- c. In addition to person specific email addresses, you must establish an email address for the PTAC that is not tied to a specific person. For example, our address is PTAP@dla.mil.

Email and other correspondence generated by recipient and subrecipient employees must include clear information identifying them as PTAC employees when performing activities that are covered by the cooperative agreement (i.e. email signature line, signature block, etc...). The employee's signature block may also include the name of the recipient or subrecipient listed on the award and must not include the name or acronym of another federal assistance program such as Small Business Development Center, Manufacturing Extension Partnership, Small Business and Technology Development Center, Minority Business Development Center unless the employee is co-located with one of those service providers, in which case "Co-located with..." may be used. You must share the URL for DLA's webpage feedback form in your email messages, the URL is: <https://www.dla.mil/SmallBusiness/PTAPFeedback/Section E>. Naming, acknowledgement of support and use of logos.

2. You must use the designation "Procurement Technical Assistance Center" as part of your name. Your doing so will help promote the PTAC brand and build awareness that you operate as part of the larger program. Your name must not include the name or acronym of another federal assistance program such as Small Business Development Center, Manufacturing Extension Partnership, Small Business and Technology Development Center, Minority Business Development Center, etc. Logos must include "PTAC" and/or "Procurement Technical Assistance Center" and must not include the name or acronym of another federal assistance program.
3. Except for business cards, materials you produce for the public including but not limited to, event flyers, press releases, brochures, advertisements, training booklets, websites and social media accounts must acknowledge DLA support using the following statement: "This procurement technical assistance center is funded in part through a cooperative agreement with the Defense Logistics Agency." You must not alter the statement. You may acknowledge support of other resource partners in a separate sentence but must not at any time indicate the PTAC is part of, offered, or hosted, by any other federal program or any entity whose name is the same as a federal program. You must not create the appearance that any other federal program provides funding to the PTAC. You may use language that indicates the PTAC is co-located with other federal programs. You may include in your materials the logo and link to the association currently known as the Association of Procurement Technical Assistance Centers (APTAC), of which the majority of its members are PTACs. Business cards are not required to acknowledge DLA support but must adhere to all other terms and conditions in paragraphs 1-3 of Section E and may only include the PTAC

and recipient's logos.

4. You must not use the DoD or DLA logo.

Section F. Service area. You must usually limit the clients you assist to those located within the service area specified in the award. Subject to the limitations below, you may provide assistance to clients outside your service area if you coordinate the assistance with the PTAC, if any, that is responsible for that client's area.

1. You must not charge the cost of assisting clients from areas that are not distressed areas to an award when the service area is identified as a distressed area. Similarly, if the award includes both a distressed and non-distressed area budget, you must not charge the cost of assisting clients from areas that are not distressed areas to the budget specified for service to a distressed area.
2. If your service area is identified by Bureau of Indian Affairs' regions, your service area includes all federally recognized Indian tribes and Alaska Native entities, their members and reservations in the regions specified. All contractors that are tribal, Native or Indian- owned are distressed area concerns.

Section G. Success stories. You must maintain success stories attesting to the assistance provided to your clients during the period of performance specified in this award and you must make these stories available to us upon our request. A success story is one that demonstrates a direct effort of the PTAC that generated employment and/or helped to improve the economy of a locality by assisting a client(s) in obtaining or performing under a Federal, State, or local government prime contract(s) or subcontract(s). Each success story must have a clear means to verify (such as a letter or email from your client stating that the story is true) that the success resulted from assistance provided by the PTAC. Each success story should include the following, as applicable:

1. Client name;
2. Client address;
3. Client point of contact;
4. Contracting agency point of contact, telephone, contract number and dollar value of award;
5. Narrative description of the issue(s); and
6. Narrative describing the PTAC's contribution to the success story and the tangible results to include jobs generated and/or retained.

Section H. Client surveys. You must have a process in place to frequently survey your clients and prospective clients' satisfaction with your PTAC. Requirements for you to conduct surveys and report the results to us are in Appendix A to these general terms and conditions, "DLA Form 1806". You must share the URL for DLA's webpage feedback form in your email messages and on the PTAC web page. The URL is:
<https://www.dla.mil/SmallBusiness/PTAPFeedback/>

Section I. Allowability of certain costs and cost sharing contributions. The allowability of certain costs and cost sharing or matching contributions is addressed in this Section. The allowability of costs and cost sharing or matching contributions is addressed more generally in

FMS Articles III and VI, respectively.

1. Third-party in-kind contributions. Among other things, contributions must be allowable under the applicable cost principles. With regard to third-party in-kind contributions, this means that contributions are allowable only if they are items that would have been necessary to include in the budget as direct costs had they not been donated.

Acceptable third-party in-kind contributions are performed by the third party for the direct benefit of the PTAC. Activities performed by third parties in their ordinary course of business, in pursuit of their own organization's mission, are usually not acceptable as in-kind contributions just because those activities coincidentally support the PTAC.

Anything that is normally available free of charge to the PTAC or clients is not acceptable as a third-party in-kind contribution (e.g., use of a public library). "Discounts" are never acceptable third-party in-kind contributions. You may count a third-party in-kind contribution towards the award's cost sharing or matching requirement only after you receive and use it. You must not count third-party contributions or donations that were made available for you to use, but that you do not actually use. An optional use [in-kind log](#) is available on the DLA Resources for PTACs web page.

2. Food and beverages. With the exception of non-local travel for PTAC personnel, any cost related to the providing food and/or beverages for PTAC personnel, government representatives, or clients is unallowable for either reimbursement or towards your cost sharing or matching, including use as a third-party in-kind contribution. This does not prohibit the charging of reasonable fees to attendees of PTAC events, such as a conference or workshop, to pay for necessary refreshments (See Part 2, Section C(2)(g)). These fees constitute program income and must be accounted for as such (refer to FMS Article VII or 32 CFR 34.14, as applicable).
3. Memberships. The cost of individual memberships (e.g., personal memberships for PTAC staff) in any business, technical, and professional organization is not allowable. Full-time PTAC employees may charge the program for up to 120 hours per year to perform voluntary work as a Committee or Board member of the Association of Procurement Technical Assistance Centers (APTAC), the association formed by PTACs to benefit PTACs. APTAC is primarily operated using PTAC award recipient labor and is funded using fees charged to PTAC award recipients. Travel expenses and time spent working for APTAC must be documented and reported quarterly with the name of the employee(s), the number of hours worked, travel costs, and a concise explanation of the work performed, using any of the narrative blocks on the DLA 1806 (Blocks 11-13 are narrative blocks). PTACs must not charge any other costs of operating APTAC to the program and must not lobby or engage in fundraising while donating time to APTAC. APTAC membership dues charged to a PTAC award must not exceed .004 of a PTAC's total program cost not including voluntary overmatch, determined at time of award. DLA expects that APTAC membership includes the following minimum benefits:
 - a. Internet accessible means to communicate with other members in a group forum such as the APTAC Connect tool.
 - b. Internet accessible collection of accurate training materials such as the Body of Knowledge,

- accuracy of materials must be verified periodically, no less than annually.
- c. Website that includes current contact information for all PTAC primary and sub- centers.
 - d. Newsletter issued to members at least once per month and including technical news, best practices, success stories and other information of interest and value to members.
 - e. Recommended PTAC counselor training curriculum and certification program, including a proficiency test that will be available no later than September 30th, 2020. The proficiency test must be internet-based, include instant results and evidence of pass/fail, and be available to all members with results revealed only to the tested employee and their Program Manager. Recommended curriculum must include online training offered by the Defense Acquisition University.
 - f. Certification requirements must include or allow equivalent non-APTAC training to count toward qualification. Training hours are calculated based on actual hours necessary to complete the training. DLA expects that APTAC will process requests for certification and/or course substitution within 60 days.
 - g. DLA expects a recommended Program Manager training curriculum should be available no later than September 30th, 2020 and curriculum should include online training offered by the Defense Acquisition University, when available.
 - h. To be considered a reasonable cost, DLA expects APTAC Conference registration fees charged to APTAC members should not exceed \$1,300 per person and every APTAC conference after January 1, 2020 should provide the following:
 1. Draft agenda, provided for DLA review no later than 60 days prior to conference start date, and
 2. A minimum of 12 hours of live Federal contracting-related training provided by a Federal employee, and
 3. A minimum of 9 hours of program management, management or leadership training, at least 3 of which must be provided by a professional in the business of providing leadership or management training, and
 4. Conferences must be structured such that attendees can attain 12 hours of Federal contracting-related training and 9 hours of management or leadership training at each conference.
 5. Attendance documented after each session and provided to attendees and their PM to facilitate reporting of employee training achievements.
4. Costs incurred to assist clients in pursuing claims or protests against the Government are not allowable.
 5. Indirect costs. Amounts for indirect costs and/or indirect rates (also known as “Facilities and Administrative,” or F&A, costs or rates) incorporated into any specific award are subject to downward revision only.

Section J. Additional guidance on program income. FMS Article VII permits you to earn program income under this award when doing so does not interfere with the program the award supports. Charging clients anything other than amounts listed in Section C for the assistance the PTAC provides is inconsistent with this requirement.

Section K. Distressed and non-distressed area budgets. If the award includes both a

distressed and non-distressed area budget:

1. The applicable cost principles establish the standards for the allowability of costs, including the requirement that the cost is allocable to the particular cost objective. In the case of an award that includes both a distressed and non-distressed area budget, this means allocable to providing procurement technical assistance in a distressed or a non-distressed area.
2. You must segregate and accumulate costs in each of the two budget areas and you are responsible for ensuring that the costs charged to either budget are allocable in accordance with the principles and methods provided in the applicable cost principles. The award does not imply the approval of a predetermined ratio or apportionment of incurred cost to be charged to the award as “distressed” or “non-distressed”.
3. You may submit combined payment requests; however, the request must segregate the amounts charged to each the distressed and non-distressed area budget and show the Federal and non-Federal shares of each amount.
4. FMS Article IV addresses prior approval requirements for the transfer of funds among direct cost categories (i.e., personnel, fringe benefits, travel, etc.) when the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget. In the case of an award that includes a distressed and non-distressed area budget, this requirement applies to each of the two budgets individually.

Section L. Post-award administration of awards. The post-award administration of this award is assigned to the office listed in the “Administered by” block on the award. In addition to those functions specifically delineated in the DoD Grant and Agreement Regulations (DoDGARs), the Administrative Grants Officer (AGO) is responsible for reviewing your payment requests and transmitting approved payment authorizations to payment offices. Additional administrative functions may be delegated by DLA.

1. You must submit requests for payment using Wide Area Workflow (WAWF) accessible at <https://wawf.eb.mil>.
 - a. The required voucher type selection is Grant Voucher. If that option is not available, select Cost Voucher.
 - b. For the Contract Number Type, select Cooperative Agreement.
 - c. For Contract Number, enter the Agreement Number in Block 1 of the award.
 - d. For the Issue By DoDAAC enter SP4800.
 - e. For the Admin by, DCAA Auditor, and Service Approver blocks, enter the DoDAAC listed in the award “Administered by” block.
 - f. For the Pay Official, enter the DoDAAC listed in the award “Payment will be made by” block.
 - g. If prompted to enter an Item No., always enter 0001 unless your award was modified to add ACRN AB in the line of accounting. If you have an ACRN AB, enter Item No. 0002 to request reimbursement of those funds. Item No. 0001 is for ACRN AA, Item No. 0002 is for ACRN AB.
 - h. Leave the Inspect by DoDAAC, Ship From Code DoDAAC, and LPO DoDAAC fields blank.
 - i. If you were not able to select Grant Voucher, attach the SF270 and SF425. If you selected

Grant Voucher only attach the SF425. Although you must maintain supporting documents to substantiate costs included on the SF270, in accordance with the DoD FMR Volume 10, Chapter 19, Section 190404, you need not submit them with your payment request.

- j. The Prompt Payment Act does not apply; Interest should not accrue on late payments.

PART 3: NATIONAL POLICY REQUIREMENTS

NP Article I. Nondiscrimination national policy requirements. (Aug 2020)

National Policy Requirements

(articles from this part are designated with “NP” in the article title)

NP Article I. Nondiscrimination national policy requirements. (SEPTEMBER 2017)

Section A. Cross-cutting nondiscrimination requirements. By signing this award or accepting funds under this award, you assure that you will comply with applicable provisions of the national policies prohibiting discrimination:

1. On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), as implemented by Department of Defense (DoD) regulations at 32 CFR part 195.
2. On the basis of gender, blindness, or visual impairment, in Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), as implemented by DoD regulations at 32 CFR part 196.
3. On the basis of age, in the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), as implemented by Department of Health and Human Services regulations at 45 CFR part 90.
4. On the basis of disability, in the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by Department of Justice regulations at 28 CFR part 41 and DoD regulations at 32 CFR part 56.
5. On the basis of disability in the Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.) related to physically handicapped persons’ ready access to, and use of, buildings and facilities for which Federal funds are used in design, construction, or alteration.

Section B. Other nondiscrimination requirements. RESERVED - Only applicable if provided in DoD Component addendum to these terms and conditions or award-specific terms and conditions.

NP Article II. Environmental national policy requirements. (SEPTEMBER 2017)

Section A. Cross-cutting environmental requirements. You must:

1. You must comply with all applicable Federal environmental laws and regulations. The laws

and regulations identified in this section are not intended to be a complete list.

2. Comply with applicable provisions of the Clean Air Act (42 U.S.C. 7401, et seq.) and Clean Water Act (33 U.S.C. 1251, et seq.).
3. Immediately identify to us, as the Federal awarding agency, any potential impact that you find this award may have on:
 - a. The quality of the “human environment”, as defined in 40 CFR 1508.14, including wetlands; and provide any help we may need to comply with the National Environmental Policy Act (NEPA, at 42 U.S.C. 4321 et seq.), the regulations at 40 CFR 1500-1508, and Executive Order 12114, if applicable; and assist us to prepare Environmental Impact Statements or other environmental documentation. In such cases, you may take no action that will have an environmental impact (e.g., physical disturbance of a site such as breaking of ground) or limit the choice of reasonable alternatives to the proposed action until we provide written notification of Federal compliance with NEPA or Executive Order 12114.
 - b. Flood-prone areas, and provide any help we may need to comply with the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), which require flood insurance, when available, for federally assisted construction or acquisition in flood-prone areas.
 - c. A land or water use or natural resource of a coastal zone that is part of a federally approved State coastal zone management plan and provide any help we may need to comply with the Coastal Zone Management Act of 1972 (16 U.S.C. 1451, et seq.) including preparation of a Federal agency Coastal Consistency Determination.
 - d. Coastal barriers along the Atlantic and Gulf coasts and Great Lakes’ shores, and provide help we may need to comply with the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.), concerning preservation of barrier resources.
 - e. Any existing or proposed component of the National Wild and Scenic Rivers system, and provide any help we may need to comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.).
 - f. Underground sources of drinking water in areas that have an aquifer that is the sole or principal drinking water source, and provide any help we may need to comply with the Safe Drinking Water Act (42 U.S.C. 300f et seq.).
4. You must comply fully with the Endangered Species Act of 1973, as amended (ESA, at 16 U.S.C. 1531 et seq.), and implementing regulations of the Departments of the Interior (50 CFR parts 10-24) and Commerce (50 CFR parts 217-227). You also must provide any help we may need in complying with the consultation requirements of ESA section 7 (16 U.S.C. 1536) applicable to Federal agencies or any regulatory authorization we may need resulting from performance under this award. This is not in lieu of responsibilities you have to comply with provisions of the Act that apply directly to you as a U.S. entity, independent of receiving this award.

5. You must fully comply with the Marine Mammal Protection Act of 1972, as amended (MMPA, at 16 U.S.C. 1361 et seq.) and provide any assistance we may need in obtaining any required MMPA permit resulting from performance under this award.

Section B. Other environmental requirements. RESERVED - Only applicable if provided in DoD Component addendum to these terms and conditions or award-specific terms and conditions.

NP Article III. National policy requirements concerning live organisms. (Not Applicable)

NP Article IV. Other national policy requirements. (September 2020)

Section A. Cross-cutting requirements.

1. Debarment and suspension. You must comply with requirements regarding debarment and suspension in Subpart C of 2 CFR part 180, as adopted by DoD at 2 CFR part 1125. This includes requirements concerning your principals under this award, as well as requirements concerning your procurement transactions and subawards that are implemented in PROC Articles I through III and SUB Article II.
2. Drug-free workplace. You must comply with drug-free workplace requirements in Subpart B of 2 CFR part 26, which is the DoD implementation of 41 U.S.C. chapter 81, “Drug-Free Workplace.”
3. Lobbying.
 - a. You must comply with the restrictions on lobbying in 31 U.S.C. 1352, as implemented by DoD at 32 CFR part 28, and submit all disclosures required by that statute and regulation.
 - b. You must comply with the prohibition in 18 U.S.C. 1913 on the use of Federal funds, absent express Congressional authorization, to pay directly or indirectly for any service, advertisement or other written matter, telephone communication, or other device intended to influence at any time a Member of Congress or official of any government concerning any legislation, law, policy, appropriation, or ratification.
 - c. If you are a nonprofit organization described in section 501(c)(4) of title 26, United States Code (the Internal Revenue Code of 1968), you may not engage in lobbying activities as defined in the Lobbying Disclosure Act of 1995 (2 U.S.C., chapter 26). If we determine that you have engaged in lobbying activities, we will cease all payments to you under this and other awards and terminate the awards unilaterally for material failure to comply with the award terms and conditions.

4. Officials not to benefit. You must comply with the requirement that no member of Congress shall be admitted to any share or part of this award, or to any benefit arising from it, in accordance with 41 U.S.C. 6306.
5. Hatch Act. If applicable, you must comply with the provisions of the Hatch Act (5 U.S.C. 1501-1508) concerning political activities of certain State and local government employees, as implemented by the Office of Personnel Management at 5 CFR part 151, which limits political activity of employees or officers of State or local governments whose employment is connected to an activity financed in whole or part with Federal funds.
6. Native American graves protection and repatriation. If you control or possess Native American remains and associated funerary objects, you must comply with the requirements of 43 CFR part 10, the Department of the Interior implementation of the Native American Graves Protection and Repatriation Act of 1990 (25 U.S.C., chapter 32).
7. Fly America Act. You must comply with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118), commonly referred to as the “Fly America Act,” and implementing regulations at 41 CFR 301-10.131 through 301-10.143. The law and regulations require that U.S. Government financed international air travel of passengers and transportation of personal effects or property must use a U.S. Flag air carrier or be performed under a cost-sharing arrangement with a U.S. carrier, if such service is available.
8. Use of United States-flag vessels. You must comply with the following requirements of the Department of Transportation at 46 CFR 381.7, in regulations implementing the Cargo Preference Act of 1954:
 - a. Pursuant to Public Law 83-664 (46 U.S.C. 55305), at least 50 percent of any equipment, materials or commodities procured, contracted for or otherwise obtained with funds under this award, and which may be transported by ocean vessel, must be transported on privately owned United States- flag commercial vessels, if available.
 - b. Within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, “on-board” commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph 8.a of this section must be furnished to both our award administrator (through you in the case of your contractor’s bill-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590.
9. Research misconduct. You must comply with requirements concerning research misconduct in Enclosure 4 to DoD Instruction 3210.7, “Research Integrity and Misconduct.” The Instruction implements the Governmentwide research misconduct policy that the Office of Science and Technology Policy published in the Federal Register (65 FR 76260, December 6, 2000, available through the U.S. Government Printing Office web site:
<http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>).

10. Requirements for an Institution of Higher Education Concerning Military Recruiters and Reserve Officers Training Corps (ROTC).

- a. As a condition for receiving funds available to the DoD under this award, you agree that you are not an institution of higher education (as defined in 32 CFR part 216) that has a policy or practice that either prohibits, or in effect prevents:
 - i. The Secretary of a Military Department from maintaining, establishing, or operating a unit of the Senior Reserve Officers Training Corps (ROTC)—in accordance with 10 U.S.C. 654 and other applicable Federal laws—at that institution (or any subelement of that institution);
 - ii. Any student at that institution (or any subelement of that institution) from enrolling in a unit of the Senior ROTC at another institution of higher education.
 - iii. The Secretary of a Military Department or Secretary of Homeland Security from gaining access to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of military recruiting in a manner that is at least equal in quality and scope to the access to campuses and to students that is provided to any other employer; or
 - iv. Access by military recruiters for purposes of military recruiting to the names of students (who are 17 years of age or older and enrolled at that institution or any subelement of that institution); their addresses, telephone listings, dates and places of birth, levels of education, academic majors, and degrees received; and the most recent educational institutions in which they were enrolled.
- b. If you are determined, using the procedures in 32 CFR part 216, to be such an institution of higher education during the period of performance of this award, we:
 - i. Will cease all payments to you of DoD funds under this award and all other DoD grants and cooperative agreements; and
 - ii. May suspend or terminate those awards unilaterally for material failure to comply with the award terms and conditions.

11. Historic preservation. You must identify to us any:

- a. Property listed or eligible for listing on the National Register of Historic Places that will be affected by this award, and provide any help we may need, with respect to this award, to comply with section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. 306108), as implemented by the Advisory Council on Historic Preservation regulations at 36 CFR part 800 and Executive Order 11593, “Identification and Protection of Historic Properties,” [3 CFR, 1971-1975 Comp., p. 559]. Impacts to historical properties are included in the definition of “human environment” that require impact assessment under NEPA (See NP Article II, Section A).

- b. Potential under this award for irreparable loss or destruction of significant scientific, prehistorical, historical, or archeological data, and provide any help we may need, with respect to this award, to comply with the Archaeological and Historic Preservation Act of 1974 (54 U.S.C. chapter 3125).
12. Relocation and real property acquisition. You must comply with applicable provisions of 49 CFR part 24, which implements the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, et seq.) and provides for fair and equitable treatment of persons displaced by federally assisted programs or persons whose property is acquired as a result of such programs.
13. Confidentiality of patient records. You must keep confidential any records that you maintain of the identity, diagnosis, prognosis, or treatment of any patient in connection with any program or activity relating to substance abuse education, prevention, training, treatment, or rehabilitation that is assisted directly or indirectly under this award, in accordance with 42 U.S.C. 290dd-2.
14. Pro-Children Act. You must comply with applicable restrictions in the Pro-Children Act of 1994 (Title 20, Chapter 68, subchapter X, Part B of the U.S. Code) on smoking in any indoor facility:
 - a. Constructed, operated, or maintained under this award and used for routine or regular provision of kindergarten, elementary, or secondary education or library services to children under the age of 18.
 - b. Owned, leased, or contracted for and used under this award for the routine provision of federally funded health care, day care, or early childhood development (Head Start) services to children under the age of 18.
15. Constitution Day. You must comply with Public Law 108-447, Div. J, Title I, section 111 (36 U.S.C. 106 note), which requires each educational institution receiving Federal funds in a Federal fiscal year to hold an educational program on the United States Constitution on September 17th during that year for the students served by the educational institution.
16. Trafficking in persons. You must comply with requirements concerning trafficking in persons specified in the award term at 2 CFR 175.15(b), as applicable.
17. Whistleblower protections. You must comply with 10 U.S.C. 2409, including the:
 - a. Prohibition on reprisals against employees disclosing certain types of information to specified persons or bodies; and
 - b. Requirement to notify your employees in writing, in the predominant native language of the workforce, of their rights and protections under that statute.
18. Section 889 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019 (Public Law 115-232) prohibits the head of an executive agency from obligating or expending loan or grant funds to procure or obtain, extend, or renew a contract to procure or obtain, or enter into a contract (or extend or renew a contract) to procure or obtain the equipment, services, or systems prohibited systems as identified in section 889 of the NDAA for FY 2019.

To implement this requirement, in accordance with 2 CFR 200.216 and 200.471, DoD Grants Officers shall include a condition in all awards that are issued on or after August 13, 2020 that provides:

(a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

(1) Procure or obtain;

(2) Extend or renew a contract to procure or obtain; or

(3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.

(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(b) In implementing the prohibition under Public Law 115-232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

(c) See Public Law 115-232, section 889 for additional information.

2. COVERED FOREIGN COUNTRY means the People's Republic of China.

Section B. Additional requirements.

1. Prohibition on Using Funds under Grants and Cooperative Agreements with Entities that Require Certain Internal Confidentiality Agreements.

- a. You may not require your employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting them from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.
- b. You must notify your employees, contractors, and subrecipients that the prohibitions and restrictions of any internal confidentiality agreements inconsistent with paragraph a. of this award provision are no longer in effect.
- c. The prohibition in paragraph 1.a. of this section does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.
- d. If the Federal Government determines that you are not in compliance with this award provision, it:

- i. Will prohibit your use of funds under this award, in accordance with section 743 of Division E of the Consolidated and Further Continuing Resolution Appropriations Act, 2015, (Public Law 113-235) or any successor provision of law; and
- ii. May pursue other remedies available for your material failure to comply with award terms and conditions.

PART 4: FINANCIAL AND PROGRAM MANAGEMENT

FMS Article I. Financial management system standards. (Sep 2017)

Section A. System standard for States. As a State, you must expend and account for funds under this award in accordance with:

1. Applicable State laws; and
2. To the extent they comply with the requirements of Section B of this Article, your procedures for expending and accounting for your own State funds.

Section B. System standards for all recipients. Your financial management system must provide for:

1. Inclusion, in your accounts, of the following information about each DoD grant or cooperative agreement that you receive:
 - a. That you received the award from the DoD;
 - b. The number and title listed in the Catalog of Federal Domestic Assistance for the DoD program under which the award was made;
 - c. The DoD award number;
 - d. The year (your fiscal year) in which you received the award;
2. Accurate, current, and complete disclosure of the financial results of the award needed to comply with financial and programmatic reporting requirements that are specified in REP Articles I and II of these general terms and conditions, as supplemented by any award-specific terms and conditions of this award concerning reporting requirements. If you are asked at any time under this award to report financial information on an accrual basis, you:
 - a. Need not establish an accrual accounting system if you maintain your records on a different basis; and
 - b. May develop the accrual data based on an analysis of the data you have on hand.
3. Records that identify adequately the sources of funds for all activities funded by DoD awards, including any required cost sharing or matching, and the application of those funds. This includes funding authorizations; your obligations and expenditures of the funds; unobligated balances; property and other assets under the award; program income; and interest.

4. Effective control over, and accountability for, all funds, property, and other assets under this award. You must adequately safeguard all assets and assure they are used solely for authorized purposes (see Section C of this Article for additional requirements concerning internal controls).
5. Comparison of expenditures under this award for project or program purposes with amounts in the approved budget for those purposes.
6. Written procedures:
 - a. To implement requirements specified in FMS Article II, “Payments;”
 - b. For determining the allowability of costs, which for this award are determined in accordance with FMS Article III, “Allowable costs, period of availability of funds, and fee or profit,” of these general terms and conditions, as supplemented by any award-specific terms and conditions of this award that relate to allowability of costs.

Section C. Internal controls. Your system of internal controls must conform to OMB guidance in 2 CFR 200.303. With respect to paragraph (e) of 2 CFR 200.303, your internal control system must include measures to safeguard any information that Federal statute, Executive order, or regulation requires to be protected (e.g., personally identifiable or export controlled information), whether generated under the award or provided to you and identified as being subject to protection.

FMS Article II. Payments. (Sep 2017)

Section A. Awards to States. This award is subject to Subpart B of 31 CFR Part 205 (Department of the Treasury regulations implementing the Cash Management Improvement Act). Consistent with Subpart B of 31 CFR Part 205:

1. Payment method, timing, and amounts. You must:
 - a. Minimize the time between your receipt of a payment under this award and your disbursement of those funds for program purposes.
 - b. Limit the amount of each advance payment request to the minimum amount you need to meet your actual, immediate cash requirements for carrying out the program or project.
 - c. Submit each advance payment request approximately 10 days before you anticipate disbursing the requested amount for program purposes, so that your receipt of the funds will be as close in time as is administratively feasible to your actual cash outlay for direct program or project costs and the proportionate share of any allowable indirect costs.

2. Interest. Neither you nor we will incur any interest liability due to a difference in timing between your receipt of payments under this award and your disbursement of those funds for program purposes.

Section B. Awards to institutions of higher education, nonprofit organizations, local governments, and Indian tribes.

1. Payment method. Unless the award-specific terms and conditions of this award provide otherwise, you are authorized to request advance payments under this award. That authorization is contingent on your continuing to maintain, or demonstrating the willingness to maintain, written procedures that minimize the time elapsing between your receipt of each payment and your disbursement of the funds for program purposes.
2. Amounts requested. You must:
 - a. Limit the amount of any advance payment request to the minimum amount needed to meet your actual, immediate cash requirements for carrying out the purpose of the approved program or project, including direct program or project costs and a proportionate share of any allowable indirect costs.
 - b. Exclude from any payment request amounts you are withholding from payments to contractors to assure satisfactory completion of the work. You may request those amounts when you make the payments to the contractors or to escrow accounts established to assure satisfactory completion of the work.
 - c. Exclude from any payment request amounts from any of the following sources that are available to you for program purposes under this award: program income, including repayments to a revolving fund; rebates; refunds; contract settlements; audit recoveries; and interest earned on any of those funds. You must disburse those funds for program purposes before requesting additional funds from us.
3. Timing of requests. For any advance payment you request, you should submit the request approximately 10 days before you anticipate disbursing the requested amount for program purposes. With time for agency processing of the request, that should result in payment as close as is administratively feasible to your actual disbursements for program or project purposes.
4. Frequency of requests. You may request payments as often as you wish unless you have been granted a waiver from requirements to receive payments by electronic funds transfer (EFT). If you have been granted a waiver from EFT requirements, the award-specific terms and conditions of this award specify the frequency with which you may submit payment requests.
5. Withholding of payments. We will withhold payments for allowable costs under the award at any time during the period of performance only if one or more of the following applies:

- a. We suspend either payments or the award, or disallow otherwise allowable costs, as a remedy under OAR Article III due to your material failure to comply with Federal statutes, regulations, or the terms and conditions of this award. If we suspend payments and not the award, we will release withheld payments upon your subsequent compliance. If we suspend the award, then amounts of payments are subject to adjustment in accordance with the terms and conditions of OAR Article III.
 - b. You are delinquent in a debt to the United States as defined in OMB Circular A-129, “Policies for Federal Credit Programs and Non-Tax Receivables,” in which case we may, after reasonable notice, inform you that we will not make any further payments for costs you incurred after a specified date until you correct the conditions or liquidate the indebtedness to the Federal Government.
 - c. The award-specific terms and conditions include additional requirements that provide for withholding of payments based on conditions identified during our pre-award risk evaluation, in which case you should have been notified about the nature of those conditions and the actions needed to remove the additional requirements.
6. Depository requirements.
- a. There are no eligibility requirements for depositories you use for funds you receive under this award.
 - b. You are not required to deposit funds you receive under this award in a depository account separate from accounts in which you deposit other funds. However, FMS Article I requires that you be able to account for the receipt, obligation, and expenditure of all funds under this award.
 - c. You must deposit any advance payments of funds you receive under this award in insured accounts whenever possible and, unless any of the following apply, you must deposit them in interest-bearing accounts:
 - i. You receive a total of less than \$120,000 per year under Federal grants and cooperative agreements.
 - ii. You would not expect the best reasonably available interest-bearing account to earn interest in excess of \$500 per year on your cash balances of advance payments under Federal grants and cooperative agreements.
 - iii. The best reasonably available interest-bearing account would require you to maintain an average or minimum balance higher than it would be feasible for you to do within your expected Federal and non-Federal cash balances.
 - iv. A foreign government or banking system precludes your use of interest-bearing accounts.

- d. You may retain for administrative expenses up to \$500 per year of interest that you earn on advance payments you receive under this award and other Federal grants and cooperative agreements. You must remit annually the rest of the interest to the Department of Health and Human Services, Payment Management System, using the procedures set forth in 2 CFR 200.305(b)(9).

Section C. Electronic funds transfer and other payment procedural instructions or information.

1. Electronic funds transfer. Unless the award-specific terms and conditions of this award provide otherwise, you will receive payments under this award by electronic funds transfer.
2. Reimbursement method of payment. You are authorized to request payment by reimbursement instead of requesting advance payments. This may reduce the administrative burden necessary to comply with the requirements in this Article that apply when you request payment in advance, for example, timing your requests to coincide with your actual disbursements and remitting interest.

FMS Article III. Allowable costs, period of availability of funds, and fee or profit. (Sep 2017)

Section A. Allowable costs. This Section specifies which Federal cost principles must be used in determining the allowability of costs charged to this award, a subrecipient's costs charged to any cost-type subaward that you make under this award, and a contractor's costs charged to any cost-type procurement transaction into which you enter under this award. These cost principles also govern the allowable costs that you or a subrecipient of a subaward at any tier below this award may consider when establishing the amount of any fixed-amount subaward or fixed price procurement transaction at the next lower tier. The set of cost principles to be used in each case depends on the type of entity incurring the cost under the award, subaward, or contract.

1. General case. If you, your subrecipient, or your contractor is:
 - a. An institution of higher education, the allowability of costs must be determined in accordance with provisions of Subpart E of OMB guidance in 2 CFR Part 200 other than 2 CFR 200.400(g), supplemented by Appendix III to that Part.
 - b. A nonprofit organization other than a hospital or institution of higher education, the allowability of costs must be determined in accordance with provisions of Subpart E of OMB guidance in 2 CFR Part 200 other than 2 CFR 200.400(g), supplemented by Appendices IV and VIII to that Part. In accordance with guidance in 2 CFR 200.401(c), a nonprofit organization listed in Appendix VIII to 2 CFR Part 200 is subject to the cost principles for for-profit entities specified in paragraph 1.d of this Section.

- c. A State, local government, or Indian tribe, the allowability of costs must be determined in accordance with applicable provisions of Subpart E of OMB guidance in 2 CFR Part 200 other than 2 CFR 200.400(g), supplemented by Appendices V through VII to that Part.
 - d. A for-profit entity (other than a hospital) or a nonprofit organization listed in Appendix VIII to 2 CFR Part 200:
 - i. The allowability of costs must be determined in accordance with:
 - A. The cost principles for commercial organizations in the FAR at subpart 31.2 of 48 CFR Part 31, as supplemented by provisions of the DFARS at subpart 231.2 of 48 CFR Part 231; and
 - B. For a for-profit entity, the additional provisions on allowability of audit costs, in 32 CFR 34.16(f).
 - ii. In the case of a subaward to a for-profit entity, the indirect cost rate to use in that determination is:
 - A. The for-profit entity's federally negotiated indirect cost rate if it has one.
 - B. Subject to negotiation between you and the for-profit entity if it does not have a federally negotiated indirect cost rate. The rate that you negotiate may provide for reimbursement only of costs that are allowable in accordance with the cost principles specified in paragraph A.1.d.i of this article.
2. Exception. You may use your own cost principles in determining the allowability of a contractor's costs charged to a cost-type procurement transaction under this award--or in pricing for a fixed-price contract based on estimated costs--as long as your cost principles comply with the Federal cost principles that paragraph A.1 of this Section identifies as applicable to the contractor.

Section B. Period of availability of funds. You may charge to this award only:

- 1. Allowable costs incurred during the period of performance specified in this award, including any subsequent amendments to it; and
- 2. Pre-award costs that you incurred, at your own risk, up to 90 calendar days before the start date of the period of performance, as long as they are costs that would be allowable charges if they were incurred during the period of performance.

Section C. Fee or profit.

1. You may not receive any fee or profit under this award.
2. You may not use funds available to you under this award to pay fee or profit for an entity of any type to which you make a subaward.
3. You may pay fee or profit to an entity with which you enter into a procurement transaction to purchase goods or general support services for your use in carrying out the project or program under the award.

FMS Article IV. Revision of budget and program plans. (Sep 2017)

Section A. Revisions requiring prior approval. You must request prior approval from us for any of the following program or budget revisions:

1. A change in the scope or objective of the project or program under this award, even if there is no associated budget revision that requires our prior approval.
2. A change in the program manager.
3. The inclusion of direct costs that require prior approval in accordance with the applicable cost principles, as identified in FMS Article III.
4. The transfer to other categories of expense of funds included in the approved budget for participant support costs, as defined at 2 CFR 200.75.
5. A subaward to another entity under which it will perform a portion of the substantive project or program under the award, if it was not included in the approved budget. This does not apply to your contracts for acquisition of supplies, equipment, or general support services you need to carry out the program.
6. Any change in the cost sharing or matching you provide under the award, as included in the approved budget, for which FMS Article VI requires prior approval.
7. A transfer of funds among direct cost categories or programs, functions, and activities, if the federal share of the total value of the award exceeds the simplified acquisition threshold and the cumulative amount of the transfers exceeds or is expected to exceed 10 percent of the approved budget.
8. The need arises for additional Federal funds to complete the project or program.

Section B. Procedures. We will review each request you submit for prior approval for a budget or program change and, within 30 calendar days of our receipt of your request, we will respond to you in writing to either:

1. Notify you whether your request is approved; or
2. Inform you that we still are considering the request, in which case we will let you know when you may expect our decision.

FMS Article V. Non-Federal audits. (July 2018)

Section A. Requirements for entities subject to the Single Audit Act. You and each subrecipient under this award that is an institution of higher education, nonprofit organization, State, local government, or Indian tribe must comply with the audit requirements specified in Subpart F of 2 CFR Part 200, which is the OMB implementation of the Single Audit Act, as amended (31 U.S.C. chapter 75).

Section B. Requirements for for-profit entities. Any for profit entity that receives a subaward from you under this award is subject to the audit requirements specified in 32 CFR 34.16. In accordance with the Class Deviation for the Single Audit Act for For-Profit Assistance Awards, dated 29 June 2018, the audit requirement threshold has been increased to \$750,000. Your subaward terms and conditions will require the subrecipient to provide the reports to you if it is willing to do so, so that you can resolve audit findings that pertain specifically to your subaward (e.g., disallowance of costs). If the for profit entity is unwilling to agree to provide the auditor's report to you, contact the grants officer for this award to discuss an alternative approach for carrying out audit oversight of the subaward. If the grants officer does not provide an alternative approach within 30 days of receiving your request, you may determine an approach to ensure the for profit subrecipient's compliance with the subaward terms and conditions, as described in OMB guidance at 2 CFR 200.501(h).

FMS Article VI. Cost sharing or matching. (Aug 2020)**Section A. Required cost sharing or matching.**

1. Cost sharing or matching required under this award is shown in the award and included in the approved budget. That cost sharing or matching includes all:
 - a. Cash and third-party in-kind contributions.
 - b. Contributions to the project or program made either by or through (if made by a third party) you and any subrecipients.
2. You must obtain our prior approval if you wish to:
 - a. Change the percentage of cost sharing or matching required under this award; or
 - a. Use any third-party in-kind contribution that was not included in the most recently approved budget toward cost sharing or matching required under this award. Requests to use or substitute a third-party in-kind contribution must be submitted for Grants Officer (GO) approval via email. The GO will review the request and reply via email with approval or disapproval within 30 days.

Section B. Allowability as cost sharing or matching. Each cash or third-party in-kind contribution toward any cost sharing or matching required under this award, whether put forward by you or a subrecipient under a subaward that you make, is allowable as cost sharing or matching if:

1. You (or the subrecipient, if it is a subrecipient contribution) maintain records from which one may verify that the contribution was made to the project or program and, if it

2. The contribution is not counted as cost sharing or matching for any other Federal award.
3. The contribution is:
 - a. Allowable under the cost principles applicable to you (or the subrecipient, if it is a subrecipient contribution) under FMS Article III of these terms and conditions; and
 - b. Allocable to the project or program and reasonable.
4. The Government does not pay for the contribution through another Federal award, unless that award is under a program that has a Federal statute authorizing application of that program's Federal funds to other Federal programs' cost sharing or matching requirements.
5. The value of the contribution is not reimbursed by the Federal share of this award as either a direct or indirect cost.
6. The contribution conforms to the other terms and conditions of this award, including the award-specific terms and conditions.

Section C. Allowability of unrecovered indirect costs as cost sharing or matching. You may use your own or a subrecipient's unrecovered indirect costs as cost sharing or matching under this award. Unrecovered indirect costs means the difference between the amount of indirect costs charged to the award and the amount that you and any subrecipients could have charged in accordance with your respective approved indirect cost rates, whether those rates are negotiated or de minimis (as described in 2 CFR 200.414(f)).

Section D. Valuation of services or property that you or subrecipients contribute or donate. Services or property contributed or donated toward cost sharing or matching by you or subrecipients are distinct from third-party contributions or donations to you or subrecipients, which are addressed in Section E of this Article. Values established for contributions of services or property by you or a subrecipient must be the amounts allowable in accordance with the cost principles applicable to the entity making the contribution (i.e., you or the subrecipient), as identified in FMS Article III. For property, that generally is depreciation.

Section E. Valuation of third-party in-kind contributions.

1. General. If a third party furnishes goods or services to you or subrecipients that are to be counted toward cost sharing or matching under this award, the entity to which the third party furnishes the goods or services (i.e., you or a subrecipient) must document the fair market value of those in-kind contributions and, to the extent feasible, support those values using the same methods the entity uses internally.
2. Valuation of third-party services. You must establish values for third-party volunteer services and services of third parties' employees furnished to you or subrecipients as follows:
 - a. Volunteer services. Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor must be valued

- b. Services of third parties' employees. When a third party organization furnishes the services of its employees to you or a subrecipient, values for the contributions must be established in accordance with 2 CFR 200.306(f).
 - c. Additional requirement for donations to nonprofit organizations. For volunteer services or services of third parties' employees furnished to a nonprofit organization:
 - i. OMB guidance in 2 CFR 200.434(e) also applies and may require the nonprofit organization to allocate a proportionate share of its applicable indirect costs to the donated services.
 - ii. The indirect costs that the nonprofit organization allocates to the donated services in that case must be considered project costs and may be either reimbursed under the award or counted toward required cost sharing or matching, but not both.
3. Valuation of third-party property. You must establish values for third-party property furnished to you or subrecipients as follows:
- a. Supplies donated by third parties. When a third party organization donates supplies (e.g., office, laboratory, workshop, or classroom supplies), the value that may be counted toward cost sharing or matching may not exceed the fair market value of the supplies at the time of donation.
 - b. Use of space donated by third parties. If a third party makes space available for use by you or a subrecipient, the value that you may count toward cost sharing or matching may not exceed the fair rental value of comparable space as established by an independent appraisal, as described in 2 CFR 200.306(i)(3).

FMS Article VII. Program income. (MAY 2019)

Section A. Earning program income. You may earn program income under this award when doing so does not interfere with the program the award supports. Charging clients anything other than fees described in Part 3 Section C(2)(g) for the assistance the PTAC provides is inconsistent with the requirement.

Section B. Costs of generating program income. You may deduct costs incidental to the generation of program income from the amount that you use in accordance with Section D of this Article, as long as those costs are not charged to this award (which includes their being counted toward any cost sharing or matching you are required to provide).

Section C. License fees and royalties. You have no obligations to the Federal Government with respect to program income earned under this award from license fees and royalties for patents or patent applications, copyrights, trademarks, or inventions developed or produced under the award.

Section D. Use of program income.

1. You must use any program income that you earn during the period of performance under this award using the addition method, to increase the amount of the award (the sum of the

Federal share and any cost sharing or matching you are required to provide), thereby increasing the amount budgeted for the project. The program income must be used for the purposes and under the terms and conditions of the award. (e.g. reasonable and necessary for the operation of the PTAC and create audit trail documentation showing how program income was earned and how it was expended)

2. Your use of the additional funding is subject to the terms and conditions of this award, including:
 - a. FMS Article II concerning your use of balances of program income before you request additional funds from us; and
 - b. FMS Article III concerning allowability of costs for which the funds may be used.
3. You must report on each Federal Financial Report (SF-425) that you submit in accordance with REP Article II the program income that you earn and any that you use during the reporting period covered by that SF-425.
4. Any unspent program income balance earned may be carried forward from the previous fiscal year. This program income may not exceed 25% of the cooperative agreement's awarded amount. The excess program income carried forward must be **fully expended** prior to requesting additional Federal reimbursement under the new award. (See SF270 Instructions)
5. If there is no follow-on award, the PTAC shall notify DLA of the amount of program income the PTAC carried over from the previous fiscal year and may retain 10% of the value of the federally funded amount.
6. In determining the value of assistance provided by DLA for any fiscal year, DLA shall account for any income the PTAC entity carried over from the previous year.

Section E. Duration of accountability for program income. The requirements concerning disposition of program income in Section D of this Article apply only to program income you earn during the period of performance. There are no requirements under this award applicable to program income you earn after the end of the period of performance.

PART 5: PROPERTY ADMINISTRATION

PROP Article I. Title to property. (Mar 2015)

Section A. Title to property acquired under this award.

1. Title to real property, equipment, and supplies that you acquire (whether by purchase, construction or fabrication, development, or otherwise) and charge as direct project costs under this award vests in you, the recipient. Title to intangible property that you acquire (other than by developing or producing it) under this award also vests in you.
2. That title is a conditional title, subject to the terms and conditions in PROP Articles II-IV, Section C of PROP Article V, and REP Article III of this award.
3. There is a Federal interest in the property, other than intangible property that you develop or produce under the award. For real property, equipment, and intangible property, we retain this Federal interest until final disposition of the property under PROP Article III (for real property), PROP Article IV (for equipment), or Section C of PROP Article V (for intangible property that is acquired, other than by developing or producing it), a period that in some cases may extend beyond closeout of this award.

Section B. Property trust relationship. Other than intangible property that you develop or produce under the award, you hold any real property, equipment, or intangible property that you acquire or improve under this award in trust for the beneficiaries of the project or program that you are carrying out under the award.

Section C. Federal interest in property improved under the award.

1. The Government has an interest in improvements (as distinct from ordinary repairs and maintenance) you make to an item of real property or equipment if you charge the costs of the improvements as direct costs to this award.
2. We thereby acquire an interest in the property if the Government did not previously have one. If the Government already had an interest in the property, the value of that Federal interest in the property increases by the amount of the Federal interest in the improvements.
3. The property is subject to Section B of this Article and the terms and conditions of PROP Articles II-IV and REP Article III that are applicable to real property or equipment acquired under the award.
4. The Federal interest must be addressed at the time of property disposition.

PROP Article II. Property management system. (Mar 2015)

Section A. Insurance coverage for real property and equipment. You must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved under this award as you provide for real property and equipment that you own.

Section B. Other management system standards for a State. Your property management

system for equipment acquired or improved in whole or in part under this award must be in accordance with your State laws and procedures.

Section C. Other management system standards for an institution of higher education, nonprofit organization, local government, or Indian tribe. Your procedures for managing equipment (including replacement equipment) acquired or improved in whole or in part under this award must, as a minimum, meet the requirements in this Section.

1. Records. You must maintain records that include for each item of equipment:
 - a. A description of the item.
 - b. The serial or other identification number.
 - c. Who holds title (e.g., you or the Government and, if the latter, which Federal agency).
 - d. The source of funding for the equipment, including the award number.
 - e. The acquisition date and cost of the equipment (or improvement to the equipment).
 - f. The location, use, and condition of the equipment.
 - g. Information from which one can calculate the amount of the Federal interest in the acquisition or improvement of the item (this amount is zero after you compensate us for the Federal interest in the item or improvement).
 - h. Any data on the ultimate disposition of the item including the date of disposal and sale price.
2. Inventory. You must take a physical inventory of equipment in which there is a Federal interest and reconcile the results with your records at least once every 2 years.
3. Control system. You must:
 - a. Maintain an internal property control system with adequate safeguards to prevent loss, damage, or theft of equipment.
 - b. Investigate any loss, damage, or theft and notify the award administration office if it involved equipment in which there is a Federal interest under the award.
4. Maintenance. You must maintain equipment acquired or improved in whole or in part under the award in good condition.

PROP Article III. Use and disposition of real property. (May 2016)

Section A. Use of real property.

1. You must use real property acquired or improved under this award for the originally authorized purpose as long as needed for that purpose. During that time, you may not:
 - a. Dispose of the property except, with the approval of the award administration

- office, to acquire replacement property under this award, in which case you may use the proceeds from the disposition as an offset to the cost of the replacement property; or
- b. Encumber the title or other interests in the property without the approval of the award administration office identified in this award.
2. During the time that the real property is used for the originally authorized purpose, you may make the property available for use on other projects or programs, but only if that use will not interfere with the property's use as needed for its originally authorized purpose.
 - a. First preference must be given to other projects or programs supported by DoD Components and second preference to those supported by other Federal agencies.
 - b. Third preference is for other projects or programs not currently supported by the Federal Government. You should charge user fees for use of the property in those cases, if it is at all practicable.
 3. When the real property is no longer needed for the originally authorized purpose, with the written approval of the award administration office, you may delay final disposition of the property to use it on other federally sponsored projects or programs. A condition for the award administration office's approval is that the other projects or programs have purposes consistent with those authorized for support by the DoD Component that made the award under which the property was acquired or improved.

Section B. Disposition of real property. When you no longer need real property for the originally authorized purpose, you must obtain disposition instructions from the award administration office except as provided in paragraph A.3 of this Article. Those instructions will provide for one of the following three alternatives, which are that you:

1. Retain title after compensating us for the Federal interest in the property, which is to be computed as specified in the definition of "Federal interest."
2. Sell the property and compensate us for the Federal interest in the property, as described in 2 CFR 200.311(c)(2).
3. Transfer title to us or a third party we designate, as described in 2 CFR 200.311(c)(3).

PROP Article IV. Use and disposition of equipment and supplies. (May 2016)

Section A. Property subject to this Article. This Article specifies requirements for use and disposition of equipment and supplies. The types of property to which this Article applies are:

1. Supplies that you acquire either by purchase or by donation as cost sharing or matching under this award; and
2. Equipment for which title is vested conditionally in you, pending resolution of a Federal interest in the equipment. That includes equipment with a conditional title resulting from your having, either under this award or under a previous award from which you transferred accountability for the equipment to this award:

- a. Directly charged as project costs, in whole or in part, the acquisition (by purchase, construction or fabrication, or development) of equipment; or
- b. Directly charged as project costs improvements to the equipment that meet the criteria given in paragraph C.1 of PROP Article I.

Section B. Requirements for a State’s use and disposition of equipment. You:

1. Must use the equipment for the authorized purposes of the project or program during the period of performance, or until the property is no longer needed for those purposes.
2. May not encumber the property without the prior written approval of the award administration office.
3. Must use and dispose of the equipment in accordance with your State laws and procedures, subject to the following condition. For any item of equipment that is no longer needed for the originally authorized purpose and has a current fair market value greater than \$5,000, the disposition process must include either your:
 - a. Payment of compensation to us in the amount of the Federal interest in the equipment; or
 - b. Contacting the award administration office to work out a mutually agreeable alternative that takes into account the Federal and State interests in that item of equipment. Examples of alternatives, subject to the agreement of the award administration office, include:
 - i. Deferring final disposition to allow continued use of the equipment on other federally supported projects or programs, as described in 2 CFR 200.313(c)(1);
 - ii. Agreeing to transfer title to the Federal Government or a third party, with compensation to you for the State interest in the equipment, as described in 2 CFR 200.313(e)(3).

Section C. Use of equipment by an institution of higher education, nonprofit organization, local government, or Indian tribe. You:

1. Must use the equipment for the authorized purposes of the project or program under this award until the equipment is no longer needed for those purposes, whether or not the project or program continues to be supported by this award.
2. May not encumber the equipment without the prior written approval of the award administration office.
3. During the time that the equipment is used for the project or program under this award:
 - a. You must make the equipment available for use on other projects or programs but only if that use will not interfere with the equipment’s use as needed for the project or program supported by this award.
 - i. First preference must be given to other projects or programs supported or

previously supported by DoD Components and second preference to those supported or previously supported by other Federal agencies.

- ii. Third preference is for other projects or programs not supported by the Federal Government. You should charge user fees for use of the equipment in those cases, if it is at all practicable.
 - b. You may use the equipment, if you need to acquire replacement equipment, as a trade-in or sell it (using sales procedures designed to ensure the highest possible return) and use the proceeds from the sale to offset the cost of the replacement equipment.
4. When the equipment is no longer needed for the project or program under this award, you may defer final disposition of the equipment and continue to use it on other federally sponsored projects or programs. You must give first priority to other projects or programs supported by DoD Components.
 5. Notwithstanding the authorization in FMS Article VII to earn program income, you may not use equipment in which there currently is a Federal interest--whether you acquired it under this award or are otherwise accountable for it under this award--to provide services for a fee that is less than private companies charge for equivalent services.

Section D. Disposition of equipment by an institution of higher education, nonprofit organization, local government, or Indian tribe. You must request disposition instructions from the award administration office when either original or replacement equipment acquired under this award with a current fair market value that exceeds \$5,000 is no longer needed for the original project or program or for other federally sponsored activities as described in paragraph C.4 of this Article. For each item of equipment with a current fair market value of \$5,000 or less, you may retain, sell, or otherwise dispose of the item with no further obligation to the Federal Government.

1. We may issue disposition instructions that:
 - a. Allow you to retain or sell any item of equipment after compensating us for the Federal interest in the property, which is to be computed as specified in the definition of “Federal interest”; or
 - b. Require you to transfer title to the equipment to a Federal agency or a third party, in which case you are entitled to compensation from us for the non-Federal interest in the equipment, plus any reasonable shipping or interim storage costs incurred.
2. If we fail to provide disposition instructions for any item of equipment within 120 calendar days of receiving your request, you may retain or sell the equipment but you must compensate us for the amount of the Federal interest in the equipment.
3. If you sell the equipment:
 - a. You must use sales procedures designed to ensure the highest possible return; and
 - b. You may deduct and retain for selling and handling expenses either \$500 or ten percent of the proceeds, whichever is less.

Section E. Use and disposition of supplies acquired under this award.

1. Use. As long as we retain a Federal interest in supplies acquired under this award either by purchase or by donation as cost sharing or matching, you may not use the supplies to provide services to other organizations for a fee that is less than private companies charge for equivalent services, notwithstanding the authorization in FMS Article VII to earn program income.
2. Disposition. If you have a residual inventory of unused supplies with aggregate value exceeding \$5,000 at the end of the period of performance under this award, and the supplies are not needed for any other Federal award, you must retain the supplies or sell them but must in either case compensate us for the amount of the Federal interest in the supplies. You may deduct and retain for selling and handling expenses either \$500 or ten percent of the proceeds, whichever is less.

PROP Article V. Intangible property. (May 2016)**Section A. Copyrights asserted in works developed or purchased under the award.**

1. You may assert copyright in any work that is eligible for copyright protection if you acquire ownership of it under this award, either by developing it or otherwise.
2. With respect to any work in which you assert copyright, as described in paragraph A.1 of this Section, the DoD reserves a royalty-free, nonexclusive and irrevocable license to:
 - a. Reproduce, publish, or otherwise use the work for Federal Government purposes; and
 - b. Authorize others to reproduce, publish, or otherwise use the work for Federal Government purposes.

Section B. Data produced under the award. The Federal Government has the right to:

1. Obtain, reproduce, publish, or otherwise use the data produced under this award; and
2. Authorize others to receive, reproduce, publish, or otherwise use the data produced under this award for Federal Government purposes.

Section C. Use and disposition of intangible property acquired, but not developed or produced, under the award.

1. **Applicability.** This Section applies to a patent, patent application, copyright, or other intangible property acquired, but not developed or produced, under this award.
2. **Use.** You:
 - a. Must use the intangible property for the authorized purpose under this award until the intangible property is no longer needed for that purpose, whether or not that purpose is still being supported by this award.
 - b. May not encumber the intangible property without the prior written approval of the award administration office.
3. **Disposition.** When the intangible property is no longer needed for the originally authorized purpose, you must contact the award administration office to arrange for disposition in accordance with the procedures specified for disposition of equipment in either section B or D of PROP Article IV, as applicable.

PART 6: PROCUREMENT PROCEDURES

PROC Article I. Procurement standards for States. (Mar 2015)

Section A. Use of State procurement system. Subject only to the conditions in Sections B through D of this Article, you must use the same policies and procedures to procure supplies, equipment, real property, and services under this award that you use when you procure those items for State purposes using non-Federal funds.

Section B. Procurement of recovered materials. You must comply with the Resource Conservation and Recovery Act requirements described in OMB guidance in 2 CFR 200.322.

Section C. Debarment and suspension. You must comply with restrictions on awarding procurement transactions to excluded or disqualified parties and other requirements specified by OMB guidelines on nonprocurement debarment and suspension at 2 CFR Part 180, as implemented by DoD at 2 CFR Part 1125.

Section D. Contract provisions. You must include provisions in your procurement transactions under this award to require the contractors' compliance with the requirements specified in PROC Article III, as applicable.

PROC Article II. Procurement standards for institutions of higher education, nonprofit organizations, local governments, and Indian tribes. (JULY 2017)

Section A. General procurement standards.

1. For procurement under this award, you must comply with the OMB guidance in 2 CFR 200.318.
2. You must do business only with responsible contractors who are able to perform, as described in OMB guidance in 2 CFR 200.318(h). Related to that, you must comply with restrictions on awarding procurement transactions to excluded or disqualified parties and other requirements specified by OMB guidelines on nonprocurement debarment and suspension at 2 CFR part 180, as implemented by DoD at 2 CFR part 1125.

Section B. Competition. You must award procurement transactions under this award in accordance with the competition requirements described in OMB guidance in 2 CFR 200.319.

Section C. Procurement methods. You must award procurement transactions under this award using methods described in OMB guidance in 2 CFR 200.320. However, in accordance with OMB Memorandum M-18-18 dated 20 June 2018, the threshold for using the procedures for micro-purchases identified in the OMB guidance at 2 CFR 200.320(a) is \$10,000, in lieu of any other

micro-purchase threshold amount referenced in 2 CFR 200.67, unless you received written approval for a higher threshold from your Federal cognizant agency for indirect costs.

Section D. Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms. You must take the affirmative steps described in OMB guidance in 2 CFR 200.321 when awarding procurement transactions under this award.

Section E. Contract cost and price. When awarding a procurement transaction under this award, you must follow the procedures related to cost and price that are described in OMB guidance in 2 CFR 200.323, using the applicable cost principles specified in FMS Article III.

Section F. Contract provisions. You must include provisions in your procurement transactions under this award to require the contractors’ compliance with the requirements of PROC Article III, as applicable.

Section G. Procurement of recovered materials. If you are a political subdivision of a State, you must comply with the Resource Conservation and Recovery Act requirements described in OMB guidance in 2 CFR 200.322.

Section H. Review of procurement documents. Upon our request, you must make available:

1. Technical specifications on proposed procurement transactions, as described in 2 CFR 200.324(a).
2. Pre-procurement documents for our review, as described in 2 CFR 200.324(b) unless you are exempt from that requirement under 2 CFR 200.324(c).

PROC Article III. Contract provisions for recipient procurements. (May 2016)

Section A. Contract provisions for administrative requirements.

1. Remedies. In any contract under this award for an amount in excess of the simplified acquisition threshold, you must provide for administrative, contractual, or legal remedies, including any appropriate sanctions and penalties, when the contractor violates or breaches the contract terms.
2. Termination. In any contract for an amount in excess of \$10,000, you must specify: conditions under which you may terminate the contract for cause or convenience; the procedures for termination; and the basis to be used for settlement.
3. Allowable costs under cost-type contracts. In any cost-type contract with an entity, you must include a clause to permit the entity to charge to the contract only costs that are allowable under the cost principles that FMS Article III identifies as applicable to that type of entity, as supplemented by any award-specific terms and conditions related to allowability of costs that are included in this award. Your contract clause may permit the contractor to use its own cost principles in determining the allowability of its costs charged to the contract, as long as its cost principles comply with those Federal cost principles supplemented by any award-specific terms and conditions of this award.
4. Rights in copyright and data. You must include in each contract under this award a provision requiring that the contractor:

- a. Grant the Government a royalty-free, nonexclusive and irrevocable right to:
 - i. Reproduce, publish, or otherwise use for Federal purposes any work that is subject to copyright and that the contractor develops, or acquires ownership of, under this award;
 - ii. Authorize others to reproduce, publish, or otherwise use such work for Federal purposes; and
 - b. Grant the Government the right to:
 - i. Obtain, reproduce, publish, or otherwise use data produced under this award;
 - ii. Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes; and
 - c. Include the Government rights described in subparagraphs 4.a. and 4.b. of this section in any subcontracts.
5. Access to records.
- a. In any negotiated, cost-type or time and materials contract for an amount in excess of the simplified acquisition threshold, you must provide for access to any of the contractor's books, documents, papers, and records that are directly pertinent to that contract, to enable and support audits, examinations, excerpts, and transcriptions. The contract provision must provide access to those records for all of the following and their duly authorized representatives:
 - i. You;
 - ii. Us as the Federal awarding agency, including our Inspector General; and
 - iii. The Comptroller General of the United States.
 - b. In any audit services contract for performance of an audit required by the Single Audit Act, as implemented by OMB in Subpart F of 2 CFR Part 200, you must provide for the access to audit documentation described in 2 CFR 200.517(b).
6. Records retention.
- a. In any negotiated, cost-type or time and materials contract for an amount in excess of the simplified acquisition threshold, you must provide for retention of all records that are directly pertinent to that contract for 3 years after you make final payment and all pending matters are closed.
 - b. In any audit services contract for performance of an audit required by the Single Audit Act, as implemented by OMB in Subpart F of 2 CFR Part 200, you must provide for the retention of audit documentation described in 2 CFR 200.517(a).
7. Reporting. In any contract awarded under this award, you must include any provision for the contractor's reporting to you that may be needed in order for you to meet your

Section B. Contract provisions for national policy requirements.

1. Equal employment opportunity. You must include the clause provided in 41 CFR 60-1.4(b) in any “federally assisted construction contract” (as defined in 41 CFR 60-1.3) under this award unless provisions of 41 CFR Part 60-1 exempt the contract from the requirement.
2. Wage Rate Requirements (Construction), formerly the Davis-Bacon Act. With respect to each construction contract for more than \$2,000 to be awarded using funding provided under this award, you must:
 - a. Place in the solicitation under which the contract will be awarded a copy of the current prevailing wage determination issued by the Department of Labor;
 - b. Condition the decision to award the contract upon the contractor’s acceptance of that prevailing wage determination;
 - c. Include in the contract the clauses specified at 29 CFR 5.5(a) in Department of Labor regulations at 29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction,” to require the contractor’s compliance with the Wage Rate Requirements (Construction), as amended (40 U.S.C. 3141-44, 3146, and 3147); and
 - d. Report all suspected or reported violations to the award administration office identified in this award.
3. Copeland Act prohibition on kickbacks. In each contract under this award to construct, complete, or repair a building or work, you must:
 - a. Include a provision requiring the contractor to comply with the anti-kickback provisions of the Copeland Act (18 U.S.C. 874 and 40 U.S.C. 3145), as supplemented by Department of Labor regulations at 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.”
 - b. Report all suspected or reported violations to the award administration office identified in this award.
4. Clean air and water requirements. You must:
 - a. In each contract for an amount greater than \$150,000 under this award, include a clause requiring the contractor to comply with applicable provisions of the Clean Air Act (42 U.S.C. 7401-7671q), Federal Water Pollution Control Act (33 U.S.C. 1251-1387), and standards, orders, or regulations issued under those acts; and

- b. Report any violations of the Acts, standards, orders, or regulations to both the award administration office identified in this award and the appropriate regional office of the Environmental Protection Agency.
5. Nonprocurement suspension and debarment. Unless you have an alternate method for requiring the contractor's compliance, you must include a clause in each contract for an amount equal to or greater than \$25,000 and in each contract for federally required audit services to require the contractor to comply with OMB guidance on nonprocurement suspension and debarment in 2 CFR Part 180, as implemented by DoD regulations at 2 CFR Part 1125.
6. Byrd Amendment anti-lobbying requirements. In each contract for an amount exceeding \$100,000, you must include a clause requiring the contractor to submit to you the certification and any disclosure forms regarding lobbying that are required under 31 U.S.C. 3152, as implemented by the DoD at 32 CFR Part 28.
7. Purchase of recovered materials by States or political subdivisions of States. In each contract under which the contractor may purchase items designated in Environmental Protection Agency (EPA) regulations in 40 CFR Part 247, subpart B, you must include a clause requiring the contractor to comply with applicable requirements in those EPA regulations, which implement Section 6002 of the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. 6962).
8. Fly America requirements. In each contract under which funds provided under this award might be used for international air travel for the transportation of people or property, you must include a clause requiring the contractor to:
 - a. Comply with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 40118, also known as the "Fly America" Act), as implemented by the General Services Administration at 41 CFR 301-10.131 through 301-10.143, which provides that U.S. Government-financed international air travel and transportation of personal effects or property must use a U.S. Flag air carrier or be performed under a cost-sharing arrangement with a U.S. carrier, if such service is available; and
 - b. Include the requirements of the Fly America Act in all subcontracts that might involve international air transportation.
9. Cargo preference for United States flag vessels. In each contract under which equipment, material, or commodities may be shipped by oceangoing vessels, you must include the clause specified in Department of Transportation regulations at 46 CFR 381.7(b) to require that at least 50 percent of equipment, materials or commodities purchased or otherwise obtained with Federal funds under this award, and transported by ocean vessel, be transported on privately owned U.S. flag commercial vessels, if available.

PART 7: FINANCIAL, PROGRAMMATIC, AND PROPERTY REPORTING

REP Article I. Performance management, monitoring, and reporting. (May 2016)

Section A. Required reporting periods, forms, format, data elements, frequency, due dates and procedures for interim and final performance reports. Required reporting periods, forms, format, data elements, frequency, due dates and procedures for interim and final performance reports are in Appendix A to these general terms and conditions, “DLA Form 1806”.

Section B. Extensions of due dates. You may request extensions of the due dates that Section A of this Article specifies for interim and final reports, respectively. You must provide the reasons for your request and we will approve extensions that are adequately justified.

Section C. Reporting significant developments. You must report the following information to us as soon as you become aware of it:

1. Problems, delays, or adverse conditions that will materially impair your ability to meet the objectives of this award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
2. Favorable developments which will enable you to meet schedules and objectives sooner or at less cost than anticipated or produce more or different beneficial results than originally planned.

Section D. Site visits. We reserve the right to make site visits as warranted to monitor program performance under this award.

REP Article II. Financial reporting. (Jun 2018)

Section A. Required reporting form, format, or data elements for interim and final financial reports. You must use the SF 425 “Federal Financial Report” and complete all lines including lines 10a through 10o and 11a through 11g.

Section B. Interim financial reports: frequency, reporting periods, and due dates. You must submit interim reports for the periods ending on March 31, June 30, September 30, and December 31, except that if the award ends on one of these dates, the report you submit for the period ending on that date will be your final report, as opposed to an interim report. You must submit interim reports no later than 30 calendar days after the end of each reporting period.

Section C. Final financial report. You must submit the final financial report under this award no later than 120 calendar days after the end date of the period of performance.

Section D. Extensions of due dates. You may request extensions of the due dates that Sections B and C of this Article specify for interim and final reports, respectively. You must provide the reasons for your request, and we will approve extensions that are adequately justified.

Section E. Where and how to submit financial reports. The SF 425 must be provided to the AGO and uploaded to DLA’s Grant Management System (GMS) when it is available.

REP Article III. Reporting on property. (May 2016)

Section A. Real property. Paragraphs A.1 through A.4 apply to real property for which you are accountable under this award, for as long as there is a Federal interest in the property (whether that interest is due to you or a subrecipient having acquired or improved the property under this award, or a transfer of the accountability for the property to this award from another award).

1. Periodic status reports. You must submit periodic status reports, as follows:
 - a. Frequency and duration of reporting requirement. You must submit periodic status reports quarterly for as long as there is a Federal interest in the property.
 - b. Due dates. Reporting period end dates and report due dates are the same as those specified in REP Article II for financial reports.
 - c. Other submission instructions. You may provide your periodic status report within the SF 425 “Federal Financial Report”, Block 12 “Remarks”.
2. Notifications of critical changes. You must notify the award administration office of any critical change in the status of real property as soon as feasible after you become aware of it. A critical change is any event with a significant adverse impact on the condition or value of the property, such as damage due to fire; flood, hurricane, or other severe weather; earthquake; or accident.
3. Requests for disposition instructions. You must comply with applicable requirements in PROP Article III to request disposition instructions, either during the period of performance or at closeout.
4. Closeout accounting. You must account to the award administration office for real property at the time of closeout of the award, as required by Section D of OAR Article VI.

Section B. Equipment and supplies. Paragraphs B.1 through B.4 apply to equipment or supplies for which you are accountable under this award and in which there is a Federal interest (whether that interest is due to you or a subrecipient having acquired or improved the property under this award, or a transfer of the accountability for the property to this award from another award).

1. Periodic status report. There is no requirement for periodic reporting during the period of performance.
2. Notifications of loss, damage, or theft. You must comply with applicable requirements in PROP Article II governing your property management system to promptly notify the award administration office of any loss, damage, or theft of equipment.
3. Requests for disposition instructions. You must comply with applicable requirements in PROP Article IV to request disposition instructions for equipment, either during the period of performance or at closeout.
4. Closeout accounting.
 - a. Equipment. You must account to the award administration office for equipment at the time of closeout of this award, as required by Section D of OAR Article VI.
 - b. Supplies. If you have a residual inventory of unused supplies that meets the criteria specified in paragraph E.2 of PROP Article IV, you must as part of your closeout accounting arrange with the award administration office for the compensation that paragraph specifies for the Federal interest in the supplies.

Section C. Intangible property. This Section applies to intangible property for which you are accountable under this award.

1. Copyrights and data. You are not required to submit periodic reports about data produced under the award or about works for which you acquired ownership under this award, either by development or otherwise, and in which copyright was asserted. However, because the Federal Government has the rights in the works and data that Sections A and B of PROP Article V specify, you must provide information about the works and data if we request it.
2. Intangible property acquired, but not developed or produced, under the award. You must comply with requirements in Section C of PROP Article V to request disposition instructions for intangible property acquired, but not developed or produced, under the award.

REP Article IV. Reporting on subawards and executive compensation. (May 2016)

You must report information about subawards and executive compensation as specified in the award provision in Appendix A to 2 CFR Part 170, “Reporting subaward and executive compensation information,” modified as follows:

1. To accommodate any future designation of a different Governmentwide Web site for reporting subaward information, the Web site “<http://www.fsr.gov>” cited in paragraphs a.2.i. and a.3 of the award provision is replaced by the phrase “<http://www.fsr.gov> or successor OMB designated Web site for reporting subaward information”;

2. To accommodate any future designation of a different Governmentwide Web site for reporting executive compensation information, the Web site “<http://www.sam.gov>” cited in paragraph b.2.i. of the award provision is replaced by the phrase “<https://www.sam.gov> or successor OMB designated Web site for reporting information on total compensation”; and
3. The reference to “Sec. II.210 of the attachment to OMB Circular A-133, ‘Audits of States, Local Governments, and Non-Profit Organizations’” in paragraph e.3.ii of the award provision is replaced by “2 CFR 200.330, as implemented in SUB Article I of this award.”

PART 8: OTHER ADMINISTRATIVE REQUIREMENTS

OAR Article I. Submitting and maintaining recipient information. (May 2016)

Section A. System for Award Management.

1. Unless you are exempted from this requirement in accordance with OMB guidance in 2 CFR 25.110, you must maintain the currency of information about yourself in the system the Federal Government specifies as the repository for information about its business partners (currently the System for Award Management(SAM)).
2. You must maintain the information in that system until you submit the final financial report required under this award or receive the final payment, whichever is later.
3. You must review and update the information at least annually after your initial registration in the system (unless you are subject to the requirements in Section B) and more frequently if required by changes in your information.

Section B. Reporting of Performance and Integrity Information.

1. General reporting requirement. If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal agencies exceeds \$10,000,000 for any period of time during the period of performance of this award, then during that period of time you must maintain in SAM the currency of information required by paragraph B.2 of this section. Note that:
 - a. This reporting is required under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313).
 - b. As required by section 3010 of Public Law 111-212, all performance and integrity information posted in the designated information system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.
 - c. Recipient information is submitted to the designated information system through the SAM, as described in paragraph B.3 of this section. The currently designated information system is the Federal Awardee Performance and Integrity Information System (FAPIIS).
2. Proceedings about which you must report. Submit the information that the designated information system requires about each proceeding that:
 - a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
 - b. Reached its final disposition during the most recent 5 year period; and

- c. Is one of the following:
 - i. A criminal proceeding that resulted in a conviction, as defined in paragraph B.5. of this section;
 - ii. A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 - iii. An administrative proceeding, as defined in paragraph B.5 of this section, that resulted in a finding of fault and liability and your payment of either monetary fine or penalty of \$5,000 or more or a reimbursement, restitution, or damages in excess of \$100,000; or
 - iv. Any other criminal, civil, or administrative proceeding if:
 - A. It could have led to an outcome described in paragraph B.2.c.i, ii, or iii of this section;
 - B. It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
 - C. The requirement in this section to disclose information about the proceeding does not conflict with applicable laws and regulations.
3. Reporting procedures. Submit the information required in paragraph B.2 of this section to the Entity Management functional area of the SAM.
 - a. Current procedures are to submit the information as part of the maintenance of your information in the SAM that Section A of this article requires.
 - b. You do not need to submit the information again under this award if you already reported current information to the SAM under another Federal grant, cooperative agreement, or procurement contract.
4. Reporting frequency. During any period of time when you are subject to the requirement in paragraph B.1 of this section, you must report to SAM at least semiannually following your initial report of any information required in paragraph B.2 of this section, either to provide new information not reported previously or affirm that there is no new information to report.
5. Definitions. For purposes of this section:
 - a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange

- Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract, grant, or cooperative agreement. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.
 - c. Total value of currently active grants, cooperative agreements, and procurement contracts includes:
 - i. Only the Federal share of the funding under any Federal agency award with a recipient cost share or match; and
 - ii. The value of all expected funding increments and options, even if not yet exercised, under each Federal agency award.

Section C. Disclosure of evidence of integrity-related issues.

1. Disclosure requirement. At any time during the period of performance of this award, if you have credible evidence that a covered person committed a covered action (see paragraphs C.2 and C.3 of this section) that may affect this award, you must disclose the evidence in writing to the Office of the Inspector General, DoD, with a copy to the grants officer identified in the award.
2. Covered person. As the term is used in this section, “covered person” means a principal, employee, or agent of either you or a subrecipient under this award, where:
 - a. “Principal” means:
 - i. An officer, director, owner, partner, principal investigator, or other person with management or supervisory responsibilities that relate to this award; or
 - ii. A consultant or other person, whether or not employed by you or a subrecipient or paid with funds under this award, who:
 - A. Is in a position to handle funds under this award;
 - B. Is in a position to influence or control the use of those funds; or
 - C. Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the project or program under this award.

- b. “Agent” means any individual who acts on behalf of, or who is authorized to commit you or the subrecipient, whether or not employed by you or the subrecipient.
3. Covered action. As the term is used in this section, “covered action” means a violation of Federal criminal law in Title 18 of the United States Code involving fraud, bribery, or a gratuity violation.
4. Safeguarding of the information.
 - a. To the extent permitted by law and regulation, we will:
 - i. Safeguard and treat information you disclose to us as confidential if you mark the information as “confidential” or “proprietary.”
 - ii. Not release the information to the public in response to a Freedom of Information Act (5 U.S.C. 552) request without notifying you in advance.
 - b. We may transfer documents you provide to us to any other department or agency within the Executive Branch of the Federal Government if the information relates to matters within that organization’s jurisdiction.

OAR Article II. Records retention and access. (Mar 2015)

Section A. Records retention period. Except as provided in Sections B through D of this Article:

1. You must keep records related to any real property and equipment acquired, in whole or in part, using Federal funds under the award for 3 years after final disposition of the property.
2. You must keep records related to rate proposals for indirect or facilities and administration costs, cost allocation plans, and supporting records such as indirect cost rate computations and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback or composite fringe benefit rates) as follows:
 - a. If you are required to submit a proposal, plan, or other computations to your Federal cognizant agency for indirect costs, as the basis for negotiation of a rate, you must keep the submissions and all supporting records for 3 years from the date on which you were required to make the submissions.
 - b. If you are not required to submit a proposal, plan, or other computation as the basis for negotiation, you must keep the proposal, plan, other computation, and supporting records for 3 years from the end of the fiscal year or other accounting period covered by the proposal, plan, or other computation.

3. You must keep other financial records, supporting documents, statistical records, and other records pertinent to this award for a period of 3 years from the date you submit your final financial report under the award.

Section B. Extensions of retention period due to litigation, claim, or audit.

1. If any litigation, claim, or audit begins before the end of the 3-year retention period specified in Section A of this Article and the final action related to the litigation, claim, or audit is not taken before the end of that 3-year period, you must retain all records related to this award that may be involved in the litigation, claim, or audit until all findings involving the records have been resolved and final action taken.
2. We may disallow costs and recover funds under this award based on an audit or other review of records you elected to retain beyond the retention period required by this Article, even if the audit or review begins after the end of the 3-year retention period specified in Section A of this Article. Thus, the “retention period,” as that term is used in OMB guidance in 2 CFR 200.344(a)(1), is extended as described in 2 CFR 200.333(b) to include the entire period during which we and our authorized representatives continue to have access to those records under paragraph F.2 of this Article.

Section C. Records for program income earned after the end of the performance period. In accordance with Section E of FMS Article VII, there are no requirements under this award applicable to program income you earn after the end of the period of performance and therefore no associated records retention requirements.

Section D. Records for joint or long-term use.

1. Joint use. To avoid duplicate recordkeeping for records that you and we both need to use on a continuous basis, we may ask you to make special arrangements with us, by mutual agreement, to make records available for joint and continuous use.
2. Long-term use. If we determine that some records will be needed longer than the 3-year period specified in Section A of this Article, we may request that you either:
 - a. Retain the records for a longer period of time; or
 - b. Transfer the records to our custody for long-term retention.
3. Retention requirements for transferred records. For any records transferred to our custody, you are not subject to the records retention requirements in Section A of this Article.

Section E. Methods for collecting, transmitting, and storing information.

1. You should, whenever practicable, collect, transmit, and store information related to this award in open and machine readable formats rather than in closed formats or on paper. However, if you request it, we will:

- a. Provide award related-information to you on paper; and
 - b. Accept award related-information from you on paper. In that case, we will not require more than an original and two copies.
2. When your original records are in an electronic form that cannot be altered, you do not need to create and retain paper copies of those records.
 3. When your original records are on paper, you may substitute electronic versions produced through duplication or using other forms of electronic media, provided that:
 - a. You conduct periodic quality control reviews of the records;
 - b. You provide reasonable safeguards against alteration of the records; and
 - c. The records remain readable.

Section F. Access to records.

1. Scope of Government access rights.
 - a. We as the awarding agency, the Federal Government Inspectors General, the Comptroller General of the United States, and any of our authorized representatives have the right of access to any documents, papers, or other records you have that are pertinent to this award, in order to make audits, examinations, excerpts, and transcripts.
 - b. This right also includes timely and reasonable access to your personnel for the purposes of interview and discussion related to the records.
 - c. As described in OMB guidance at 2 CFR 200.336(b), the access to records described in this Section will include access to the true name of a victim of a crime only under extraordinary and rare circumstances.
 - i. You are required to provide that access only in response to a court order or subpoena pursuant to a bona fide confidential investigation, or in response to a request duly authorized by the head of the DoD Component or his or her designee; and
 - ii. You must take appropriate steps to protect this sensitive information.
2. Duration of Government access rights. We have the access rights described in paragraph F.1 of this Section as long as you retain the records.

3. Public access.
 - a. You must comply with requirements to protect information that Federal statute, Executive order, or regulation requires to be protected (e.g., personally identifiable or export controlled information), to include both information generated under this award and information provided to you and identified as being subject to protection. Other than those limitations on dissemination of information, we place no restrictions on you that limit public access to your records pertinent to this award.
 - b. We do not place any requirements on you to permit public access to your records separate from any Federal, State, local, or tribal statute that may require you to do so.
 - c. The Freedom of Information Act (FOIA, 5 U.S.C. 552) does not apply to records in your possession but records you provide to us generally will be subject to FOIA, with the applicable exemptions.

OAR Article III. Remedies and termination. (Mar 2015)

Section A. Remedies for noncompliance.

1. If you materially fail to comply with a term or condition of this award or an applicable Federal statute or regulation, we may amend this award to impose specific additional conditions as described in OMB guidance in 2 CFR 200.207. If we determine that the imposition of those additional conditions is insufficient to remedy the noncompliance, we may take one or more of the following actions that we deem appropriate to the circumstances:
 - a. Temporarily withhold cash payments pending:
 - i. Your correction of the deficiency; or
 - ii. Our taking more severe enforcement action.
 - b. Disallow (that is, deny both use of funds and any applicable cost sharing or matching credit for) all or part of the cost of the activity or action not in compliance;
 - c. Suspend or terminate this award, in whole or in part (suspension of an award is a separate and distinct action from suspension of a person under 2 CFR parts 180 and 1125, as noted in paragraph A.3 of this Article);
 - d. Withhold further awards to you for the project or program that is not in compliance;
 - e. Take any other action legally available to us under the circumstances.
2. You may raise an objection to our taking any remedy we take under paragraph A.1 of this Section and will be given an opportunity to provide information and documentation

challenging the action. The procedures are those specified in OAR Article IV for claims and disputes.

3. Our use of any remedy under paragraph A.1 of this Section, including suspension or termination of the award, does not preclude our referring the noncompliance to a suspension and debarment official and asking that official to consider initiating a suspension or debarment action under 2 CFR Part 1125, the DoD implementation of OMB guidance at 2 CFR Part 180.

Section B. Termination.

1. This award may be terminated in whole or in part as follows:
 - a. Unilaterally by the Government. We will provide a notice of termination if we unilaterally terminate this award in whole or in part, which we may do for either of the following reasons:
 - i. Your material failure to comply with the award terms and conditions. If we terminate the award for that reason, we will report the termination to the Federal Awardee Performance and Integrity Information System (FAPIIS). In accordance with 41 U.S.C. §2313, each Federal awarding official must review and consider the information in FAPIIS with regard to any proposal or offer before awarding a grant or contract.
 - ii. The program office does not have funding for an upcoming increment if this award is incrementally funded. In that case, the Government's financial obligation does not exceed the amount currently obligated under the award.
 - b. By mutual agreement. With your consent, we may terminate this award, in whole or in part, for any reason. In that case, you and we must agree to:
 - i. The termination conditions, including the effective date; and
 - ii. In the case of a partial termination, the portion to be terminated.
 - c. Unilaterally by the recipient. You may unilaterally terminate this award, in whole or in part, by sending us written notification that states:
 - i. The reasons for the termination;
 - ii. The effective date; and
 - iii. In the case of partial termination, the portion to be terminated. In that case, however, we may terminate the award in its entirety if we determine that the remaining portion of the award will not accomplish the purposes for which we made the award.

2. If this award is terminated in its entirety before the end of the performance period, you must complete the closeout actions for which you are responsible under OAR Article VI. The due date for each action is to be measured relative to the date of termination.
3. If this award is only partially terminated before the end of the performance period, with a reduced or modified portion of the award continuing through the end of the performance period, then closeout actions will occur at the end of the performance period as specified in OAR Article VI.
4. You will continue to have all of the post-closeout responsibilities that OAR Article VII specifies for you if this award is wholly or partially terminated before the end of the performance period.

Section C. Effects of suspension or termination of the award on allowability of costs. If we suspend or terminate this award prior to the end of the period of performance, costs resulting from obligations that you incurred:

1. Before the effective date of the suspension or termination are allowable if:
 - a. You properly incurred those obligations;
 - b. You did not incur the obligations in anticipation of the suspension or termination;
 - c. In the case of termination, the costs resulted from obligations that were non-cancellable after the termination; and
 - d. The costs would have been allowable if we had not suspended or terminated the award and it had expired normally at the end of the period of performance.
2. During the suspension or after the termination are not allowable unless we expressly authorize them, either in the notice of suspension or termination or subsequently.

OAR Article IV. Claims, disputes and appeals. (Mar 2015)

Section A. Grant Appeal Authority. The Grant Appeal Authority is General Counsel, Defense Logistics Agency.

Section B. Submission of claims.

1. Your claims. To submit a claim arising out of this award, you must submit it in writing to the grants officer for decision, specify the nature and basis for the relief you are requesting, and include all data that supports your claim.
2. Government claims. You will receive a written grants officer's decision if a DoD claim arises out of this award.

Section C. Alternative dispute resolution.

1. We encourage resolution of all issues related to this award by mutual agreement between you and the grants officer.
2. If you and the grants officer are unable to resolve an issue through unassisted negotiations, we encourage use of Alternative Dispute Resolution (ADR) procedures to try to do so. ADR procedures are any voluntary means, such as mini-trials or mediation, used to resolve issues in controversy. ADR procedures may be used prior to submission of a claim or at any other time prior to the Grant Appeal Authority's decision on any appeal you submit.

Section D. Grants officer decisions for claims you submit.

1. Within 60 calendar days of receiving your claim, the grants officer will either:
 - a. Transmit a written decision that:
 - i. Identifies data on which the decision is based; and
 - ii. Identifies and provides the mailing address for the Grant Appeal Authority to whom you would submit an appeal of the decision if you elect to do so; or
 - b. If more time is required to render a written decision, notify you of a specific date when he or she will render the decision and inform you of the reason for delaying it.
2. The grants officer's decision will be final unless you decide to appeal, in which case we encourage use of ADR procedures as noted in Section C of this Article.

Section E. Formal administrative appeals.

1. Right to appeal. You have the right to appeal a grants officer's decision to the Grant Appeal Authority identified in Section A of this Article.
2. Notice of appeal. You may appeal a grants officer's decision within 90 calendar days of receiving the decision by submitting a written notice of appeal to the Grant Appeal Authority and grants officer. If you elect to use ADR procedures, you are allowed an additional 60 calendar days to submit the written notice of appeal.
3. Appeal file. Within 30 calendar days of the grants officer's receipt of your notice of appeal, you should receive the appeal file with copies of all documents relevant to the appeal. You may supplement the file with other documents you deem relevant and with a memorandum in support of your position for the Grant Appeal Authority's consideration. The Grant Appeal Authority may request additional information from you.
4. Decision. Unless the Grant Appeal Authority decides to conduct fact-finding procedures or an oral hearing on the appeal, the appeal will be decided solely on the basis of the

written record. Any fact-finding or hearing will be conducted using procedures that the Grant Appeal Authority deems appropriate.

Section F. Representation. You may be represented by counsel or any other designated representative in any claim, appeal, or ADR proceeding, as long as the representative is not otherwise prohibited by law or regulation from appearing before the DoD Component concerned.

Section G. Non-exclusivity of remedies. Nothing in this Article is intended to limit your right to any remedy under the law.

OAR Article V. Collection of amounts due. (Mar 2015)

Section A. Establishing a debt.

1. Any amount paid to you in excess of the amount to which you are determined to be entitled under the terms and conditions of this award constitutes a debt to the Federal Government.
2. A grants officer will attempt to resolve any claim of your indebtedness arising out of this award by mutual agreement.
3. If the grants officer fails to resolve the claim in that manner, you will receive a written notice of the grants officer's decision formally determining the debt, as described in paragraph B.2 of OAR Article IV. The notice will describe the debt, including the amount, name and address of the official who determined the debt, and a copy of that official's determination.

Section B. Debt delinquency and appeals.

1. Within 30 calendar days of the grants officer's decision, you must either pay the amount owed at using electronic funds transfer at pay.gov or inform the grants officer that you intend to appeal the decision. Appeal procedures are described in OAR Article IV.
2. If you elect not to appeal, any amounts not paid within 30 calendar days of the grants officer's decision will be a delinquent debt.
3. If you elect to appeal the grants officer's decision, you will have 90 calendar days after receipt of the grants officer's decision to file your appeal unless Alternative Dispute Resolution (ADR) procedures are used, as described in section C of OAR Article IV, in which case you will have 150 calendar days.

Section C. Demand letter, interest, and debt collection.

1. If within 30 calendar days of the grants officer's decision, you neither pay the amount due nor provide notice of your intent to appeal the grants officer's decision, the grants

officer will send you a demand letter identifying a payment office that will be responsible for any further debt collection activity.

2. If you do not pay by the due date specified in the written demand letter, the Federal Government may collect part or all of the debt by:
 - a. Making an administrative offset against your requests for reimbursements under Federal awards;
 - b. Withholding advance payments otherwise due to you; and
 - c. Any other action permitted by Federal statute.
3. The debt will bear interest, and may include penalties and other administrative costs, in accordance with applicable provisions of the DoD Financial Management Regulation (DoD 7000.14-R), which implements the Federal Claims Collection Standards. The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

OAR Article VI. Closeout. (Mar 2015)

Section A. Liquidation of obligations. Unless the award administration office authorizes an extension of the due date, you must liquidate all obligations that you incurred under this award not later than 120 calendar days after the end date of the period of performance.

Section B. Refunds of unobligated balances. You must promptly refund to the award administration office any balances of unobligated cash that we have advanced or paid to you.

Section C. Final reports. You must submit the:

1. Final performance report under this award no later than the date specified in Section A of REP Article I, subject to any extensions granted under Section B of that article; and
2. Final financial report under this award no later than the date specified in Section C of REP Article II, subject to any extensions granted under Section D of that article.
3. Other final reports that are required under this award no later than 90 calendar days after the end date of the period of performance, unless you request an extension of the due date and the award administration office approves the request.

Section D. Accounting for property. You must account for any real property, equipment, supplies, and intangible property that you and any subrecipients acquired or improved under the award, in accordance with PROP Articles I through V.

OAR Article VII. Post-closeout adjustments and continuing responsibilities. (Mar 2015)

Section A. Adjustments. The closeout of this award does not affect:

1. Our right to disallow costs and recover funds on the basis of a later audit or other review, as long as we make the determination that the costs are disallowed and notify you about that determination within the extended records retention period specified in paragraph B.2 of OAR Article II of these terms and conditions.
2. Your obligation to return any funds due to the Federal Government as a result of later refunds, corrections, or other transactions (to include any adjustments in final indirect cost rates).

Section B. Continuing responsibilities. After closeout of this award, you must continue to comply with terms and conditions of this award that have applicability beyond closeout, including requirements concerning:

1. Audits, as specified in FMS Article V, that cover periods of time during which you expended funds under this award.
2. Management, use, and disposition of any real property or equipment acquired under this award in which we continue to have a Federal interest after closeout, as specified in PROP Articles I through IV.
3. Retention of, and access to, records related to this award, as specified in OAR Article II.

PART 9: REQUIREMENTS RELATED TO SUBAWARDS

SUB Article I. Distinguishing subawards and procurements. (May 2016)

Section A. Required recipient determination. For each transaction into which you enter with another entity at the next tier below this award, you must determine whether the transaction is a subaward or procurement.

Section B. Considerations in making the determination.

1. The primary purpose of the transaction between you and the other entity is the key factor you must use to determine whether the transaction is a subaward or a procurement.
 - a. The transaction is a subaward and the other entity therefore a subrecipient if the transaction's primary purpose is for you to transfer, for performance by the other entity, a portion of the substantive program for which we are providing financial assistance to you through this award. You will continue to be accountable to us for performance of the project or program under the award, including portions performed by any subrecipients.
 - b. The transaction is a procurement and the other entity therefore your contractor if the transaction's primary purpose is for you to purchase goods or services that you need to perform the substantive program supported by this award. The distinction from a subaward is the contractor is not performing a portion of the substantive program as a result of the transaction.
2. What you call the transaction is not a factor in distinguishing a subaward from a procurement. If the transaction meets the criterion in paragraph B.1.a of this Article, it is a subaward for purposes of the requirements of this award even if you call and consider the transaction a "contract."

Section C. Effect of the determination on the next-tier transaction.

1. Process for awarding the transaction. One important consequence of your determining whether a next-tier transaction is a subaward or procurement is that there are different requirements governing the pre-award and time of award processes that you use to award the transaction.
 - a. SUB Article II of this award specifies pre-award and time of award responsibilities for subawards.
 - b. PROC Articles I and II or 32 CFR 34.31, as applicable, govern pre-award and time of award process for awarding procurement transactions.
2. Transaction terms and conditions. A second important consequence of your determining whether a next-tier transaction is a subaward or procurement is that the terms and

conditions you include in a subaward differ from those you include in a procurement transaction.

- a. Section C of SUB Article II of this award addresses requirements you must include in subaward terms and conditions. Those requirements are generally either identical with or directly related to requirements in the general terms and conditions of this award. They include national policy requirements as well as administrative requirements in areas such as financial and programmatic management, property administration, procurement, and reporting.
- b. PROC Article III or Appendix A to 32 CFR Part 34, as applicable, lists requirements you must include in a procurement transaction when applicable to the procurement.

SUB Article II. Pre-award and time of award responsibilities. (May 2016)

Section A. Requirements for unique entity identifiers.

1. Definition of “entity.” For purposes of the unique entity identifier requirements in paragraphs A.2 and 3 of this Section, “entity” has the meaning given in paragraph C.3 of Appendix to OMB guidance in 2 CFR Part 25.
2. Pre-notification of potential subrecipients. You must notify potential subrecipients that no entity may receive a subaward from you under this award unless it has provided its unique entity identifier to you.
3. Restriction on making subawards.
 - a. General. You may not make a subaward to an entity unless the prospective subrecipient:
 - i. Is an eligible entity, as defined in 10 U.S.C. 2411; and
 - ii. Has provided its unique entity identifier to you.
 - b. Exception. You may make a subaward to an entity that has not provided its unique entity identifier to you in rare cases in which you requested and we approved an exemption from the requirement for the entity to provide a unique entity identifier, based on the criteria in OMB guidance in 2 CFR Part 25.110(d).

Section B. Pre-award risk assessment.

1. Before making a subaward to an entity, you must perform a risk assessment of the prospective subrecipient, as described in 2 CFR 200.331(b). OMB guidance in 2 CFR 200.205(c) provides examples of factors you may consider in evaluating risk.
2. As part of the risk assessment under paragraph B.1 of this Article, you must:
 - a. Verify that neither the prospective subrecipient nor its principals under the subaward are excluded or disqualified from participating in the transaction, in accordance with requirements in Subpart C of OMB guidance in 2 CFR Part 180, as implemented by DoD at 2 CFR Part 1125; and

- b. If warranted by risks you identify, determine whether to impose award-specific terms and conditions in the subaward to mitigate the risks.
 - i. These award-specific terms and conditions may be in addition to, or differ from, the terms and conditions that SUB Articles IV through IX of this award require you to include in subawards.
 - ii. They may include items such as those listed in OMB guidance in 2CFR 200.207(b)(1) through (6).
 - iii. Your procedures for imposing and removing the additional or different requirements must comply with the procedural guidance in 2 CFR 200.207(c) and (d).

Section C. Subaward content.

1. Cost-type subawards.
 - a. SUB Article III of this award specifies informational content that you must include in each cost-type subaward.
 - b. SUB Articles IV through VIII specify administrative requirements that you must include, as applicable, in each cost-type subaward.
 - c. SUB Article IX of this award specifies national policy requirements that you must include, as applicable, in each cost-type subaward.
2. Fixed-amount type subawards. SUB Article XII of this award specifies informational content and administrative and national policy requirements that you must include in any fixed-amount subaward that you make.
3. Additional subaward terms and conditions. You may include other requirements in your subawards that you need in order to meet your responsibilities under this award for performance of the project or program (including portions performed by subrecipients) and compliance with applicable administrative and national policy requirements.

Section D. Subaward and executive compensation reporting. You must report subaward obligating actions and information on subrecipients' executive compensation as required by REP Article IV of this award.

SUB Article III. Informational content of subawards. (May 2016)

Section A. Informational content in general. You must include in each subaward (and each subsequent amendment to a subaward that alters the amount of the subaward) the information specified in OMB guidance in 2 CFR 200.331(a)(1), “Federal Award Identification,” with the clarifications provided in Sections B through G of this Article.

Section B. Federal award identification number and award date. The “Federal Award Identification Number” and “Federal Award Date” described in 2 CFR 200.331(a)(1)(iii) and (iv), respectively, are the award number and award date for this award to you. You must provide the information in a way that makes it clear that the subaward is under this DoD award.

Section C. Amount of Federal funds obligated.

1. The “Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient” that is described in 2 CFR 200.331(a)(1)(vi) is either:
 - a. The amount of your obligation to the subrecipient, if the terms and conditions of this award do not require you to provide any cost sharing or matching for the project or program the award supports; or
 - b. The amount of the Federal share of your subaward obligation if this award does require cost sharing or matching, which in that case is the product of:
 - i. The Federal share of total project costs under this DoD award to you, as a percentage of those total project costs; and
 - ii. The total amount of project costs obligated for the subaward action.
2. Note that the total project costs of the award and subaward, as used in paragraphs C.1.b.i and ii of this Section include any cost sharing or matching that you or the subrecipient provides if you are counting it toward the cost sharing or matching required under this award.

Section D. Total amount obligated to the subrecipient. The “Total Amount of Federal Funds Obligated to the Subrecipient by the pass-through entity including the current obligation,” as described in 2 CFR 200.331(a)(1)(vii), is the cumulative amount to date of the amounts described in Section C of this Article.

Section E. Total Amount of the Federal Award. The “Total Amount of the Federal Award committed to the subrecipient by the pass-through entity,” as described in 2 CFR 200.331(a)(1)(viii), is the total amount through the end of the subaward that you and the subrecipient mutually agreed upon, to include: funding obligated to date, any future anticipated funding increments, and any options you may exercise in the future.

Section F. Federal awarding agency, pass-through entity, and awarding official. The “Name of Federal awarding agency” and “pass-through entity,” as those terms are used in 2 CFR 200.331(a)(1)(x) are the DoD and the business name associated with your registration in the System for Award Management. In that same paragraph of 2 CFR Part 200, the “awarding official” is the individual in your organization who made the subaward.

Section G. Indirect cost rate. With respect to the requirement in 2 CFR 200.331(a)(1)(xiii) for the subaward to include the “Indirect cost rate for the Federal award”:

1. The rate the subaward must include is the subrecipient’s rate, whether it is a rate set by negotiation with a Federal Government agency or you, or is the de minimis rate described in 2 CFR 200.414(f).
2. You are required to include the indirect cost rate only if the subrecipient is willing to share that information with you and assents that information about its rate is not proprietary. If a subrecipient is not willing to share information about its indirect cost rate with you, consult the grants officer for this award to explore alternative ways to assess the reasonableness of costs of the subaward.

SUB Article IV. Financial and program management requirements for subawards. (May 2016)

Section A. Purposes of this Article in relation to other Articles.

1. This Article specifies administrative requirements concerning financial and program management that you must include in the terms and conditions of each cost-type subaward that you make under this award.
2. It thereby addresses the flow down to subrecipients of requirements in FMS Articles I through VII or in FPR Article IV, as applicable.
3. SUB Article XII of this award addresses which of these administrative requirements you must include in any fixed-amount subaward that you make, if we approve you making any fixed-amount subawards under this award.

Section B. Financial management system standards. You must include in any subaward you make under this award the requirements of:

1. Sections A through C of FMS Article I of this award if the subrecipient is a state;
2. Sections B and C of FMS Article I if the subrecipient is an institution of higher education, nonprofit organization, local government, or Indian tribe; or
3. 32 CFR 34.11 if the subrecipient is a for-profit entity.

Section C. Payments.

1. Subawards to States. You must include the provisions of Section A of FMS Article II of this award in each subaward you make to a State;
2. Subawards to institutions of higher education, nonprofit organizations, local governments, and Indian tribes. The following paragraphs specify requirements you must include in subawards to institutions of higher education, nonprofit organizations, local governments, and Indian tribes.
 - a. Payment method.

Section D. Allowable costs, period of availability of funds, and fee and profit.

1. You must include in each cost-type subaward a requirement that the allowability of costs under the subaward (and any lower-tier subawards or procurement transactions into which the subrecipient enters) must be determined in accordance with the applicable cost principles identified in Section A of FMS Article III of this award.
2. You must specify in each subaward the period of availability of funds for any project or program purpose so that the period neither begins before nor ends after the period during which you may use funds available to you under this award for that same project or program purpose.
3. You must include in each subaward the provisions concerning fee or profit that are in Section C of FMS Article III of this award.

Section E. Revision of budget and program plans. You must include in each subaward provisions requiring the subrecipient to request your approval for any change in the subaward budget or program that would cause a budget or program change under this award for which Section A of FMS Article IV or 32 CFR 34.15, as applicable, requires you to first obtain our prior approval. You may not approve any budget or program revision that is inconsistent with the purpose or terms and conditions of this award.

Section F. Non-Federal audits. You must include a provision in each subaward that you make under this award to require the subrecipient entity to comply with the audit requirements applicable to that entity, as specified in either Section A or Section B of FMS Article V.

Section G. Cost sharing or matching requirements. If you make a subaward under which the subrecipient may provide contributions or donations of cash or third-party in-kind contributions to be counted toward any cost sharing or matching that is required under this award, you must include provisions in that subaward to specify:

1. The criteria governing the allowability as cost sharing or matching of the types of cash or third-party in-kind contributions that the subrecipient may contribute or donate. Those criteria are specified in:
 - a. Sections B through C of FMS Article VI of this award if the subaward is to a State, institution of higher education, nonprofit organization, local government, or Indian tribe.
 - b. The provisions of 32 CFR 34.13(a) if the subaward is to a for-profit entity.
2. The methods for determining and documenting the values of those contributions or donations to be counted as cost sharing or matching. Those methods are specified in:
 - a. Sections D and E of FMS Article VI of this award if the subaward is to a State, institution of higher education, nonprofit organization, local government, or Indian tribe.
 - b. The provisions of 32 CFR 34.13(b) if the subaward is to a for-profit entity.

Section H. Program income. You must include requirements concerning program income in subawards, as follows:

1. You must require the subrecipient to account to you when it earns any program income under the subaward or uses it, so that you can prepare reports you are required to submit to us.
2. You must include the provisions of Sections A through C of FMS Article VII of this award.
3. You must specify the deduction or addition alternative, or a combination of these alternatives, for the subrecipient's use of any program income it earns. A subrecipient that you require to use the deduction alternative, as opposed to the addition alternative described in Section D of FMS Article VII of this award, will subtract program income from the total allowable costs under the subaward to determine net allowable costs for purposes of determining the amount of your obligation to the subrecipient and any cost sharing or matching you require of the subrecipient.

In any case, you must still use the addition alternative described in Section D of FMS Article VII of this award for the total amount of program income earned, which includes amounts earned by you and your subrecipients. That is, while you may require a particular subrecipient to use the deduction alternative for the purpose of the subaward, program income earned under that subaward will still increase the total amount of this award (i.e., the sum of the Federal share and any cost sharing or matching).

SUB Article V. Property requirements for subawards. (May 2016)

Section A. Purposes of this Article in relation to other Articles.

1. This Article specifies administrative requirements concerning property that you must include in the terms and conditions of each subaward that you make under this award.
2. It thereby addresses the flow down to subrecipients of requirements in PROP Articles I through V or in FPR Article V, as applicable.
3. SUB Article XII of this award addresses which of these administrative requirements you must include in any fixed-amount subaward that you make, if you are authorized to make fixed-amount subawards under this award.

Section B. Title to property.

1. Subawards to institutions of higher education, nonprofit organizations, States, local governments, or Indian tribes. You must include terms and conditions in each subaward to flow down to the subrecipient the provisions of:
 - a. Section A of PROP Article I concerning vesting of title to property acquired under the subaward.
 - b. Sections B and C of PROP Article I that are applicable to types of property that the subrecipient may acquire, improve, or for which it may otherwise be accountable under the subaward.

2. Subawards to for-profit entities.

- a. Real property and equipment. You must obtain the prior approval of the grants officer before permitting any for-profit subrecipient to acquire or improve real property or equipment under the subaward.
 - i. If the grants officer does not grant the approval, you must include a subaward provision that prohibits the firm from acquiring or improving real property or equipment under the subaward.
 - ii. If the approval is granted, you must include a subaward provision specifying that title vesting and Federal interest are governed by provisions of 32 CFR 34.21(b) and (c).
- b. Supplies. You must include a subaward provision specifying that vesting of title to supplies is governed by provisions of 32 CFR 34.24(a), subject to the use and disposition requirements of 32 CFR 34.24(b).

Section C. Property management system. If you make a subaward under which the subrecipient either may acquire or improve equipment, you must include in the subaward:

1. If the subrecipient is a State, applicable provisions of:
 - a. Section A of PROP Article II concerning insurance for real property and equipment.
 - b. Section B of PROP Article II concerning other property management system standards.
2. If the subrecipient is an institution of higher education, nonprofit organization, local government, or Indian tribe, applicable provisions of:
 - a. Section A of PROP Article II concerning insurance for real property and equipment.
 - b. Section C of PROP Article II concerning other property management system standards.
3. Applicable provisions of 32 CFR 34.22(a) and 34.23 if the subrecipient is a for-profit entity and you obtained the grants officer's prior approval for the firm's acquisition of equipment under the subaward.

Section D. Use and disposition of real property. If the subrecipient of a subaward you make under this award may acquire or improve real property, then you must include in the subaward:

1. Use. The requirements concerning use of real property:
 - a. In Section A of PROP Article III if the subaward is to an institution of higher education, nonprofit organization, State, local government, or Indian tribe, unless the award-specific terms and conditions of this award provide otherwise; and
 - b. In 32 CFR 34.21(d) if the subaward is to a for-profit entity and you obtained the grants officer's prior approval for the firm's acquisition of real property under the subaward.
2. Disposition. Provisions to require the subrecipient to request disposition instructions through you when the property is no longer needed for its originally authorized purpose, so that you can meet your responsibilities to address the Federal interest in the property.

Section E. Use and disposition of equipment and supplies. If you make a subaward under which the subrecipient may acquire or improve equipment, or acquire supplies, you must include in the subaward, as applicable:

1. If the subaward is to a State:
 - a. The requirements in Sections B and E of PROP Article IV concerning use and disposition of equipment and supplies, except that you must require the State to contact you instead of the award administration office when it is ready to

- arrange disposition of equipment or address the Federal interest in supplies; and
- b. Provisions such as those in Section A of PROP Article IV that make clear the applicability of those requirements.
2. If the subaward is to an institution of higher education, nonprofit organization, local government, or Indian tribe:
 - a. The requirements in Sections C and E of PROP Article IV concerning use of equipment and use and disposition of supplies;
 - b. Provisions such as those in Section A of PROP Article IV that make clear the applicability of those requirements; and
 - c. Provisions to require the subrecipient to request disposition instructions from you when equipment is no longer needed for its originally authorized purpose, so that you can meet your responsibilities to us to address the Federal interest in the equipment.
 3. If the subaward is to a for-profit entity:
 - a. The requirements concerning use and disposition of supplies in 32 CFR 34.24(b);
 - b. And you obtained the grants officer's prior approval for the firm's acquisition of equipment under the subaward:
 - i. The requirements concerning use of equipment in 32 CFR 34.21(d);
 - ii. Provisions such as those in Section A of PROP Article IV that make clear the applicability of those requirements; and
 - iii. Provisions to require the subrecipient to request disposition instructions from you when equipment is no longer needed for its originally authorized purpose, so that you can meet your responsibilities to us to address the Federal interest in the equipment.

Section F. Intangible property. You must include in a subaward provisions specifying the requirements of:

1. Sections A through C of PROP Article V if the subaward is to an institution of higher education, nonprofit organization, State, local government, or Indian tribe.
2. Section A of PROP Article V as it applies to works developed under the subaward and Section B of PROP Article V if the subaward is to a for-profit entity.

SUB Article VI. Procurement procedures to include in subawards. (May 2016)

Section A. Purposes of this Article in relation to other Articles.

1. This Article specifies administrative requirements concerning procurement procedures that you must include in the terms and conditions of each subaward that you make under this award.

2. It thereby addresses the flow down to subrecipients of requirements in PROC Articles I through III or in FPR Article VI, as applicable.
3. SUB Article XII of this award addresses which of these administrative requirements you must include in any fixed-amount subaward that you make, if you are authorized to make fixed-amount subawards under this award.

Section B. Subaward to a State. In any subaward that you make to a State, you must include the requirements of PROC Article I and applicable sections of PROC Article III of this award.

Section C. Subaward to an institution of higher education, nonprofit organization, local government, or Indian tribe. In any subaward that you make to an institution of higher education, nonprofit organization, local government, or Indian tribe:

1. You must include the requirements of Sections A through G of PROC Article II and applicable sections of PROC Article III of this award.
2. You must include the requirement for the subrecipient to make available to you, upon request:
 - a. Technical specifications of proposed procurements, under the conditions described in OMB guidance at 2 CFR 200.324(a); and
 - b. Other procurement documents for pre-procurement review, under the conditions described in OMB guidance at 2 CFR 200.324(b).

Section D. Subaward to a for-profit entity. In any subaward you make to a for-profit entity, you must include the requirements in 32 CFR 34.31.

SUB Article VII. Financial, programmatic, and property reporting requirements for subawards. (May 2016)

Section A. Purposes of this Article in relation to other Articles.

1. This Article specifies administrative requirements concerning reporting that you must include in the terms and conditions of each subaward that you make under this award.
2. It thereby addresses the flow down to subrecipients of requirements in REP Articles I through III or in FPR Article VII, as applicable.
3. SUB Article XII of this award addresses which of these administrative requirements you must include in any fixed-amount subaward that you make, if you are authorized to make fixed-amount subawards under this award.

Section B. Performance reporting.

1. You must include terms and conditions in each subaward to require the subrecipient to provide any performance information you need, by the time you need it, to comply with the performance reporting requirements in REP Article I and other terms and conditions of this award.

2. You may specify a form, format, or data elements the subrecipient uses to provide the information to you (you need not require the subrecipient to use the same form, format, or data elements that REP Article I specifies for your reporting to us).

Section C. Financial reporting.

1. You must include terms and conditions in each subaward to require the subrecipient to provide any financial information you need, by the time you need it, to comply with the financial reporting requirements in REP Article II and other terms and conditions of this award.
2. You may specify a form, format, or data elements the subrecipient must use to provide the information to you (you need not require the subrecipient to use the same form, format, or data elements that REP Article II specifies for your reporting to us).

Section D. Reporting on property.

1. Each subaward you make under this award must include provisions concerning property reporting as described in paragraph D.2 of this Section if the subrecipient may, under the subaward:
 - a. Acquire or improve real property or equipment; or
 - b. Acquire supplies or intangible property.
2. The subaward provisions must require the subrecipient to give you the information you need about the property in order to meet your responsibilities to us under Sections A through C of REP Article III and PROP Articles II through V or 32 CFR 34.21 through 34.25, as applicable.

SUB Article VIII. Other administrative requirements for subawards. (May 2016)

Section A. Purposes of this Article in relation to other Articles.

1. This Article specifies other administrative requirements that you either must or should include in the terms and conditions of each subaward that you make under this award.
2. It thereby addresses the flow down to subrecipients of requirements in OAR Articles I through VII or in FPR Article VIII, as applicable.
3. SUB Article XII of this award addresses which of these administrative requirements you must include in any fixed-amount subaward that you make, if you are authorized to make fixed-amount subawards under this award.

Section B. Maintenance of subrecipient information. You must include the substance of the provision in Section C of OAR Article I in any subaward that you anticipate will have a total value of \$5 million or more over the life of the subaward. The provision must require the subrecipient's disclosure of any credible evidence directly to the Inspector General, DoD.

Section C. Records retention and access. In each subaward you make under this award:

1. If the subaward is to an institution of higher education, nonprofit organization, State, local government, or Indian tribe:

- a. You must include the requirements of Section A of OAR Article II with the additional condition that, for any subrecipient under this award that does not have a federally approved rate for indirect or facilities and administrative costs and that does not use the de minimis rate described in 2 CFR 200.414(f), you must:
 - i. Require the subrecipient to keep records that support its indirect or facilities and administrative costs charged to the subaward for 3 years from the end of the fiscal year (or other accounting period) to which the costs apply; and
 - ii. Keep any plan or computation the subrecipient submits to you to serve as a basis for your determining the reasonableness and allowability of indirect or facilities and administrative costs of the subaward, for 3 years from the end of the fiscal year (or other accounting period) to which the proposal, plan, or computation applies.
 - b. You must include the requirements of Sections B, C, and F of OAR Article II.
 - c. You must include provisions that enable you to comply with the requirements of Section D of OAR Article II concerning records for joint or long-term use.
 - d. You must include provisions that establish the same rights and responsibilities for the subrecipient under the subaward that Section E of OAR Article II establishes.
 - e. You may not impose any other record retention or access requirements on the subrecipient.
2. If the subaward is to a for-profit entity, you must include the records retention and access provisions of 32 CFR 34.42.

Section D. Remedies and termination. The terms and conditions of each subaward you make under this award should specify your rights and responsibilities and those of the subrecipient if you take a remedial action to address a subrecipient's noncompliance with an applicable Federal statute or regulation or the terms and conditions of your subaward. Each subaward's terms and conditions should:

1. Identify remedial actions you may take to address the subrecipient's noncompliance. Available remedies are described in:
 - a. OMB guidance in 2 CFR 200.338 for a subaward to an institution of higher education, nonprofit organization, State, local government, or Indian tribe; and
 - b. 32 CFR 34.52 for a subaward to a for-profit entity.
2. With respect to termination specifically:
 - a. Identify conditions under which you, the subrecipient, or both (by mutual agreement) may terminate the subaward, in whole or in part, as described in:
 - i. OMB guidance in 2 CFR 200.339(a) for a subaward to an institution of higher education, nonprofit organization, State, local government, or Indian tribe; and

- ii. 32 CFR 34.51 for a subaward to a for-profit entity.
 - b. Inform the subrecipient that you will provide it with a notice of termination if you unilaterally terminate the award.
 - c. Specify that you and the subrecipient remain responsible for applicable requirements addressed in Sections G and H of this Article concerning closeout, post-closeout adjustments, and continuing responsibilities.
3. With respect to either suspension or termination of the subaward, inform the subrecipient about the criteria that you will use to either allow or disallow subaward costs, which are in:

- a. Section C of OAR Article III for a subaward to an institution of higher education, nonprofit organization, State, local government, or Indian tribe; and
- b. 32 CFR 34.52(c) for a subaward to a for-profit entity.

Section E. Disputes, hearings, and appeals. Each subaward’s terms and conditions should specify any rights the subrecipient has to a hearing, appeal, or other administrative proceeding if it disputes a decision you render in administering its subaward. You must comply with any statute or regulation that affords the subrecipient an opportunity for a hearing, appeal, or other administrative proceeding and is applicable to the dispute.

Section F. Collection of amounts due. Although your subaward terms and conditions do not need to include any of the requirements of OAR Article V because those requirements do not flow down to subrecipients, you should consider including provisions to specify what you would need from the subrecipient if you owed a debt to the Government under this award that is related to its subaward.

Section G. Closeout.

1. In each subaward that you make to an institution of higher education, nonprofit organization, State, local government, or Indian tribe, you must include provisions to require the subrecipient to:
 - a. Liquidate all obligations that it incurred under the subaward not later than 90 calendar days after the end date of the period of performance of either the subaward or this award, whichever is earlier, unless you grant an extension.
 - b. Promptly refund to you any balances of unobligated cash that you advanced or paid to the subrecipient.
 - c. Submit to you:
 - i. Any information you need from the subrecipient to meet your responsibilities to us for an accounting of property, under Section D of OAR Article VI or 32 CFR 34.61, as applicable; and
 - ii. Not later than 90 calendar days after the end date of the period of performance of this award, unless you grant the subrecipient an extension, any information you need to meet your responsibilities to us for final reports.
2. In each subaward that you make to a for-profit entity, you must include the terms and conditions that you deem necessary for you to be able to comply with the requirements in OAR Article VI or 32 CFR 34.61, as applicable.

Section H. Post-closeout adjustments and continuing responsibilities.

You must include provisions in each subaward to require the subrecipient to provide what you need in order to comply with the requirements of OAR Article VII or 32 CFR 34.62, as applicable.

SUB Article IX. National policy requirements for subawards. (May 2016)**Section A. General.**

1. You must include provisions in the terms and conditions of each subaward you make to require the subrecipient entity's compliance with each of the national policy requirements in Sections B through D of this Article that you determine is applicable, given the type of entity receiving the subaward and activities it will be carrying out under the subaward.
2. If an entity to which you are about to make a subaward will not accept an award provision requiring its compliance with a national policy requirement that you determine to be applicable, you must alert the award administration office immediately. You may not omit an applicable national policy requirement in order to make the subaward.
3. If at any time during the performance of a subaward, you learn that--or receive a credible allegation that--the subrecipient is not complying with an applicable national policy requirement, you must alert the award administration office immediately.

Section B. Nondiscrimination national policy requirements. You must include provisions in each subaward to require the subrecipient's compliance with the nondiscrimination national policy requirements specified in NP Article I, as applicable.

Section C. Environmental national policy requirements. You must include provisions in each subaward to require that:

1. The subrecipient comply with all applicable Federal environmental laws and regulations, including those specified in NP Article II, as applicable.
2. Provide any information you need, when you need it, in order to comply with the requirement to immediately notify us of potential environmental impacts specified in paragraph 3 of NP Article II, as applicable, due to activities under the award (which includes subaward activities).

Section D. Other national policy requirements. You must include provisions in each subaward to require the subrecipient's compliance with the national policy requirements in the following portions of NP Article III of this award, as applicable:

1. Paragraph 1.
2. Paragraphs 3.a and b.

3. Paragraphs 4 through 14.

SUB Article X. Subrecipient monitoring and other post-award administration. (May 2016)

Section A. General requirement for subrecipient monitoring. You must do the post-award monitoring of the subrecipient’s activities under each subaward that is needed in order for you to ensure that:

1. The subrecipient carries out the portion of the substantive project or program under this award.
2. The subrecipient is using project funds under the subaward (including any cost sharing or matching the subrecipient provides that is counted as project funds in the approved budget of this award) for authorized purposes.
3. The subrecipient’s performance under the subaward is in compliance with applicable Federal statutes and regulations, and the terms and conditions of your subaward.

Section B. Subrecipient monitoring actions.

1. Required monitoring actions. You must, as part of your post-award monitoring of each subrecipient:
 - a. Review the financial and programmatic information that your subaward terms and conditions require the subrecipient to provide, in accordance with Sections B and C of SUB Article VII of this award.
 - b. Follow up and ensure that the subrecipient takes timely and appropriate action to remedy deficiencies detected through any means, including audits and on-site reviews.
 - c. With respect to audits of subrecipients that are required under FMS Article V of this award:
 - i. Verify that the subrecipient is audited in accordance with those requirements, as applicable (note that Section F of SUB Article IV requires you to include those audit requirements for the subrecipient in the subaward’s terms and conditions).
 - ii. Resolve and issue a management decision for audit findings that pertain to your subaward. Doing so is a requirement under either Section A or B of FMS Article V of this award (Section B requires that explicitly and Section A does so by implementing OMB guidance in 2 CFR 200.521, as well as other portions of Subpart F of that Part).
 - iii. Consider whether you need to adjust your own records related to this award based on results of audits, on-site reviews or other monitoring of the

subrecipient and, as applicable, notify the award administration office.

2. Other monitoring actions. OMB guidance in 2 CFR 200.331(e)(1) through (3) describes other actions that may be useful as part of your subrecipient monitoring program, depending on the outcomes of the pre-award risk assessment you conducted in accordance with Section B of SUB Article II.

Section C. Remedies and subaward suspension or termination. With respect to any subaward under this award, you must:

1. Consider whether you need to take any remedial action if you determine that the subrecipient is noncompliant with an applicable Federal statute or regulation or the terms and conditions of your subaward, as described in Section D of SUB Article VIII.
2. Provide a notice of termination to the subrecipient if you terminate its subaward unilaterally for any reason prior to the end of the period of performance.
3. In the case of either suspension or termination of a subaward prior to the end of the period of performance, allow or disallow subaward costs in accordance with Section C of OAR Article III.

Section D. Subaward closeout.

1. You will close out each subaward when you either:
 - a. Determine that the subrecipient has completed its programmatic performance under the subaward and all applicable administrative actions; or
 - b. Terminate the subaward, if you do so prior to completion of the subrecipient's programmatic performance.
2. With respect to the closeout of each subaward:
 - a. You must pay the subrecipient promptly for allowable and reimbursable costs.
 - b. Consistent with the terms and conditions of the subaward, you must make a settlement for any upward or downward adjustments to the Federal share of costs after you receive the information you need from the subrecipient to close out the subaward.
 - c. You should complete the closeout of the subaward no later than one year after you receive and accept the final reports and other information from the subrecipient that you need to close out the subaward.

SUB Article XI. Requirements concerning subrecipients' lower-tier subawards. (Mar 2015)

Section A. Purpose. This Article specifies requirements you must include in any cost-type subaward under which you determine that the subrecipient of your subaward may make lower-tier cost-type subawards to other entities.

Section B. Requirements for lower-tier subawards. Your cost-type subaward terms and conditions must require your subrecipient, with respect to each lower-tier cost-type subaward that it makes, to:

1. Ensure that the lower-tier transaction is a subaward, rather than a procurement, by making the determination that SUB Article I of this award requires you to make for your subawards.
2. Conduct the pre-award risk assessment of its intended subrecipient that Section B of SUB Article II of this award requires you to make for your subawards.
3. Include in any cost-type subaward it makes at the next tier:
 - a. The informational content that SUB Article III specifies;
 - b. The administrative requirements that SUB Articles IV through VIII of this award specify;
 - c. The national policy requirements that SUB Article IX of this award specifies, as applicable; and
 - d. The requirements of this Article if the next-tier subrecipient may make even lower-tier cost-type subawards to other entities.
4. Carry out the subrecipient monitoring and other post-award administration responsibilities specified in SUB Article X of this award.

SUB Article XII. Fixed-amount subawards. (May 2016)**Section A. Limitations on use.**

1. You may not use a fixed-amount subaward:
 - a. If the total value over the life of the subaward will exceed the simplified acquisition threshold.
 - b. Unless the project or program scope is specific, with definite outcomes, and you are able to establish a reasonable estimate of the actual costs of accomplishing those outcomes.

- c. If you will predetermine a set amount or percentage of cost sharing or matching that the subrecipient must provide under the subaward.
 - d. If the subrecipient will acquire any real property or equipment under the subaward.
2. For fixed-amount subawards not prohibited by paragraph 1 of this Section, you must obtain our prior approval before making a fixed-amount type of subaward.
 - a. Section A of FMS Article IV or 32 CFR 34.15(c)(2)(vi), as applicable, requires you to obtain our prior approval before you make any subaward. If you do not identify the subaward as a fixed-amount subaward when you obtain that approval, then you must subsequently request separate approval before awarding it as a fixed-amount type of subaward.
 - b. If a subaward is identified as a fixed-amount type of subaward in the budget you submit for our approval, then our approval of the budget is the required prior approval.

Section B. Use of fixed-amount subawards. A fixed-amount type subaward might be appropriate if you obtain the prior approval required by paragraph A.2 of this Article and:

1. You determine that the portion of the project or program under this award which the subrecipient will be carrying out under the subaward has one or more specific outcomes with the following characteristics:
 - a. You can define the outcomes well enough to specify them at the time you make the subaward. Note that outcomes are distinct from inputs needed to achieve the outcomes, such as amounts or percentages of time that subrecipient employees or other participants will spend on the project or program.
 - b. The accomplishment of each outcome will be observable and verifiable by you when it occurs, so that you will not need to rely solely on the subrecipient's assurance of that accomplishment.
 - c. The subrecipient associates its projected costs with outcomes in the proposal it submits to you, and you are confident that the costs of accomplishment of the outcomes will equal or exceed the subaward amount. This requires either that you have a high degree of confidence:
 - i. In your estimate of the costs associated with accomplishing the well-defined and observable outcomes, based on the prospective subrecipient's proposal (and using the applicable cost principles in FMS Article III as a guide); or
 - ii. That those costs will be within a finite range, rather than a specific amount, so that you may provide an amount of funding under the subaward that does not exceed the lower end of the range, with the provision that the subrecipient

agrees to provide any balance above that amount that ultimately is needed to accomplish the outcomes. Your subaward then would include a term or condition to reflect the subrecipient's agreement to provide that balance (which would be in an amount to be post-determined, when the outcomes are accomplished). Note that this is distinct from a situation in which you predetermine a set amount or percentage of cost sharing or matching that the subrecipient must provide under its subaward, a situation in which paragraph A.1.c of this Article prohibits use of a fixed-amount subaward.

2. The subaward is based on a fixed rate per unit of outcome (or "unit cost") and you have both the confidence:
 - a. That is described in paragraph B.1.c of this Article in the estimated costs associated with each unit of outcome; and
 - b. In the subrecipient's guarantee that it can accomplish at least the number of units of outcome on which your total subaward amount will be based (i.e., the product of the unit cost and the number of units of outcome the subrecipient guarantees to accomplish).
3. Note, however, that not every fixed rate subaward is also a fixed-amount subaward. If you have confidence in the unit cost but not also in the subrecipient's ability to guarantee the number of units of outcome that it will accomplish, then you should set a not-to-exceed award amount based on the number of units desired and reduce the subaward amount at the end if the subrecipient accomplishes fewer than that number.

Section C. Informational content of fixed-amount subawards. You must include in each fixed-amount subaward the informational content, other than the indirect cost rate, that is described in SUB Article III of this award.

Section D. Terms and conditions addressing administrative requirements.

1. General. This Section:
 - a. Specifies the minimum set of terms and conditions (in lieu of the more extensive set specified in SUB Articles IV through X for cost-type subawards) addressing administrative requirements that you must include in each fixed-amount subaward.
 - b. Does not preclude the inclusion of other requirements that you need in order to meet your responsibilities under this award for performance of the project or program and compliance with applicable administrative and national policy requirements.

2. Financial and program management requirements.
 - a. Financial management system standards. For a subaward to other than a for-profit entity, your subaward must require the subrecipient to include the information specified in paragraph B.1 of FMS Article I in its financial management system, for the purposes of the non-federal audits required by paragraph 2.d of this Section.
 - b. Payments. Your payments must be based on accomplishment of the outcomes and associated costs that you used to establish the award amount, rather than on subrecipient expenditures for project or program purposes. Milestone payments before the end of the subaward's period of performance may be appropriate if there are outcomes that the subrecipient will accomplish at different times during that period.
 - c. Revision of budget and program plans. You must:
 - i. Request our prior approval for any change in principal investigator, project leader, project partner, or scope or objective of the subaward; and
 - ii. Therefore include a requirement in the subaward for the subrecipient to request that approval through you.
 - d. Non-federal audits. You must include the requirement for non-Federal audits described in Section F of SUB Article IV. The audits are intended to focus on compliance with the performance requirements in the subaward terms and conditions and not to review actual costs as they would for a cost-type subaward.
3. Intangible property. You must include the applicable intangible property requirements described in Section F of SUB Article V.
4. Reporting requirements. You must include requirements for reporting that you need in order to meet your responsibilities under this award for reporting to us.
5. Other administrative requirements.
 - a. Records retention and access.
 - i. You must include the requirements for records retention and access in paragraph A.3 and Sections B and F of OAR Article II, as applicable, if the subaward is to an institution of higher education, nonprofit organization, State, local government, or Indian tribe. You may not impose any other records retention or access requirements on the subrecipient.
 - ii. You must include the corresponding requirements of 32 CFR 34.42 if the subaward is to a for profit entity.

- b. Remedies and termination. You must include:
 - i. The requirements concerning remedies and termination that are described in paragraphs D.1 and 2 of SUB Article VIII;
 - ii. Provisions addressing any hearing and appeal rights the subrecipient has, as described in Section E of SUB Article VIII; and
 - iii. Terms and conditions addressing adjustment of the amount of the subaward based on review of the actual costs incurred if it is terminated before the subrecipient accomplishes all of the specified outcomes.
 - c. Continuing responsibilities. You must include requirements concerning continuing responsibilities for audits and records retention and access that are described in paragraphs B.1 and 3 of OAR Article VII or in 32 CFR 34.62, as applicable.
 - d. Collection of amounts due. You should consider including requirements concerning collection of amounts due, as described in Section F of SUB Article VIII.
6. Required certification. You must:
- a. Include a requirement for the subrecipient to provide to you the certification required by 2 CFR 200.201(b)(3); and
 - b. Include terms and conditions addressing adjustment of the amount of the subaward if the required level of activity or effort is not carried out.

Section E. National policy requirements for fixed-amount subawards. You must include in the terms and conditions of each fixed-amount subaward the national policy requirements that SUB Article IX of this award specifies, as applicable.

Section F. Subrecipient monitoring and other post award administration. You must carry out the subrecipient monitoring and post-award administration actions specified in SUB Article X, as applicable.

Section G. Fixed-amount subawards at lower tiers.

1. Authority. If you wish to allow a subrecipient of a cost-type subaward to use fixed-amount subawards at the next tier, your subaward terms and conditions must require the subrecipient to submit a request through you to obtain our prior approval for use of that type of subaward.
2. Subaward requirements. If your subrecipient is authorized to use lower-tier fixed-amount subawards, as described in paragraph 1 of this Section, your subaward's terms and conditions must:
 - a. Require the subrecipient, before it makes any lower-tier fixed-amount subaward, to:
 - i. Ensure that the lower-tier transaction is a subaward, rather than a procurement, by making the determination that SUB Article I of this award requires you to make for your subawards.

- ii. Conduct the pre-award risk assessment of its intended subrecipient that Section B of SUB Article II of this award requires you to make for your subawards.
- b. Include the requirements specified in Sections A through F of this Article.

PART 10: FOR-PROFIT RECIPIENTS (May 2016)

Purpose of this part. The other parts of these general terms and conditions were designed to conform to 2 CFR Part 200, which generally does not apply to recipients that are for-profit entities, however, certain for-profit entities may also receive awards (10 U.S.C. 2411(1)(D)). This part prescribes general terms and conditions for your award if you are a for-profit entity. For requirements, this part refers to either:

1. Other parts within these general terms and conditions when requirements are the same for for-profit entities and other recipients; or
2. 32 CFR Part 34, “Administrative Requirements for Grants and Agreements with For-Profit Organizations,” when the requirements are different for for-profit entities than they are for other recipients.

FPR Article I. Definitions.

When this part incorporates requirements by reference, the definitions in the source the requirements incorporated apply. For example, when you are referred to 32 CFR Part 34 for requirements, the definitions in 32 CFR Part 34 apply. When you are referred to other parts of these general terms and conditions for requirements, the definitions in Part 1, “Definitions,” apply.

FPR Article II. Program requirements.

Part 2, “Program Requirements,” applies.

FPR Article III. National policy requirements.

Part 3, “National Policy Requirements,” applies.

FPR Article IV. Financial and program management.

Section A. System standards for for-profit entities. 32 CFR 34.11, “Standards for financial management systems,” applies.

Section B. Payments. 32 CFR 34.12, “Payment,” applies.

Section C. Allowable costs, period of availability of funds, and fee or profit. FMS Article III, “Allowable costs, period of availability of funds, and fee or profit,” applies.

Section D. Revision of budget and program plans. 32 CFR 34.15, “Revision of budget and program plans,” applies. Except for §34.15(c)(2) (iv), all of the prior approvals in 34.15(c)(1) through 34.15 (c)(3) are required. You must also obtain our prior approval if you wish to change the percentage of cost sharing or matching required under this award or use any third-party in-kind contribution that was not included in the most recently approved

budget toward cost sharing or matching required under this award (refer to 32 CFR 34.13(a)(6)).

Section E. Non-Federal audits. 32 CFR 34.16, “Audits,” applies.

Section F. Cost sharing or matching. 32 CFR 34.13, “Cost sharing or matching,” applies.

Section G. Program income. FMS Article VII, “Program income,” applies, modified by replacing the reference to “FMS Article II” in paragraph D.2.a with a reference to “32 CFR 34.12(f)”.

FPR Article V. Property administration.

32 CFR 34.21 through 34.25 apply.

FPR Article VI. Procurement procedures.

32 CFR 34.31, “Requirements,” applies.

FPR Article VII. Financial, programmatic, and property reporting.

Section A. Performance management, monitoring, and reporting. REP Article I, “Performance management, monitoring, and reporting,” applies.

Section B. Financial reporting. REP Article II, “Financial reporting,” applies.

Section C. Reporting on property. 32 CFR 34.21 through 34.25 apply.

Section D. Reporting on subawards and executive compensation. REP Article IV, “Reporting on subawards and executive compensation,” applies.

FPR Article VIII. Other administrative requirements.

Section A. Maintaining recipient information. OAR Article I, “Submitting and maintaining recipient information,” applies.

Section B. Records retention and access. 32 CFR 34.42, “Retention and access requirements for records,” applies.

Section C. Remedies and termination. 32 CFR 34.51, “Termination,” and 32 CFR 34.52, “Enforcement,” apply.

Section D. Claims, disputes and appeals. OAR Article IV, “Claims, disputes and appeals,” applies.

Section E. Collection of amounts due. OAR Article V, “Collection of amounts due,” applies.

Section F. Closeout. 32 CFR 34.61, “Closeout procedures,” applies.


Section G. Post-closeout adjustments and continuing responsibilities. 32 CFR 34.62, “Subsequent adjustments and continuing responsibilities,” applies.

FPR Article IX. Requirements related to subawards.

Part 9, “Requirements Related to Subawards,” applies.

Appendix A - DLA Form 1806

A. DLA Form 1806

PROCUREMENT TECHNICAL ASSISTANCE CENTER COOPERATIVE AGREEMENT PERFORMANCE REPORT			Prescribed by: Procurement Technical Assistance Program Sponsor: DLA Small Business (DB)	Form Approved OMB No. 0704-0320 Expires 11/30/2021
<p>The public reporting burden for this collection of information, 0704-0320, is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or burden reduction suggestions to the Department of Defense, Washington Headquarters Services, at whs.mc-alex.asd.mbx.dl-dof-information-collections@mail.mil. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p>				
1. Cooperative Agreement Number	2. Recipient's Name and Address	3. Unique Entity Identifier	5. Cooperative Agreement Period of Performance Starts: _____ Ends: _____	
		4. Report Type (Select)	6. Reporting Period End Date	
7. New Clients (cumulative)				
7.a. Number of small business concerns in block 7				
7.b. Number of distressed area concerns in block 7				
7.c. Number of covered small businesses in block 7				
8. Active Clients				
8.a. Number of small business concerns in block 8				
8.b. Number of distressed area concerns in block 8				
8.c. Number of covered small businesses in block 8				
9. Counseling Time (cumulative)				
9.a. Counseling time with small business concerns in block 9				
9.b. Counseling time with distressed area concerns in block 9				
9.c. Counseling time with covered small businesses in block 9				
10. Participated events (cumulative)				
11. Discuss progress made towards the achievement of performance goals including successes and/or difficulties experienced. If applicable, discuss action you have taken, or contemplate taking, to resolve problems.				
12. Discuss any development that has a significant impact, positive or negative, on the PTAC including problems, delays, or adverse conditions which will impair your ability to meet any of the cooperative agreement's requirements.				
13. Discuss any noteworthy client success stories facilitated by the PTAC's assistance and/or other significant programmatic accomplishments. Share any notable lessons learned and discuss promising practices that have improved program outcomes.				
14. Contract Awards by Federal Agencies (cumulative)				
14.a. Number of prime contract awards received by active clients that were awarded by Federal agencies				
14.b. Dollar value of awards in block 14.a.				
14.c. Number of awards received by active clients that are small business concerns in block 14.a.				
14.d. Dollar value of awards in block 14.c.				
14.e. Number of awards received by active clients that are covered small businesses in block 14.a.				
14.f. Dollar value of awards in block 14.e.				
15. Contract Awards by State and Local Governments (cumulative)				
15.a. Number of prime contract awards received by active clients that were awarded by State and local governments				
15.b. Dollar value of awards in block 15.a.				
15.c. Number of awards received by active clients that are small business concerns in block 15.a.				
15.d. Dollar value of awards in block 15.c.				
16. Subcontract Awards (cumulative)				
16.a. Number of subcontract awards received by active clients				
16.b. Dollar value of awards in block 16.a.				
16.c. Number of awards received by active clients that are small business concerns in block 16.a.				
16.d. Dollar value of awards in block 16.c.				
17. Number of survey respondents				
18. Results: survey question #1				
19. Results: survey question #2				
20. Results: survey question #3				
21. CERTIFICATION: By submitting this report, I certify that it is true, complete, and accurate to the best of my knowledge.				
21.a. Name and Title of Authorized Certifying Official		21.b. Telephone Number	21.c. Email Address	
21.d. Date Report Submitted (mm/dd/yyyy)		21.e. Signature		
				

DLA FORM 1806, FEB 2019

PDF (DLA)

B. PERFORMANCE REPORTING

You must collect and maintain current, complete and accurate information in order to complete and submit the DLA Form 1806. Performance achieved (including

contract awards reported) under this award may not be reported as an achievement on any other federal award.

C. REPORT SUBMISSION AND DUE DATES

You must submit interim reports for the periods ending on March 31, June 30, September 30 and December 31. The exception is if your cooperative agreement ends on one of these dates, in which case the report you submit for the period ending on that date will be your final report, as opposed to an interim report.

Interim reports are due no later than 30 days after the end of each reporting period. You must also submit a final report, which is due 120 days after the end of your cooperative agreement's period of performance. If a due date falls on a Saturday, Sunday, or holiday when Government offices are closed, the due date is extended until the following business day. Reports must be uploaded to DLA's Grant Management System (GMS).

D. DEFINITIONS AND DOCUMENTATION REQUIREMENTS

1. Active client means a contractor with which the PTAC has recorded at least 30 minutes of counseling time and/or has attended at least one participated event during the previous 12 month period. You can determine whether a client is active or not by counting back 12 months from any particular day; for reporting purposes, you must calculate your number of active clients as of the end of each reporting period. All contractors that you count as active clients must have provided information sufficient to satisfy the documentation standards below, including having explicitly stated intent to become a PTAC client. For example, having completed a PTAC enrollment form or similar document.

For the purpose of the active client standard, counseling time is counted cumulatively, which means that the 30 minute standard can be satisfied using the collective amount of counseling time amassed during a number of shorter periods. Apply the 12-month standard when designating active clients even if part or all of the counseling time occurred during a previous cooperative agreement. You must carry forward active clients from one cooperative agreement to another if the client continues to meet the 12-month standard regardless of when one cooperative agreement ends and another begins. If for any reason or at any time you do not expect to have subsequent contact with a contractor you must not continue to count that contractor as an active client, regardless of the time of its last contact with the PTAC.

DOCUMENTATION STANDARDS: You must maintain documentation to substantiate the active clients you report, which must include 1) the contractor's name, 2) the physical address of the contractor's primary location (you may rely on a client's representation as to what address it considers its primary location.), 3) a point of contact with contact information (e.g., phone number or email address), 4) if applicable, designation in any category of small business provided in the Federal Acquisition Regulation (FAR) for which the contractor qualifies (i.e., small disadvantaged businesses, women-owned small business, etc.), 5) evidence that the contractor has explicitly stated intent to become a PTAC client and 6) information that substantiates the contractor's status as an active client, such as a record of counseling time with the client and/or the name and date of participated event(s) the client has attended.

2. Contract has the meaning provided in Part 2 of the FAR, and for the purposes of reporting contracts in Block 14 of the 1806, also includes innovation and technology grants and other DoD-funded instruments. The buyer may be a Federal agency, a State or a local government. Subcontract means a contract entered into by a subcontractor for performance of a prime contract or a higher-tier subcontract. The contract or subcontract is reportable if the contractor or subcontractor that received it was an active client on the date of the award. You must only report obligated dollars. You must not report a maximum contract value or an estimated value of orders that may be placed under a contract at a future date.

You must have a process in place to collect and report information on contracts and subcontracts received by your active clients. Your process must be ongoing so that it allows you to collect information continually and to report up-to-date figures in each of your performance reports (i.e., interim and final). Report contracts and subcontracts as promptly as you can.

DOCUMENTATION STANDARDS: You must maintain documentation to substantiate the contracts and subcontracts you report, which must include 1) the client's name, 2) the date of the award, 3) designation as a contract or subcontract, 4) designation as an award (or subcontract as a result of an award) by a Federal agency, a State or a local government, 5) the obligated dollar value of the award, 6) a description of where you obtained information about the award 7) evidence of the award such as a copy of the contract, correspondence from the client or a copy of information you obtained from another source, and 8) in the case of a contract or subcontract received by a client that is not a small business concern, a statement from the client that the award was obtained as a result of assistance rendered by the PTAC.

3. Counseling time is PTAC staff time spent one-on-one interacting with a client, to include any preparation time that is attributable to the specific interaction. Counseling time is time that is attributable to an individual client during which professional guidance specific to the needs of the client is provided. The interaction with the client may be in person or via electronic media (e.g., telephone or computer).

You must track counseling time as the actual number of qualifying minutes and hours. Multiple PTAC staff members or individuals representing the client may participate simultaneously; however, you must not count any particular period of time more than once. For example, if two PTAC staff members hold a one hour meeting with a client that is represented by several individuals, this counts as one hour of counseling time.

With regard to email, PTAC staff time spent reading and/or responding to a specific inquiry received from a client is counseling time. You must not count any other type of email correspondence as counseling time. For example, you must not count sending a newsletter or a system-generated bid match as counseling time.

You must only report counseling time with active clients. This means that the client must have been active when the counseling time occurred; it does not mean that the client has to still be active when you report the counseling time. The only exception to this rule is that you may report counseling time spent with a new client before the client met the active client standard. For example, although a client is not active until you meet the 30 minute counseling time standard, you may report the full 30 minutes once the standard is met. This is the only scenario in which a portion of the counseling time you report might have actually occurred during a cooperative agreement other than the one you are reporting for.

The only exception to the requirement that counseling time is spent one-on-one with a client is counseling with regard to a specific teaming relationship between two (2) clients, such as a partnership under the DoD Mentor-Protégé Program or an opportunity for a subcontract. In this case, you must divide the total amount of counseling time by two and attribute it equally to each of the two clients participating.

You must not count travel time or time spent on administrative matters such as referrals to other sources of information or between numerous members of the PTAC staff as counseling time.

DOCUMENTATION STANDARDS: You must maintain documentation to substantiate the counseling time you report, which must include 1) the amount of counseling time, 2) the client's name, 3) the date of the counseling time, 3) the name of the PTAC staff member(s) that logged the counseling time and 4) a brief description of the assistance provided to the client.

4. Covered small business means a small business concern that received a DoD contract pursuant to a solicitation that included the provision at 252.219-7000, Advancing Small Business Growth.

5. Distressed area concern means a client located in a distressed area, which is based on the physical address of the client's primary location. Distressed areas are identified in the cooperative agreement. The PTAC may rely on the client's representation as to what address it considers its primary location. If your service area is identified by Bureau of Indian Affairs' regions, all contractors that are tribal, Native or Indian-owned are distressed area concerns. If the cooperative agreement does not specify distressed areas you are not required to track, segregate or report data concerning distressed area concerns.
6. New client means a contractor that meets the standard for "active client", which did not meet the standard for the previous reporting period and was not reported as an active client for that period. The previous reporting period might have been under a different cooperative agreement. Your new clients are usually a subset of your active clients. For example, if your report for the previous period indicated that you had 100 active clients and this report indicates that you have 105, then at least 5 of your clients are new.

DOCUMENTATION STANDARDS: You must maintain documentation to substantiate the new clients you report. Documentation standards for new clients are the same as those for active clients.

7. Participated event means a conference, workshop, seminar or other event in which PTAC staff participated to conduct PTAC business. To be reportable, the PTAC's participation in the event must have been recognized by its organizers (the event organizers might be the PTAC itself), for example, the PTAC hosted the event, was allotted time on the agenda or was provided exhibit space. Without other involvement, your sponsorship of an event, attendance at an event or referral of clients to an event does not constitute reportable participation.

Participated events encompass various types of events including, but not limited to, training, matchmaking, outreach and promotional events; however, only events attended by contractors that are clients or prospective clients are reportable. PTACs are expected to host and participate in a variety of the aforementioned events and must, at a minimum, host and present client group training twelve times per year through their center or subcenter(s). A participated event may be conducted in person or via electronic media (e.g. a live-streamed virtual meeting training class/webinar); however, PTAC staff must have been present and participating in the event. You must only report live events conducted in real-time as participated events. You may report an event that you co-host if it meets the standards for a participated event. You must not report a single event comprised of multiple breakout sessions as more than one event.

DOCUMENTATION STANDARDS: You must maintain documentation to substantiate the participated events you report, which must include 1) the name of the event, 2) the date of the event, 3) the event's agenda, program or similar document, 4) the location of the event, 5) a brief description of the PTAC's participation in the event, and 6) list of attendees when reasonably possible to create or obtain. When attendee list is not available, approximate number of attendees must be documented. 7) For events hosted by the PTAC or their

subrecipients, PTACs must maintain documentation to substantiate the business size or type (SB, LB, or Government) of attendees when that information may be gained from registration forms, sign in sheets, attendee lists, etc... For this purpose, the PTAC may rely on the business' assertion of their business size.

8. PTAC staff means individuals employed by the recipient or a subrecipient including individuals obtained under contract and third party volunteers acting on behalf of the PTAC. For the purposes of reporting counseling time or participated events conducted by third party volunteers, you may only report the contributions if the time spent either counseling clients or participating in an event, as applicable, represents a contribution that has been approved as a cost sharing contribution pursuant to the terms of your cooperative agreement. PTAC staff members that share time between the PTAC and other programs or that do other work are only considered PTAC staff when working on behalf of the PTAC.
9. Small business concern has the meaning provided in Part 2 of the FAR. Size standards are established on an industry-by-industry basis and the products or services offered by a particular client might be classified in two or more industries with different size standards; however, for the purpose of performance reporting you must designate clients only once as either a small business or not a small business. A client may qualify as a small business by meeting the size standard for any of its products or services. You must use this single designation in all areas of the performance report calling for information that pertains to clients that are small business concerns. For the purpose of the performance report, you may rely on an adequately informed client's representation that it meets the size standard, which is not meant to represent your small business status advisory opinion.

E. CLIENT SATISFACTION SURVEY

You must have a process in place to survey your clients and prospective clients' satisfaction with your PTAC. Your process must be ongoing so that it allows you to receive surveys continually (at least once per quarter) and to report up-to-date figures in each of your performance reports (i.e., interim and final).

Your survey must include the questions below and solicit feedback from respondents using the scale (5) Strongly agree; (4) Agree; (3) Neither agree nor disagree; (2) Disagree; (1) Strongly disagree. Survey respondents must also be provided the opportunity to opt out of answering a particular question by responding that the question is not applicable (N/A).

You must calculate and report the average rating provided by survey respondents. In calculating the average, only count respondents that answered the particular question, which may be less than total survey respondents. Do not count respondents that answer "N/A" when you make this calculation. You must count a particular survey respondent's feedback more than once if the respondent returned more than one survey and you must count all surveys returned regardless of the whether the respondent is an active client or not. Report survey results as promptly as you

can.

Mandatory survey statement and questions follow -

Question #1 –

PTACs are required to help businesses understand how to sell goods and services to U.S. governments.

_____ (name of the PTAC) _____ provided me with information about contracting-related processes and procedures used by Federal, State and/or local governments and/or assisted me by hosting an event where I was able to network with other businesses or government personnel to learn about government contracting or subcontracting opportunities or procedures.

Question #2 -

_____ (name of the PTAC) _____ staff is knowledgeable with regard to the terms, conditions, procedures, rules and regulations relating to contracts with Federal agencies, State and/or local governments.

Question #3 -

If requested, I was offered a one-on-one (in-person, via phone or online) counseling session within 30 days of my request.

DOCUMENTATION STANDARDS: You must maintain documentation to substantiate the survey results you report, which must include copies of all returned surveys.

F. GOALS

Performance goals coincide with the cooperative agreement's period of performance. Goals are established for –

1. Number of new clients;
2. Amount of counseling time; and
3. Number of participated events.

You must report cumulative progress towards your goals with each of your reports (i.e., interim and final). This means that each of your reports must include a collective total number for new clients, counseling time and participated events since the beginning of the cooperative agreement.

G. INSTRUCTIONS

Detailed report preparation instructions follow

BLOCK	REPORTING ITEM	INSTRUCTIONS
1	Cooperative Agreement Number	self explanatory
2	Recipient's name and address	self explanatory
3	Unique Entity Identifier	Enter the recipient's Data Universal Number System (DUNS) number.
4	Report Type	Enter "Interim" or "Final".
5	Period of Performance	Enter the start and end dates of the period of performance specified in the cooperative agreement.
6	Reporting Period End Date	Enter the ending date of the reporting period. For all PTACs, interim reports are due for the following reporting period end dates: March 31, June 30, September 30, and December 31. The exception is if your cooperative agreement ends on one of these dates, in which case you must submit your final report, as opposed to an interim report. In any case, you must also submit a final report for the reporting period that ends on the cooperative agreement's end date.
7	New clients - cumulative	Enter your number of new clients since the start of this cooperative agreement, as of the date in block 6.
7.a.	Number of small business concerns in block 7	Of the total in block 7., enter the number of clients that are small business concerns.
7.b.	Number of distressed area concerns in block 7	Of the total in block 7., enter the number of clients that are distressed area concerns. Leave this block blank if the cooperative agreement does not specify distressed areas.
7.c.	Number of covered small businesses in block 7	Of the total in block 7., enter the number of clients that are covered small businesses.
8	Number of active clients	Enter your number of active clients as of the date in block 6.
8.a.	Number of small business concerns in block 8	Of the total in block 8., enter the number of clients that are small business concerns.
8.b.	Number of distressed area concerns in block 8	Of the total in block 8., enter the number of clients that are distressed area concerns. Leave this block blank if the cooperative agreement does not specify distressed areas.
8.c.	Number of covered small businesses in block 8	Of the total in block 8., enter the number of clients that are covered small businesses.
9	Counseling time - cumulative	Enter the total amount of counseling time you have recorded since the start of this cooperative agreement, as of the date in block 6. Sum the actual number of qualifying minutes and hours and report the total rounded to the nearest whole hour.
9.a.	Counseling time with small business concerns in block 9	Of the total in block 9., enter the amount of counseling time recorded with clients that are small business concerns. Round the reported amount to the nearest whole hour.
9.b.	Counseling time with distressed area concerns in block 9	Of the total in block 9., enter the amount of counseling time recorded with clients that are distressed area concerns. Round the reported amount to the nearest whole hour. Leave this block blank if the cooperative agreement does not specify distressed areas.
9.c.	Counseling time with covered small businesses in block 9	Of the total in block 9., enter the amount of counseling time recorded with clients that are covered small businesses. Round the reported amount to the nearest whole hour.
10	Participated events - cumulative	Enter the total number of participated events you conducted since the start of this cooperative agreement, as of the date in block 6.
11	Discussion (use a continuation sheet if necessary)	self explanatory. May also report report travel expenses and time spent working for APTAC here in accordance with PTAP Terms and Conditions, Part 2, Section I, Paragraph 3, "Memberships".
12	Discussion (use a continuation sheet if necessary)	Self explanatory. May also report travel expenses and time spent working for APTAC here in accordance with PTAP Terms and Conditions, Part 2, Section I, Paragraph 3, "Memberships".
13	Discussion (use a continuation sheet if necessary)	self explanatory. May also report travel expenses and time spent working for APTAC here in accordance with PTAP Terms and Conditions, Part 2, Section I, Paragraph 3, "Memberships".

BLOCK	REPORTING ITEM	INSTRUCTIONS
14	Contract Awards by Federal Agencies - cumulative	
14.a.	Number of prime contract awards received by active clients that were awarded by Federal agencies	Enter the number of prime contract awards by Federal agencies that were received by active clients since the start of this cooperative agreement, as of the date in block 6.
14.b.	Dollar value of awards in block 14.a.	Enter the dollar value of the awards in block 14.a.
14.c.	Number of awards received by small business concerns in block 14.a.	Of the total in block 14.a., enter the number of awards received by active clients that are small business concerns.
14.d.	Dollar value of awards in block 14.c.	Enter the dollar value of the awards in block 14.c.
14.e.	Number of awards received by covered small businesses in block 14.a.	Of the total in block 14.a., enter the number of awards received by active clients that are covered small businesses.
14.f.	Dollar value of awards in block 14.e.	Enter the dollar value of the awards in block 14.e.
15	Contract awards by State and local governments - cumulative	
15.a.	Number of prime contract awards received by active clients that were awarded by State and local governments	Enter the number of prime contract awards by State and local governments that were received by active clients since the start of this cooperative agreement, as of the date in block 6.
15.b.	Dollar value of awards in block 15.a.	Enter the dollar value of the awards in block 15.a.
15.c.	Number of awards received by small business concerns in block 15.a.	Of the total in block 15.a., enter the number of awards received by active clients that are small business concerns.
15.d.	Dollar value of awards in block 15.c.	Enter the dollar value of the awards in block 15.c.
16	Subcontract awards - cumulative	
16.a.	Number of subcontract awards received by active clients	Enter the number of subcontract awards resulting from prime contracts with Federal agencies, State and local governments received by active clients since the start of this cooperative agreement, as of the date in block 6.
16.b.	Dollar value of awards in block 16.a.	Enter the dollar value of the awards in block 16.a.
16.c.	Number of awards received by small business concerns in block 16.a.	Of the total in block 16.a., enter the number of awards received by active clients that are small business concerns.
16.d.	Dollar value of awards in block 16.c.	Enter the dollar value of the awards in block 16.c.
	Blocks 17, 18, 19 and 20 are cumulative - report surveys returned since the start of this cooperative agreement, as of the date in block 6.	
17	Number of survey respondents	Enter the total number of surveys counted in making the calculations for blocks 18, 19 and 20. Although a single returned survey might be used to make more than one of the calculations, do not count a survey more than once in showing this total.
18	Results: survey question #1	Enter the average rating provided for the first mandatory question, rounded to two decimal places (i.e., N.NN). Only count respondents that answered the question.
19	Results: survey question #2	Enter the average rating provided for the second mandatory question, rounded to two decimal places (i.e., N.NN). Only count respondents that answered the question.
20	Results: survey question #3	Enter the average rating provided for the third mandatory question, rounded to two decimal places (i.e., N.NN). Only count respondents that answered the question.
21	Certification	self explanatory